NINETY-FIRST DAY

St. Paul, Minnesota, Friday, April 3, 1992

The Senate met at 1:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Monsignor John C. Ward.

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

Adkins	DeCramer	Johnston	Moe, R.D.	Riveness
Beckman	Dicklich	Kelly	Mondale	Sams
Belanger	Finn	Knaak	Morse	Samuelson
Benson, D.D.	Flynn	Kroening	Neuville	Solon
Benson, J.E.	Frank	Laidig	Novak	Spear
Berg	Frederickson, D.J.	Langseth	Olson	Stumpf
Berglin	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bernhagen	Gustafson	Lessard	Pariseau	Traub
Bertram	Halberg	Luther	Piper	Vickerman
Brataas	Hottinger	Marty	Pogemiller	Waldorf
Chmielewski	Hughes	McGowan	Price	
Cohen	Johnson, D.E.	Mehrkens	Ranum	
Dahl	Johnson, D.J.	Merriam	Reichgott	
Davis	Johnson, J.B.	Metzen	Renneke	

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

April 1, 1992

The Honorable Jerome M. Hughes
President of the Senate

Dear President Hughes:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 720, 1300, 1689, 1919 and 2210.

Warmest regards,

Arne H. Carlson, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 2028.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 2, 1992

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House 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.

There has been appointed as such committee on the part of the House:

Bishop, Vellenga and Solberg.

Senate File No. 1619 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 2, 1992

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House 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.

There has been appointed as such committee on the part of the House:

Peterson, Brown and Knickerbocker.

Senate File No. 2514 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 2, 1992

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 2623, 2121 and 2940.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 2, 1992

FIRST READING OF HOUSE BILLS

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

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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2344, now on General Orders.

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.

Mr. Moe, R.D. moved that H.F. No. 2121 be laid on the table. The motion prevailed.

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.

Mr. Moe, R.D. moved that H.F. No. 2940 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS

SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

CALENDAR

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Ranum
Beckman	DeCramer	Johnson, J.B.	Metzen	Reichgott
Belanger	Dicklich	Johnston	Moe, R.D.	Renneke
Benson, D.D.	Finn	Kelly	Mondale	Riveness
Benson, J.E.	Flynn	Knaak	Morse	Sams
Berg	Frank	Kroening	Neuville	Spear
Berglin	Frederickson, D.J.	Laidig	Novak	Stumpf
Bernhagen	Frederickson, D.R.	Langseth	Olson	Terwilliger
Bertram	Gustafson	Larson	Pappas	Traub
Brataas	Halberg	Lessard	Pariseau	Vickerman
Chmielewski	Hottinger	Luther	Piper	Waldorf
Cohen	Hughes	Marty	Pogemiller	
Dahl	Johnson, D.E.	McGowan	Price	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Ranum
Beckman	DeCramer	Johnson, J.B.	Metzen	Reichgott
Belanger	Dicklich	Johnston	Moe, R.D.	Renneke
Benson, D.D.	Finn	Kelly	Mondale	Riveness
Benson, J.E.	Flynn	Knaak	Morse	Sams
Berg	Frank	Kroening	Neuville	Spear
Berglin	Frederickson, D.J.	Laidig	Novak	Stumpf
Bernhagen	Frederickson, D.R.	Langseth	Olson	Terwilliger
Bertram	Gustafson	Larson	Pappas	Traub
Brataas	Halberg	Lessard	Pariseau	Vickerman
Chmielewski	Hottinger	Luther	Piper	Waldorf
Cohen	Hughes	Marty	Pogemiller	
Dahl	Johnson, D.E.	McGowan	Price	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Ranum
Beckman	DeCramer	Johnson, J.B.	Metzen	Reichgott
Belanger	Dicklich	Johnston	Moe, R.D.	Renneke
Benson, D.D.	Finn	Kelly	Mondale	Riveness
Benson, J.E.	Flynn	Knaak	Morse	Sams
Berg	Frank	Kroening	Neuville	Samuelson
Berglin	Frederickson, D.J.	Laidig	Novak	Spear
Bernhagen	Frederickson, D.R.	Langseth	Olson	Stumpf
Bertram	Gustafson	Larson	Pappas	Terwilliger
Brataas	Halberg	Lessard	Pariseau	Traub
Chmielewski	Hottinger	Luther	Piper	Vickerman
Cohen	Hughes	Marty	Pogemiller	Waldorf
Dahl	Johnson, D.E.	McGowan	Price	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Johnson, J.B.	Metzen	Reichgott
Beckman	DeCramer	Johnston	Moe, R.D.	Renneke
Belanger	Dicklich	Kelly	Mondale	Riveness
Benson, D.D.	Finn	Knaak	Morse	Sams
Benson, J.E.	Flynn	Kroening	Neuville	Spear
Berg	Frank	Laidig	Novak	Stumpf
Berglin	Frederickson, D.J.	Langseth	Olson	Terwilliger
Bernhagen	Frederickson, D.R.	Larson	Pappas	Traub
Bertram	Gustafson	Lessard	Pariseau	Vickerman
Brataas	Halberg	Luther	Piper	Waldorf
Chmielewski	Hottinger	Marty	Pogemiller	
Cohen	Johnson, D.E.	McGowan	Price	
Dahl	Johnson, D.J.	Mehrkens	Ranum	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, J.B.	Metzen	Reichgott
Beckman	DeCramer	Johnston	Moe, R.D.	Renneke
Belanger	Dicklich	Kelly	Mondale	Riveness
Benson, D.D.	Finn	Knaak	Morse	Sams
Benson, J.E.	Flynn	Kroening	Neuville	Samuelson
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Halberg	Luther	Piper	Vickerman
Chmielewski	Hottinger	Marty	Pogemiller	Waldorf
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.J.	Mehrkens	Ranum	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Ranum
Beckman	DeCramer	Johnson, J.B.	Metzen	Reichgott
Belanger	Dicklich	Johnston	Moe, R.D.	Renneke
Benson, D.D.	Finn	Kelly	Mondale	Riveness
Benson, J.E.	Flynn	Knaak	Morse	Sams
Berg	Frank	Kroening	Neuville	Samuelson
Berglin	Frederickson, D.J.	Laidig	Novak	Spear
Bernhagen	Frederickson, D.R.	Langseth	Olson	Stumpf
Bertram	Gustafson	Larson	Pappas	Terwilliger
Brataas	Halberg	Lessard	Pariseau	Traub
Chmielewski	Hottinger	Luther	Piper	Vickerman
Cohen	Hughes	Marty	Pogemiller	Waldorf
Dahl	Johnson, D.E.	McGowan	Price	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, J.B.	Metzen	Reichgott
Beckman	Dicklich	Johnston	Moe, R.D.	Renneke
Belanger	Finn	Kelly	Mondale	Riveness
Benson, D.D.	Flynn	Knaak	Morse	Sams
Benson, J.E.	Frank	Kroening	Neuville	Samuelson
Berg	Frederickson, D.J.	Laidig	Novak	Spear
Berglin	Frederickson, D.R.	Langseth	Olson	Stumpf
Bernhagen	Gustafson	Larson	Pappas	Terwilliger
Bertram	Halberg	Lessard	Pariseau	Traub
Chmielewski	Hottinger	Luther	Piper	Vickerman
Cohen	Hughes	Marty	Pogemiller	Waldorf
Dahl	Johnson, D.E.	McGowan	Price	
Davis	Johnson, D.J.	Mehrkens	Ranum	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 49 and nays 14, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Hottinger	Lessard	Renneke
Beckman	Davis	Hughes	McGowan	Riveness
Belanger	DeCramer	Johnson, D.J.	Mehrkens	Sams
Benson, D.D.	Dicklich	Johnson, J.B.	Metzen	Samuelson
Benson, J.E.	Finn	Johnston	Moe, R.D.	Solon
Berg	Frank	Knaak	Neuville	Stumpf
Bernhagen	Frederickson, D.J.	Kroening	Olson	Terwilliger
Bertram	Frederickson, D.R.	Laidig	Pariseau	Vickerman
Brataas	Gustafson	Langseth	Ranum	Waldorf
Chmielewski	Halberg	Larson	Reichgott	

Those who voted in the negative were:

Berglin	Johnson, D.E.	Mondale	Pappas	Spear
Cohen	Luther	Morse	Piper	Traub
Flynn	Marty	Novak	Price	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Johnston	Moe, R.D.	Renneke
Belanger	Finn	Kelly	Mondale	Riveness
Benson, D.D.	Flynn	Knaak	Morse	Sams
Benson, J.E.	Frank	Kroening	Neuville	Samuelson
Berg	Frederickson, D.J.	Laidig	Novak	Solon
Berglin	Frederickson, D.R.	Langseth	Olson	Spear
Bernhagen	Gustafson	Larson	Pappas	Stumpf
Bertram	Halberg	Lessard	Pariseau	Terwilliger
Chmielewski	Hottinger	Luther	Piper	Traub
Cohen	Hughes	Marty	Pogemiller	Vickerman
Dahl	Johnson, D.E.	McGowan	Price	Waldorf
Davis	Johnson, D.J.	Mehrkens	Ranum	
DeCramer	Johnson, J.B.	Metzen	Reichgott	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	DeCramer	Kelly	Moe, R.D.	Riveness
Beckman	Finn	Knaak	Mondale	Sams
Benson, D.D.	Flynn	Kroening	Morse	Samuelson
Benson, J.E.	Frank	Laidig	Novak	Solon
Berg	Frederickson, D.J.	Langseth	Olson	Spear
Berglin	Gustafson	Larson	Pariseau	Stumpf
Bernhagen	Halberg	Lessard	Piper	Traub
Bertram	Hottinger	Luther	Pogemiller	Vickerman
Chmielewski	Hughes	Marty	Price	
Cohen	Johnson, D.E.	McGowan	Ranum	
Dahl	Johnson, D.J.	Mehrkens	Reichgott	
Davis	Johnson, J.B.	Metzen	Renneke	

Mr. Belanger, Ms. Johnston, Messrs. Terwilliger and Waldorf voted in the negative.

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that H.F. No. 2940 be taken from the table. The motion prevailed.

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.

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 2940 and that the rules of the Senate be so far suspended as to give H.F. No. 2940 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 2940 was read the second time.

Mr. Johnson, D.J. moved to amend H.F. No. 2940 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 2940, and insert the language after the enacting clause, and the title, of S.F. No. 2755, the second engrossment.

The motion prevailed. So the amendment was adopted.

Mr. Pogemiller moved to amend H.F. No. 2940, as amended by the Senate April 3, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2755.)

Pages 176 and 177, delete section 1 and insert:

"Section 1. [STATE COLLECTIONS.]

The attorney general and commissioners of finance and revenue shall review and evaluate the state's collection of debts and obligations. The attorney general and the commissioners shall identify improvements in the systems, procedures, and policies that are appropriate for the state's fair and efficient collection of debts and obligations, including but not limited to policies, procedures, and systems to govern the timing and circumstances whereby debts and obligations are collected.

By September 1, 1992, the attorney general and the commissioners shall report their recommendations to the legislative commission on planning and fiscal policy for identifying and improving the collection of debts and obligations. The commission may direct the establishment of a collections system, provide for transfer of information necessary for the collection of debts and obligations, and take other action to facilitate the fair and efficient collection of debts and obligations. Data transferred to the system are subject to Minnesota Statutes, section 13.03, subdivision 4. The attorney general and the commissioners may publish a request for proposals that provides that initial staffing and operating costs of the collections system be advanced by a contractor to the state.

Money collected by the system from delinquent accounts receivable is appropriated to the agency or agencies which operate the system to pay the costs of the system's establishment and operation. Collections in excess of

these costs must be credited to the accounts to which they are due. After the start-up costs have been recovered, operating costs must not exceed 25 percent of the amounts collected."

Amend the title accordingly

Mr. Merriam moved to amend the Pogemiller amendment to H.F. No. 2940 as follows:

Page 2, delete lines 5 to 11

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

The question recurred on the Pogemiller amendment. The motion prevailed. So the amendment was adopted.

Mr. Marty moved to amend H.F. No. 2940, as amended by the Senate April 3, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2755.)

Page 114, after line 13, insert:

"Sec. 10. 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) the amount of the personal exemption reduction as provided under section 290.0803.

Sec. 11. 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) the amount by which the taxpayer's personal exemption amount is reduced under section 151(d)(3) of the Internal Revenue Code."

Page 115, after line 13, insert:

"Sec. 13. Minnesota Statutes 1991 Supplement, 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. 14. [290.0803] [PERSONAL EXEMPTION REDUCTION.]

In the case of any taxpayer whose adjusted gross income determined under section 62 of the Internal Revenue Code of 1986, as amended through December 31, 1991, for the taxable year exceeds the threshold amount, the amount taken as a deduction for personal exemptions under section 151 of the Internal Revenue Code of 1986, as amended through December 31, 1991, prior to application of section 151(d)(3), shall be reduced by the applicable percentage. The amount determined under this section shall be added to federal taxable income under section 290.01, subdivision 19a, clause (5).

As used in this section, the term "applicable percentage" means two percentage points for each $1,000 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds the threshold amount. In the case of a married individual filing a separate return, the preceding sentence shall be applied by substituting "$500" for "$1,000." In no event shall the applicable percentage exceed 100 percent.

As used in this section, the term "threshold amount" means:

(1) $100,000 in the case of a joint return or a surviving spouse as defined in section 2(a) of the Internal Revenue Code of 1986, as amended through December 31, 1991;

(2) $83,350 in the case of a head of a household as defined in section 2(b) of the Internal Revenue Code of 1986, as amended through December 31, 1991;

(3) $66,650 in the case of an individual who is not married and who is not a surviving spouse or head of a household; and

(4) $50,000 in the case of a married individual filing a separate return."

Page 117, line 14, after "*10*" insert "*to 14*"

Renumber the sections of article 5 in sequence and correct the internal references

Pages 122 and 123, delete section 9

Page 125, delete section 16

Renumber the sections of article 6 in sequence and correct the internal references

Amend the title accordingly

CALL OF THE SENATE

Mr. Johnson, D.J. imposed a call of the Senate for the balance of the proceedings on H.F. No. 2940. The Sergeant at Arms was instructed to bring in the absent members.

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

The roll was called, and there were yeas 30 and nays 35, as follows:

Those who voted in the affirmative were:

Beckman	Dicklich	Hottinger	Metzen	Piper
Berglin	Finn	Johnson, J.B.	Mondale	Ranum
Chmielewski	Flynn	Kelly	Morse	Sams
Cohen	Frank	Kroening	Neuville	Solon
Davis	Frederickson, D.J.	Luther	Novak	Vickerman
DeCramer	Frederickson, D.R.	Marty	Pappas	Waldorf

Those who voted in the negative were:

Adkins	Brataas	Johnston	Mehrkens	Renneke
Belanger	Dahl	Knaak	Moe, R.D.	Riveness
Benson, D.D.	Gustafson	Laidig	Olson	Samuelson
Benson, J.E.	Halberg	Langseth	Pariseau	Spear
Berg	Hughes	Larson	Pogemiller	Stumpf
Bernhagen	Johnson, D.E.	Lessard	Price	Terwilliger
Bertram	Johnson, D.J.	McGowan	Reichgott	Traub

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

Mr. Johnson, D.J. moved to amend H.F. No. 2940, as amended by the Senate April 3, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2755.)

Page 2, line 51, after "each" insert "*intergovernmental aid*"

Page 3, line 7, delete "*clause*" and insert "*paragraph*"

Page 4, line 15, after "7" insert ", *paragraph (a)*"

Page 4, line 22, delete "*$2,274,000*" and insert "*$978,000*"

Page 4, line 28, delete "*corrections equalization formula*" and insert "*county corrections aid*"

Page 4, line 32, after "*formula*" insert "*under section 401.10,*"

Page 5, line 19, delete "*and*"

Page 5, line 21, after "*1993*" insert "*; and*

(10) in fiscal year 1994 and subsequent years, $1,000,000 annually for payment of state aid to local police and salaried firefighter relief associations under section 423A.02, subdivision 1a. Payments shall cease when the unfunded accrued liabilities of the associations are fully amortized"

Page 9, line 28, after "entity" insert ", *except aid provided under subdivisions 4 and 5,*"

Page 9, line 33, after the comma, insert "*and an amount sufficient to pay the aids and credits under subdivisions 4 and 5 for school districts, intermediate school districts, or any group of school districts levying as a single taxing entity*"

Page 11, line 24, after "*reported*" insert "*as of June 1*"

Page 12, line 1, delete "*July 20*"

Page 12, delete line 2 and insert "*the dates provided for payment of aids under section 477A.015*"

Page 14, line 28, delete "*errors*" and insert "*error*"

Page 35, lines 20 to 34, delete the new language and reinstate the stricken language

Page 40, lines 24 to 27, delete the new language and reinstate the stricken language

Page 41, line 1, reinstate the stricken language

Page 41, line 2, delete the new language

Page 41, line 3, delete "*of*" and insert "*defined in*"

Page 43, delete lines 16 to 24 and insert:

"*(c) "Low- and moderate-income families" means individuals or families with 100 percent or less of area median gross income.*"

Page 43, line 25, before "*A*" insert "*With regard to buildings, the construction of which had been commenced after December 31, 1982; or the project of which the building was a part was approved by the governing body of the municipality in which it is located subsequent to June 29, 1983; or financing of the project had been approved by a federal or state agency subsequent to June 29, 1983,*"

Page 89, line 5, delete "*year preceding that*" and insert "*payable year*"

Page 89, delete lines 32 and 33

Page 90, lines 2 and 3, strike "unique"

Page 90, line 4, delete "*certified*"

Page 90, line 7, delete "*plus the net tax capacity*"

Page 90, line 8, delete the new language and strike "The aid shall be allocated to"

Page 90, strike lines 9 to 11 and insert "*Except for education districts and secondary cooperatives that receive revenue according to section 124.2721 or 125.575, payment will not be made to any taxing jurisdiction that has ceased to levy a property tax.*"

Page 105, line 10, delete "*29, and*" and insert "*14, 15, and 28 to*"

Page 105, line 11, delete "*26, and 27*" and insert "*25, and 26*"

Page 105, line 13, delete "*5*" and insert "*4*"

Page 105, line 15, delete "*and 6*" and insert ", *5 to 7, and 13*"

Page 105, line 21, delete "*17 and 19*" and insert "*16 to 18*"

Page 105, line 23, after the period, insert "*Section 19 is effective for*

costs incurred after June 30, 1992. Section 20 is effective July 1, 1982, and thereafter. Section 21 is effective June 1, 1990, and thereafter, provided further that no refunds of overpayments and no collection of underpayments will be made for fees paid prior to June 1, 1990." and delete "*23*" and insert "*22*"

Page 105, line 24, delete "*24*" and insert "*23*"

Page 105, line 25, delete "*25*" and insert "*24*"

Page 122, after line 6, insert:

"Sec. 9. Minnesota Statutes 1990, section 297A.25, subdivision 7, is amended to read:

Subd. 7. [PETROLEUM PRODUCTS.] The gross receipts from the sale of and storage, use or consumption of the following petroleum products are exempt:

(1) products upon which a tax has been imposed and paid under the provisions of chapter 296, and no refund has been or will be allowed because the buyer used the fuel for nonhighway use, ~~or~~

(2) products which are used in the improvement of agricultural land by constructing, maintaining, and repairing drainage ditches, tile drainage systems, grass waterways, water impoundment, and other erosion control structures; *or*

(3) products purchased by a transit system receiving financial assistance under section 174.24 or 473.384."

Page 122, line 19, after "*hospitals,*" insert "*municipally owned ambulance services licensed under chapter 144 and operated by volunteers,*"

Page 122, line 20, after the period, insert "*As used in this subdivision, "school districts" means public school entities and districts of every kind and nature organized under the laws of the state of Minnesota, including, without limitation, school districts, intermediate school districts, education districts, educational cooperative service units, secondary vocational cooperative centers, special education cooperatives, joint purchasing cooperatives, telecommunication cooperatives, regional management information centers, technical colleges, joint vocational technical districts, and any instrumentality of a school district, as defined in section 471.59.*"

Page 123, line 4, after "*sections*" insert "*115A.69, subdivision 6, 116A.25, 360.035,*" and after "*458A.30,*" insert "*458D.23, 469.101, subdivision 2, 469.127,*" and delete "*or*" and after "*473.448*" insert ", *473.545, or 473.608*"

Page 124, line 17, delete "*to the extent of the*"

Page 124, line 18, delete "*exemption provided*" and insert "*if the vehicles are not subject to taxation*"

Page 137, after line 20, insert:

"Sec. 25. Laws 1953, chapter 560, section 2, subdivision 3, is amended to read:

Subd. 3. [TAX ORDINANCE; AMENDMENT, REPEAL.] An ordinance adopted as heretofore provided in this act may be repealed or amended in the following manner: A petition signed by not less than two thousand (2,000) qualified electors of the city demanding repeal of the ordinance

shall be filed with the clerk. The petition shall identify the ordinance to be repealed by title, date of adoption and subject matter. The signatures to the petition need not all be appended to one paper, but each signer shall state his place of residence and street number. One of the signers of each such paper shall make oath that the statements therein made are true, as he believes, and that each signature to the paper appended is the genuine signature of the person whose signature it purports to be.

Within 10 days from the date of filing such petition, the city clerk shall ascertain from the voters' register that the said petition is signed by the requisite number of qualified voters. The clerk shall attach to said petition his certificate, showing the result of said examination. If, by the clerk's certificate, the petition is shown to be insufficient, it may be amended within 10 days from the date of said clerk's certificate. The clerk shall, within 10 days after such amendment, make like examination of the amended petition, and if his certificate shall show the same to be insufficient it shall be returned to the person filing the same, without prejudice, however, to the filing of a new petition to the same effect. If the petition is deemed sufficient, the clerk shall submit the same to the council without delay. Within 10 days thereafter, the council shall provide for the submission to the electorate at the next general or special election held not less than 45 days thereafter of the question of repeal of the ordinance described in the petition. The question of repeal or amendment of said ordinance shall be submitted upon a separate ballot which shall summarize the substance of the ordinance proposed to be repealed or amended. If the majority of the electors voting upon the question vote in favor of the repeal of the ordinance, it shall be repealed or amended thereby effective on January 1 of the year next following. Such repeal shall not affect any right accrued, any duty imposed, any penalty incurred, or any proceeding commenced under or by virtue of the ordinance repealed. *If taxes levied under this section are pledged to or for the benefit of any bonds issued before January 1, 1993, then no pledge, mortgage, covenant, or agreement securing the bonds may be impaired, revoked, or amended by repeal or amendment of the ordinance under this subdivision, except in accordance with the terms of the resolution or indenture under which the bonds are issued, until the obligations of the city with respect to the bonds or with respect to bonds issued to refund those bonds have been fully discharged.* Any action or proceeding pending to enforce any right under the authority of the ordinance repealed shall and may be proceeded with and concluded under the ordinance in existence when the action or proceeding was instituted, notwithstanding the repeal of such ordinance."

Page 137, line 27, after the period, insert "*Sections 9 and 12 are effective for sales after May 31, 1992.*" and delete "9,"

Page 137, line 32, after the period, insert "*Section 25 is effective the day following final enactment, and upon approval by the governing body of the city of Duluth pursuant to Minnesota Statutes, section 645.021.*"

Renumber the sections of article 6 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Waldorf moved to amend H.F. No. 2940, as amended by the Senate April 3, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2755.)

Pages 23 to 26, delete sections 5 to 8

Renumber the sections of article 2 in sequence and correct the internal references

Amend the title accordingly

Pursuant to Rule 22, Mr. Gustafson moved to be excused from voting on the Waldorf amendment. The motion prevailed.

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

The roll was called, and there were yeas 40 and nays 20, as follows:

Those who voted in the affirmative were:

Beckman	Finn	Langseth	Mondale	Riveness
Berg	Flynn	Larson	Morse	Sams
Berglin	Frank	Lessard	Neuville	Samuelson
Bertram	Hottinger	Luther	Piper	Spear
Cohen	Johnson, D.E.	Marty	Pogemiller	Stumpf
Dahl	Johnson, D.J.	Merriam	Price	Traub
Davis	Johnson, J.B.	Metzen	Ranum	Vickerman
DeCramer	Kroening	Moe, R.D.	Reichgott	Waldorf

Those who voted in the negative were:

Adkins	Bernhagen	Hughes	McGowan	Pariseau
Belanger	Brataas	Johnston	Mehrkens	Renneke
Benson, D.D.	Chmielewski	Knaak	Olson	Solon
Benson, J.E.	Halberg	Laidig	Pappas	Terwilliger

The motion prevailed. So the amendment was adopted.

Mr. Benson, D.D. moved to amend H.F. No. 2940, as amended by the Senate April 3, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2755.)

Pages 133 and 134, delete section 22

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 35, as follows:

Those who voted in the affirmative were:

Beckman	Dahl	Johnston	Mehrkens	Price
Benson, D.D.	Finn	Laidig	Merriam	Reichgott
Berg	Flynn	Lessard	Morse	Riveness
Berglin	Frederickson, D.R.	Marty	Neuville	Vickerman
Bernhagen	Johnson, D.J.	McGowan	Piper	Waldorf

Those who voted in the negative were:

Adkins	Davis	Johnson, D.E.	Metzen	Renneke
Belanger	Dicklich	Johnson, J.B.	Moe, R.D.	Sams
Benson, J.E.	Frank	Kelly	Mondale	Samuelson
Bertram	Gustafson	Kroening	Novak	Solon
Brataas	Halberg	Langseth	Pappas	Spear
Chmielewski	Hottinger	Larson	Pogemiller	Terwilliger
Cohen	Hughes	Luther	Ranum	Traub

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

Mr. Benson, D.D. then moved to amend H.F. No. 2940, as amended by the Senate April 3, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2755.)

Page 133, lines 8 and 11, after "*to*" insert "*one-half of*"

The motion prevailed. So the amendment was adopted.

Mr. Belanger moved to amend H.F. No. 2940, as amended by the Senate April 3, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2755.)

Page 177, after line 33, insert:

"Sec. 3. Minnesota Statutes 1990, section 270.06, is amended to read:

270.06 [POWERS AND DUTIES.]

The commissioner of revenue shall:

(1) have and exercise general supervision over the administration of the assessment and taxation laws of the state, over assessors, town, county, and city boards of review and equalization, and all other assessing officers in the performance of their duties, to the end that all assessments of property be made relatively just and equal in compliance with the laws of the state;

(2) confer with, advise, and give the necessary instructions and directions to local assessors and local boards of review throughout the state as to their duties under the laws of the state;

(3) direct proceedings, actions, and prosecutions to be instituted to enforce the laws relating to the liability and punishment of public officers and officers and agents of corporations for failure or negligence to comply with the provisions of the laws of this state governing returns of assessment and taxation of property, and cause complaints to be made against local assessors, members of boards of equalization, members of boards of review, or any other assessing or taxing officer, to the proper authority, for their removal from office for misconduct or negligence of duty;

(4) require county attorneys to assist in the commencement of prosecutions in actions or proceedings for removal, forfeiture and punishment for violation of the laws of this state in respect to the assessment and taxation of property in their respective districts or counties;

(5) require town, city, county, and other public officers to report information as to the assessment of property, collection of taxes received from licenses and other sources, and such other information as may be needful in the work of the department of revenue, in such form and upon such blanks as the commissioner may prescribe;

(6) require individuals, copartnerships, companies, associations, and corporations to furnish information concerning their capital, funded or other debt, current assets and liabilities, earnings, operating expenses, taxes, as well as all other statements now required by law for taxation purposes;

(7) summon witnesses, at a time and place reasonable under the circumstances, to appear and give testimony, and to produce books, records, papers and documents relating to any tax matter which the commissioner may have authority to investigate or determine. Provided, that any summons which does not identify the person or persons with respect to whose tax liability the summons is issued may be served only if (a) the summons relates to

the investigation of a particular person or ascertainable group or class of persons, (b) there is a reasonable basis for believing that such person or group or class of persons may fail or may have failed to comply with any tax law administered by the commissioner, (c) the information sought to be obtained from the examination of the records (and the identity of the person or persons with respect to whose liability the summons is issued) is not readily available from other sources, (d) the summons is clear and specific as to the information sought to be obtained, and (e) the information sought to be obtained is limited solely to the scope of the investigation. Provided further that the party served with a summons which does not identify the person or persons with respect to whose tax liability the summons is issued shall have the right, within 20 days after service of the summons, to petition the district court for the judicial district in which lies the county in which that party is located for a determination as to whether the commissioner of revenue has complied with all the requirements in (a) to (e), and thus, whether the summons is enforceable. If no such petition is made by the party served within the time prescribed, the summons shall have the force and effect of a court order;

(8) cause the deposition of witnesses residing within or without the state, or absent therefrom, to be taken, upon notice to the interested party, if any, in like manner that depositions of witnesses are taken in civil actions in the district court, in any matter which the commissioner may have authority to investigate or determine;

(9) investigate the tax laws of other states and countries and to formulate and submit to the legislature such legislation as the commissioner may deem expedient to prevent evasions of assessment and taxing laws, and secure just and equal taxation and improvement in the system of assessment and taxation in this state;

(10) consult and confer with the governor upon the subject of taxation, the administration of the laws in regard thereto, and the progress of the work of the department of revenue, and furnish the governor, from time to time, such assistance and information as the governor may require relating to tax matters;

(11) transmit to the governor, on or before the third Monday in December of each even-numbered year, and to each member of the legislature, on or before November 15 of each even-numbered year, the report of the department of revenue for the preceding years, showing all the taxable property in the state and the value of the same, in tabulated form;

(12) inquire into the methods of assessment and taxation and ascertain whether the assessors faithfully discharge their duties, particularly as to their compliance with the laws requiring the assessment of all property not exempt from taxation;

(13) administer and enforce the assessment and collection of state taxes and, from time to time, make, publish, and distribute rules for the administration and enforcement of state tax laws. The rules have the force of law;

(14) prepare blank forms for the returns required by state tax law and distribute them throughout the state, furnishing them subject to charge on application;

(15) prescribe rules governing the qualification and practice of agents, attorneys, or other persons representing taxpayers before the commissioner. The rules may require that those persons, agents, and attorneys show that

they are of good character and in good repute, have the necessary qualifications to give taxpayers valuable services, and are otherwise competent to advise and assist taxpayers in the presentation of their case before being recognized as representatives of taxpayers. After due notice and opportunity for hearing, the commissioner may suspend and disbar from further practice before the commissioner any person, agent, or attorney who is shown to be incompetent or disreputable, who refuses to comply with the rules, or who with intent to defraud, willfully or knowingly deceives, misleads, or threatens a taxpayer or prospective taxpayer, by words, circular, letter, or by advertisement. This clause does not curtail the rights of individuals to appear in their own behalf or partners or corporations' officers to appear in behalf of their respective partnerships or corporations;

(16) appoint agents as the commissioner considers necessary to make examinations and determinations. The agents have the rights and powers conferred on the commissioner to examine books, records, papers, or memoranda, subpoena witnesses, administer oaths and affirmations, and take testimony. Upon demand of an agent, the clerk or court administrator of any court shall issue a subpoena for the attendance of a witness or the production of books, papers, records, or memoranda before the agent. The commissioner may also issue subpoenas. Disobedience of subpoenas issued under this chapter shall be punished by the district court of the district in which the subpoena is issued, or in the case of a subpoena issued by the commissioner, by the district court of the district in which the party served with the subpoena is located, in the same manner as contempt of the district court;

(17) appoint and employ additional help, purchase supplies or materials, or incur other expenditures in the enforcement of state tax laws as considered necessary. The salaries of all agents and employees provided for in this chapter shall be fixed by the appointing authority, subject to the approval of the commissioner of administration;

(18) execute and administer any agreement with the secretary of the treasury of the United States or a representative of another state regarding the exchange of information and administration of the tax laws;

(19) ~~administer and enforce the provisions of sections 325D.30 to 325D.42, the Minnesota unfair cigarette sales act;~~

~~(20)~~ authorize the use of unmarked motor vehicles to conduct seizures or criminal investigations pursuant to the commissioner's authority; and

~~(21)~~ *(20)* exercise other powers and perform other duties required of or imposed upon the commissioner of revenue by law."

Page 181, after line 8, insert:

"Sec. 8. Minnesota Statutes 1990, section 297.04, subdivision 9, is amended to read:

Subd. 9. [REVOCATION.] The commissioner may revoke, cancel, or suspend the license or licenses of any distributor or subjobber for violation of sections 297.01 to 297.13, or any other act applicable to the sale of cigarettes, or any rule promulgated by the commissioner, and may also revoke any such license or licenses of any distributor or subjobber for the violation of sections 297.31 to 297.39, or any other act applicable to the sale of tobacco products, or any rule promulgated by the commissioner in furtherance of sections 297.31 to 297.39. ~~The commissioner may revoke,~~

~~cancel, or suspend the license or licenses of any distributor or subjobber for violation of sections 325D.31 to 325D.42.~~

No license shall be revoked, canceled, or suspended except after notice and a hearing by the commissioner as provided in section 297.09.

Sec. 9. Minnesota Statutes 1990, section 297.06, subdivision 3, is amended to read:

Subd. 3. [RETAILER AND SUBJOBBER TO PRESERVE PURCHASE INVOICES.] Every retailer and subjobber shall procure itemized invoices of all cigarettes purchased. The invoices shall show the name and address of the seller and the date of purchase. The retailer and subjobber shall preserve a legible copy of each such invoice for one year from the date of purchase.

At any time during normal business hours, the commissioner or the commissioner's agents may enter any place of business of a retailer or subjobber and inspect the premises, the records required to be kept for this subdivision, and the packages of cigarettes, tobacco products, and vending devices contained on the premises to determine whether all provisions of this chapter ~~and sections 325D.30 to 325D.40~~ are being fully complied with."

Page 183, after line 6, insert:

"Sec. 12. [REPEALER.]

Minnesota Statutes 1990, sections 325D.30; 325D.31; 325D.32, as amended by Laws 1991, chapter 291, article 9, section 43; 325D.33; 325D.34; 325D.35; 325D.36; 325D.37; 325D.38; 325D.39; 325D.40; 325D.415; 325D.42; and Minnesota Statutes 1991 Supplement, section 325D.405, are repealed."

Renumber the sections of article 9 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 36, as follows:

Those who voted in the affirmative were:

Belanger	Flynn	Johnston	Mehrkens	Reichgott
Benson, D.D.	Frank	Knaak	Neuville	Riveness
Benson, J.E.	Frederickson, D.R.	Laidig	Olson	Spear
Berglin	Gustafson	Luther	Pariseau	Terwilliger
Bernhagen	Halberg	Marty	Piper	Traub
Brataas	Hottinger	McGowan	Ranum	

Those who voted in the negative were:

Adkins	Dicklich	Kroening	Morse	Solon
Beckman	Finn	Langseth	Novak	Stumpf
Berg	Frederickson, D.J.	Larson	Pappas	Vickerman
Bertram	Hughes	Lessard	Pogemiller	Waldorf
Chmielewski	Johnson, D.E.	Merriam	Price	
Cohen	Johnson, D.J.	Metzen	Renneke	
Davis	Johnson, J.B.	Moe, R.D.	Sams	
DeCramer	Kelly	Mondale	Samuelson	

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

Mr. Bernhagen moved to amend H.F. No. 2940, as amended by the Senate April 3, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2755.)

Page 122, line 23, after the period, insert "*Sales of construction materials to political subdivisions for use in major capital improvement projects are exempt, subject to the requirements of this subdivision. As used in this subdivision, a "major capital improvement project" is a project to build a facility, building, or system of public works for which total expenditures exceed $500,000, but does not include construction of roads.*"

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

Mr. Metzen moved to amend H.F. No. 2940, as amended by the Senate April 3, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2755.)

Page 158, after line 5, insert:

"*For purposes of this section, "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.*"

Page 158, lines 30 and 32, delete "*$100,000*" and insert "*$200,000*"

The motion prevailed. So the amendment was adopted.

Mr. Benson, D.D. moved to amend H.F. No. 2940, as amended by the Senate April 3, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2755.)

Page 183, after line 6, insert:

"Sec. 9. 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 shall be the responsibility of the counties within a judicial district. Expenses shall be distributed among the counties in proportion to their populations.~~ *Costs that are incurred by the board of public defense beyond that which is appropriated shall be presented to the legislative advisory commission for consideration.*"

Renumber the sections of article 9 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 42 and nays 17, as follows:

Those who voted in the affirmative were:

Beckman	DeCramer	Johnson, J.B.	Metzen	Sams
Belanger	Finn	Johnston	Morse	Samuelson
Benson, D.D.	Flynn	Knaak	Novak	Solon
Benson, J.E.	Frank	Laidig	Olson	Stumpf
Berg	Frederickson, D.J.	Langseth	Pappas	Terwilliger
Berglin	Frederickson, D.R.	Larson	Pariseau	Vickerman
Bernhagen	Gustafson	Lessard	Price	
Bertram	Halberg	McGowan	Reichgott	
Chmielewski	Johnson, D.E.	Mehrkens	Renneke	

Those who voted in the negative were:

Adkins	Dicklich	Luther	Piper	Waldorf
Brataas	Hughes	Merriam	Pogemiller	
Cohen	Kelly	Mondale	Ranum	
Dahl	Kroening	Neuville	Spear	

The motion prevailed. So the amendment was adopted.

Mr. Dahl moved to amend H.F. No. 2940, as amended by the Senate April 3, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2755.)

Page 82, after line 16, insert:

"Sec. 6. Minnesota Statutes 1991 Supplement, section 273.13, subdivision 33, is amended to read:

Subd. 33. [UNIMPROVED PROPERTY.] Real property that is not improved with a structure and that is not used as part of ~~a~~ *an agricultural,* commercial, or industrial activity must be classified and assessed according to its highest and best use permitted under the local zoning ordinance. If the ordinance permits more than one use, the land must be classified and assessed according to the highest and best use permitted under the ordinance. If no such ordinance exists, the assessor shall consider the most likely potential use of the vacant land based upon the use made of surrounding land or land in proximity to the vacant land."

Renumber the sections of article 4 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mrs. Pariseau moved to amend H.F. No. 2940, as amended by the Senate April 3, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2755.)

Page 27, line 19, after the period, insert "*Agricultural property that is classified as a homestead under this paragraph qualifies in its entirety as class 2a property.*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 33, as follows:

Those who voted in the affirmative were:

Belanger	Brataas	Johnson, D.E.	Morse	Stumpf
Benson, D.D.	Chmielewski	Johnston	Neuville	Terwilliger
Benson, J.E.	Davis	Knaak	Olson	
Berg	Finn	Laidig	Pariseau	
Bernhagen	Frederickson, D.R.	Larson	Sams	
Bertram	Halberg	Mehrkens	Samuelson	

Those who voted in the negative were:

Adkins	Flynn	Kelly	Mondale	Reichgott
Beckman	Frank	Kroening	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Pappas	Traub
Cohen	Gustafson	Lessard	Piper	Vickerman
Dahl	Hughes	Luther	Pogemiller	Waldorf
DeCramer	Johnson, D.J.	Merriam	Price	
Dicklich	Johnson, J.B.	Metzen	Ranum	

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

Mr. Neuville moved to amend H.F. No. 2940, as amended by the Senate April 3, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2755.)

Pages 157 and 158, delete section 1

Page 176, delete lines 13 and 14

Renumber the sections of article 8 in sequence and correct the internal references

Amend the title accordingly

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

Mr. Novak moved to amend H.F. No. 2940, as amended by the Senate April 3, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2755.)

Page 183, after line 15, insert:

"ARTICLE 10

TAX INCREMENT FINANCING

Section 1. [FINDINGS; PURPOSE.]

The legislature finds that historical uses of properties within or adjacent to certain geographic areas within Minnesota communities have contributed to the known or suspected contamination of the areas, that the known or suspected contamination of these geographic areas is significant and widespread, that the welfare of the state requires environmentally sound remediation of contaminated sites, that certain of the contaminated geographic areas can be made suitable for development if contaminants are removed but that the areas cannot be developed for any purpose unless remediation is undertaken or ensured, and that the remediation and development of the contaminated geographic areas are public purposes in the interests of environmental quality, contamination management and disposal, and economic development, for which the expenditure of public funds and the exercise of the powers provided in sections 2 to 10 are authorized and in the public interest.

It is not the intent of sections 2 to 10 to reduce, alter, or modify the liability under Minnesota or federal environmental law of a responsible person as defined in Minnesota Statutes, section 115B.03.

Sec. 2. [469.301] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] *As used in sections 2 to 10, the terms defined in this section have the meanings given them.*

Subd. 2. [ADDITIONAL TAX INCREMENT.] *"Additional tax increment" means the tax increment received by the city which is derived from any reduction of the original net tax capacity of property within the area under section 5, paragraph (e).*

Subd. 3. [AGENCY.] *"Agency" means the Minnesota pollution control agency.*

Subd. 4. [AREA.] *"Area" means a special environmental treatment area established under section 3.*

Subd. 5. [CITY.] *"City" means an "authority" as defined in section 469.174, subdivision 2, a "municipality" as defined in section 469.174, subdivision 6, a county, or a housing and redevelopment authority, port authority, economic development authority, or a similar authority created under a special law.*

Subd. 6. [COMMISSIONER.] *"Commissioner" means the commissioner of the agency.*

Subd. 7. [CONTAMINATION.] *"Contamination" means the presence or possible presence on, within, or otherwise affecting the area, or properties adjacent to the area if suspected of being a contributing source of contamination of the area, of:*

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

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

(3) another substance or contaminant whose removal or remediation is necessary to the development of the area; provided that the presence of petroleum or its derivatives in a parcel shall not be contamination.

Subd. 8. [DISTRICT.] *"District" means a tax increment financing district established within an area as authorized by sections 2 to 10.*

Subd. 9. [ELIGIBLE COSTS.] *"Eligible costs" means the costs eligible for payment from tax increments as provided in section 7.*

Subd. 10. [ELIGIBLE PERSON.] *"Eligible person" means a person who did not own, use, occupy, or contribute to the contamination in, or provide financing with respect to, a contaminated parcel before the date of inclusion in an area of the eligible site which includes the contaminated parcel.*

Subd. 11. [ELIGIBLE SITE.] *"Eligible site" means one or more parcels which satisfy the criteria stated in section 3, subdivision 4.*

Subd. 12. [PLAN.] *"Plan" or "area plan" means the plan required by section 3, as from time to time amended.*

Subd. 13. [REMEDIATION.] *"Remediation" means activity constituting "removal," "remedy," "remedial action," or "response" as those terms are defined in section 115B.02; environmental audits; pollution tests; demolition necessary to accomplish remediation; soil removal, correction, disposal, or compaction necessary to accomplish remediation; preparation and implementation of environmental response plans; administrative, legal, including litigation, and professional fees; and other activities reasonably related to the prevention or amelioration of contamination.*

Subd. 14. [TAX INCREMENT.] *"Tax increment" means the portion of property taxes derived from taxable property in a district that is allocated under the plan for payment of eligible costs, and the proceeds of tax increment bonds or other obligations payable in whole or in part from tax increments.*

Subd. 15. [TAX INCREMENT BONDS.] *"Tax increment bonds" means bonds or other obligations issued under section 8.*

Subd. 16. [TAX INCREMENT FINANCING ACT.] *"Tax increment financing act" means sections 469.174 to 469.179.*

Sec. 3. [469.302] [ESTABLISHMENT OF SPECIAL ENVIRONMENTAL TREATMENT AREA.]

Subdivision 1. [ESTABLISHMENT OF AN AREA.] *A city may establish an area only in compliance with the requirements of this section.*

Subd. 2. [GEOGRAPHIC DESCRIPTION.] *(a) A city establishing an area shall select eligible sites within its jurisdictional boundaries. Each eligible site must consist of parcels that contain contamination, or the inclusion of which is permitted by subdivision 4, paragraph (b). For the purposes of selection of eligible sites, the city may by resolution authorize testing of a parcel within the city to assess the presence of contamination or to discover facts relevant to whether the parcel should be included in the geographic area described in a plan to remediate present contamination or prevent future contamination, except that:*

(1) the testing must not unreasonably interfere with the current activity occurring on a parcel being tested;

(2) at least ten days before the testing, the city shall provide written notice of the testing to the owner of record of the parcel, each other person with an interest in the parcel whose interest appears in the public land records of the county, and each other person occupying or using the parcel if the city has actual knowledge of the occupancy or use; and

(3) the city shall pay the cost of the testing and the cost of repair or restoration of any property destroyed or damaged by the testing, provided that the city may recover the cost of the testing and other costs from a person who is a responsible person with respect to the parcel tested, if otherwise permitted by law.

(b) A city may request the agency to supervise or provide oversight or provide technical expertise in connection with testing, and the agency may, but is not obligated to, comply with the request. The agency may exercise its powers under section 115B.17, subdivision 14, in connection with the testing. The agency shall, at its request, be reimbursed for its expenses including staff oversight from any funds available to pay eligible costs.

(c) The area must consist of all or some of the eligible sites identified. An area or an eligible site need not consist of contiguous parcels, but the parcels comprising an eligible site in addition to those which contain contamination may be included only as permitted by subdivision 4, paragraph (b). The city shall prepare or cause to be prepared a map showing all of the parcels to be included in the area. The area must also satisfy the requirements of subdivision 5.

Subd. 3. [AREA PLAN.] *The city shall prepare a plan for the area that includes the geographic description and map prepared under subdivision*

2. The plan must describe the proposed activities within the area to:

(1) remediate existing contamination in accordance with the development action response plan required by subdivision 6;

(2) prevent future contamination; and

(3) cause development to occur within the area.

The plan must further estimate the source, amount, and uses of all tax increments and other funds to be used to pay for the activities described in the area plan. The plan must contain the findings required by subdivisions 4 and 5 and must provide sufficient detail to show the basis for the findings. The plan must include a tax increment financing plan under section 469.175, subdivision 1, for each district to be established under the plan, except that a tax increment financing plan may be for more than one district. The plan must describe the specific kinds of development expected to occur, and the increases in tax capacity expected to result from the development.

Subd. 4. [ELIGIBLE SITES.] *(a) Each eligible site, or parcel included in an eligible site, as appropriate, must meet the requirements of paragraphs (b) to (e).*

(b) The parcel must contain contamination, or be necessary for inclusion in the eligible site in order to prevent future contamination or remediate present contamination, or be necessary for inclusion in the eligible site in order to form a development site no larger than that necessary for development to occur on the site.

(c) For each parcel containing contamination, the city shall consider the seriousness of the contamination present in the parcel, the threat posed to the public health by the contamination, and the deterrent effect of the contamination on development of the eligible site which includes the contaminated parcel. The city shall submit a report describing the extent and magnitude of the contamination to the commissioner for approval.

(d) The city shall determine that the contamination present in the eligible site is unlikely to be remediated within five to ten years, or that development of the site is unlikely to occur within five to ten years even if remediation occurs because there is no indemnification against potential environmental liability, unless the city forms the area. In making this determination, the city shall consider the availability of funding for remediation from state and federal agencies and the availability and adequacy of the resources of responsible persons to remediate contamination.

(e) The city shall estimate the likelihood of development of the eligible site if the contamination is remediated and shall determine that development of the eligible site is likely to occur if the area is formed and the actions taken as proposed in the plan for the area.

Subd. 5. [AREA CRITERIA.] *(a) In addition to the criteria for eligible sites stated in subdivision 4, each area must meet the requirements of paragraphs (b) and (c).*

(b) The city must determine that either:

(1) for vacant land, or improved property if the improvements will be demolished prior to development, the estimated costs of remediating present contamination or preventing future contamination of the land within the eligible site are no less than $15,000 times the number of acres included

in the eligible site; or

(2) for improved property if the improvements will not be demolished prior to development, the estimated costs of remediating present contamination or preventing future contamination of the land within the eligible site equal or exceed the fair market value of the property included in the eligible site at the time the eligible site is made part of the area; provided that if the fair market value of the property comprising the eligible site is $200,000 or less, the estimated costs of remediation or prevention must exceed only 50 percent of the fair market value.

(c) The city must determine that establishment of the area, the environmental remediation and prevention activities described in the plan and, if applicable, the establishment of a guaranty or indemnification fund, are necessary to:

(1) allow development to occur on the parcels included in the area because of the reluctance of private parties to assume the risk of the cost of remediation of the contaminated parcels in the area; or

(2) cause the fair market value of the contaminated parcels included in the area to rise to the approximate fair market value of similar property available for development in the county and adjacent counties.

Subd. 6. [DEVELOPMENT ACTION RESPONSE PLAN.] *The city may not establish an area or approve the plan for the area until a development action response plan as defined in section 469.174, subdivision 17, for each contaminated parcel has been submitted to the agency and the commissioner has approved or modified the development action response plan. The commissioner shall review each development action response plan and approve, modify, or reject the recommended actions within 90 days after submission of the plan or revised plan, provided that the commissioner has previously approved an investigation report under subdivision 4, paragraph (c), for the parcel proposed for response action under the plan. Only one contaminated parcel may be included in each development action response plan.*

Subd. 7. [PLAN REVIEW AND APPROVAL.] *(a) The city may not give final approval to the plan until the review, hearing, and approval procedures of this subdivision have been satisfied. The governing body of the city, or city officials designated by the governing body to act in its place, shall conduct a public hearing on the plan. Notice of the public hearing must be published in a newspaper of general circulation within the city at least once and at least 14 days before the public hearing. A copy of the proposed plan must be made available for public inspection on and after the date of publication of the notice of hearing during normal business hours at the principal administrative offices of the city. At the hearing, the city shall receive comments on the plan from all those who desire to speak about it, and shall accept comments submitted in writing at or before the hearing. The city shall also afford others a reasonable opportunity to comment on the plan at the hearing.*

(b) Following the hearing, and any revisions to the plan based on the comments received by the city, the city shall submit the plan to the county and each school district whose jurisdictional boundaries include any part of the area. The county and school district have 30 days in which to review the plan and provide their comments to the city.

(c) Following receipt of comments from the county and school district, or the expiration of the 30-day comment period, the city shall revise the

proposed plan as the city determines appropriate, or as required by federal or state environmental protection laws. The city may then give final approval to the plan, and proceed with implementation of the plan.

Subd. 8. [MODIFICATIONS.] *Following final approval of the plan, the city may eliminate parcels from the area but may not enlarge the area except to add eligible sites. Each enlargement must be evidenced by a written amendment to the plan. The amendment to the plan must comply with the requirements of subdivisions 2 to 7 as though it were a new plan. A development action response plan may be modified only with the approval of the commissioner.*

Subd. 9. [EXTRATERRITORIAL AREA.] *An area may include parcels outside the geographic boundaries of the city only if the city and the adjacent city or township have entered into an agreement of the type described in section 471.59, authorizing the city to exercise the powers granted under sections 2 to 10, subject to the conditions or limitations provided in the agreement. Tax increments derived from the parcels outside the boundaries of the city must be paid to the city unless otherwise provided in the agreement.*

Subd. 10. [REAL PROPERTY.] *A city may acquire real property or interests in real property in connection with the activities authorized by sections 2 to 10, subject to the following limitations:*

(1) the real property must be located within the area;

(2) nothing in any contract or instrument executed by the city may relieve a responsible person from liability for remediation costs, nor indemnify or hold harmless a responsible person from remediation costs; and

(3) the terms and conditions of disposition of real property by the city may be determined by the city, except that the price received by the city, either in a lump sum or in installments, must be the fair market value of the real property at the time of disposition.

All proceeds of the disposition of real property are considered tax increment derived from the area and must be (a) applied to the payment of eligible costs or (b) returned to the county auditor for redistribution.

Sec. 4. [469.303] [STATUS OF AREA; POWERS OF THE CITY; INDEMNIFICATION FUND.]

Subdivision 1. [STATUS OF AREA.] *The area constitutes a "project" of the city within the meaning of section 469.174, subdivision 8; an "industrial development district" as described in section 469.058, subdivision 1; a "project" as described in section 469.002, subdivision 12; and a "development district" as described in section 469.125, subdivision 9. Section 273.1399 does not apply to a district formed under sections 2 to 10.*

Subd. 2. [POWERS OF THE CITY.] *With respect to development of the area, the city may exercise all powers granted under sections 2 to 10 and all powers of or relating to a port authority, a housing and redevelopment authority, and an economic development authority under chapter 469 or other law. The city may establish within the area and modify from time to time one or more tax increment financing districts as provided in the area plan and the tax increment financing act, except as supplemented or otherwise provided under sections 2 to 10, and expend tax increments derived from the districts on eligible costs. The powers conferred by sections 2 to 10 are in addition to the powers conferred by other law or charter. Insofar as the provisions of any other law or charter are inconsistent with sections*

2 to 10, the provisions of sections 2 to 10 are controlling.

Subd. 3. [GUARANTY OR INDEMNIFICATION FUND.] *In addition to the powers otherwise granted under sections 2 to 10, a city may establish and maintain a guaranty or indemnification fund with respect to any contaminated parcel, or more than one such parcel, included within the area. Funds held in the guaranty or indemnification fund must be available, upon terms and conditions determined by the city through agreement or resolution, to an eligible person to indemnify and hold harmless the eligible person from liability for remediation costs arising under any state or federal environmental law, regulation, ruling, order, or decision with respect to the contaminated parcel or parcels by reason of the person's use, occupancy, ownership, or financing associated with the contaminated parcel. The city may not indemnify or hold harmless an eligible person from liability for contamination of a parcel caused by the eligible person. Tax increments derived from a district established as authorized in sections 2 to 10 and any other funds available to the city may be deposited in or otherwise used to secure payments from the guaranty or indemnification fund. Tax increments derived from a district established as authorized by the tax increment financing act may also be deposited in the guaranty or indemnification fund, notwithstanding any contrary provision of the tax increment financing act. The city is liable under the guaranty or indemnification only to the extent of funds available to secure payments from the guaranty or indemnification fund. The maximum amount payable from the guaranty or indemnification fund with respect to any eligible site must not exceed 50 percent of the cost of remediation of the contamination present in the contaminated parcels in the eligible site at the time of final approval of the plan, which amount may be inflated each year according to an appropriate inflation index selected by the city. The guaranty or indemnification fund must be held or maintained in or with a financial institution or corporate fiduciary eligible for the deposit of public money or eligible to act as a trustee or fiduciary for bonds or other obligations issued under chapter 475. The guaranty or indemnification fund must be held and maintained for the period agreed to by the city, except that tax increments may be deposited in the fund only during the period permitted by sections 2 to 10. Upon termination of the period of guaranty or indemnification all unexpended money then held in the guaranty or indemnification fund must be considered excess tax increments and returned to the county auditor for redistribution. Investment earnings, net of investment losses, on money held in the guaranty or indemnification fund may, at the option of the city, be retained in the fund or disbursed to the city and applied to other eligible costs. Tax increments used or pledged to secure payments from the guaranty or indemnification fund may be irrevocably pledged for that purpose, and neither filing nor possession is required to perfect the security interest created by the pledge.*

Sec. 5. [469.304] [LIMITATIONS AND CONDITIONS.]

(a) A tax increment financing district established by a city under sections 2 to 10 is subject to the provisions of paragraphs (b) to (j).

(b) Request for certification of the district must be filed with the county auditor before December 1 of the year following the third year in which the city gives final approval to the plan. The city may by written notice to the county auditor elect to defer receipt of the first increment from a district until a year beginning not later than five years after the date of the request for certification. The election may be amended to provide an earlier year of payment of tax increment if the notice of the amendment is filed with the

county auditor.

(c) A tax increment from an eligible site may not be paid to the city after January 1 of the year that is 25 years after the year of receipt of the first tax increment from the eligible site.

(d) Section 469.1763 does not apply to the district. Tax increment must be expended or reserved for expenditure by the city only for eligible costs. Tax increment derived from a district may be applied to eligible costs incurred anywhere within the area.

(e) Concurrently with the original request for certification, or at any subsequent time during the life of a district within the area and established as provided in the plan, the city may elect in writing to the county auditor to reduce the original net tax capacity of an eligible site, selected by the city, by up to 100 percent. All additional tax increment derived from the reduction must be expended only for the costs of remediation of contaminated parcels within the eligible site, or to make deposits in a guaranty or indemnification fund. When the city has received sufficient amounts of additional tax increment and other funds to pay or to provide for payment of all present and future remediation costs and required deposits in a guaranty or indemnification fund, whether or not the city's undertaking to pay the costs is contingent, the city shall within 60 days notify the county auditor of this occurrence and shall treat all additional tax increment which exceeds the requirements as excess tax increment. The city shall return the excess tax increment to the county auditor for redistribution, and the county auditor shall then increase the original net tax capacity of each district within the area then benefiting from the reduction made under this paragraph to the original net tax capacity that would at the time prevail had no reduction been made. The reduction of the original net tax capacity permitted by this paragraph may be made only upon findings by the city, supported by written reasons or facts, that:

(1) the eligible site contains significant contamination;

(2) the development of the district would not reasonably be expected to occur through private investment and tax increment otherwise available; and

(3) the reduction in the original net tax capacity is not greater than, and the period of receipt by the city of the increased tax increment arising from the reduction is not longer than, the amount and time necessary to provide the additional tax increment required for remediation of the eligible site as set forth in the plan and the development action response plan for the eligible site, or to make required deposits in a guaranty or indemnification fund.

(f) The city shall decertify a district upon receipt of sufficient tax increment from the district to pay, or to provide for the payment of, all of the eligible costs respecting the district. The city shall treat all tax increment that exceeds the requirements as excess tax increment. The city shall return the excess tax increment to the county auditor for redistribution.

(g) In establishing or modifying a district included in the area and established under the plan, section 469.175, subdivisions 1, clauses (1), (3), (4), and (7); 1a; 3; and 7, do not apply and the findings otherwise required by section 469.175, subdivision 3, are not required, except that the city shall make the finding, supported by the city with written reasons and supporting facts, that the action is reasonably required in the judgment of the city in furtherance of the development of the area.

(h) The following provisions of the tax increment financing act do not apply to a district formed under sections 2 to 10; sections 469.174, subdivisions 7, paragraphs (b) and (c); 16; and 17; 469.176, subdivisions 1, paragraphs (d), (e), and (g); 3; 4e; 5; 6; and 7; and 469.1762.

(i) A housing and redevelopment authority, port authority, economic development authority, or county may not exercise the powers granted by this chapter except upon the prior approval, by resolution, of the governing body of the statutory or home rule city or cities or township or townships included in whole or in part within the area established under section 3.

(j) Nothing in sections 2 to 10 or the tax increment financing act may be construed to prevent or preclude a city from establishing one or more tax increment districts under the tax increment financing act for any purpose permitted thereby, and a district may include all or some of an area or a district or an eligible site established under sections 2 to 10. Notwithstanding the provisions of the tax increment financing act, the city may allocate tax increments derived from districts established under the tax increment financing act to eligible costs under sections 2 to 10. Nothing in sections 2 to 10 or the tax increment financing act may be construed to prevent or preclude a city from establishing one or more tax increment districts under sections 2 to 10 for any purpose permitted in those sections, and any district established may include all or some of a district or project established under the tax increment financing act. Tax increments derived from a district established under sections 2 to 10 may be applied only to eligible costs, but if a district established under sections 2 to 10 and a district established under the tax increment financing act overlap, the city may allocate the tax increments derived from the overlapping area in any reasonable manner. The city shall provide to the county a written plan detailing how tax increments derived from overlapping tax increment districts are to be allocated between each district.

Sec. 6. [469.305] [INTER-GOVERNMENTAL COOPERATION AND ASSISTANCE.]

The city, the agency, the attorney general, a city as defined in section 2, subdivision 5, and an agency of the state or the University of Minnesota may cooperate with one another and take individual or collective actions considered necessary or desirable to assist development and remediation within the area, including without limitation the preparation and execution of development action response plans, the rendering of legal and technical advice and other assistance, and the transfer of any of its properties within the area to the city or to other entities in furtherance of the development of the area. All properties so transferred by a state agency or the University of Minnesota shall, whenever included within a district within the area and established pursuant to the plan and notwithstanding any other provision of the tax increment financing act, have an original net tax capacity of zero.

Sec. 7. [469.306] [ELIGIBLE COSTS.]

For the purposes of sections 2 to 10, eligible costs mean all of the following:

(1) the cost to pay, or reimburse any person for the payment of, remediation costs;

(2) the cost of funding a guaranty or indemnification fund created as permitted by section 4, subdivision 3, and payments from the fund, and the

cost of paying the premiums on environmental liability insurance obtained by the city or by any other person with respect to real property within the area;

(3) the cost of paying the principal of and interest on bonds or other obligations of the city and associated costs or the cost of paying the interest on other bonds or other obligations or establishing and maintaining a reserve fund for the other bonds or other obligations, all as permitted by section 8;

(4) the cost of issuing bonds or other obligations payable from tax increments derived from an area and customary associated financing costs, including discount, capitalized interest, and interest on the obligations;

(5) the costs of acquisition of real property within the area;

(6) if necessary for remediation of contamination or prevention of future contamination, the cost of public infrastructure extensions and installations including water, sanitary and storm sewer, ponding and drainage improvements, including improvements located outside the boundaries of the area;

(7) staff oversight costs of the agency, the county's actual administrative expenses as provided in section 469.176, subdivision 4h, and the city's administrative expenses in an amount which does not exceed ten percent of the amount of tax increments and other funds applied to eligible costs;

(8) the costs of actions, including litigation, to recover remediation costs from responsible persons;

(9) the costs of other activities and improvements authorized by sections 2 to 10; and

(10) costs reasonably related to clauses (1) to (9).

All eligible costs are costs of a project for which tax increments and other public funds may be expended.

All costs are payable from tax increments.

Sec. 8. [469.307] [FINANCING.]

To finance eligible costs, the city may issue bonds or other obligations, payable in whole or in part from tax increments derived from districts created in accordance with section 469.178, and the use of tax increments to pay the principal of and interest on the bonds and other costs associated with the bonds is an eligible cost. The city may apply tax increments to pay all or part of the interest on bonds or other obligations issued by public or private entities to finance eligible costs incurred with respect to parcels within the area, or to establish or maintain reserve funds in connection with the bonds or other obligations.

Sec. 9. [469.308] [RELATIONSHIP TO TAX INCREMENT FINANCING ACT.]

Subdivision 1. [IN GENERAL.] *To the extent that any provision of the tax increment financing act conflicts or is otherwise inconsistent with a provision of sections 2 to 10, the provisions of sections 2 to 10 apply. Nothing in sections 2 to 10 limits or prevents the exercise by the city of any power or authority it may have, and the city may, without limitation, in connection with the exercise of any power respecting development or the establishment of a tax increment financing district, elect not to use the authority granted in sections 2 to 10 and instead proceed under and subject to all of the terms*

of the other applicable law, including all provisions of sections 469.174 to 469.179 with respect to a tax increment financing district.

Subd. 2. [GUARANTY OR INDEMNIFICATION FUND.] *Notwithstanding any provision of the tax increment financing act to the contrary, an authority as defined in the tax increment financing act may amend the tax increment financing plan with respect to any district to permit the deposit of tax increments derived from the district, or the proceeds of bonds or other obligations payable from the tax increments, in a guaranty or indemnification fund created under this chapter if the amendment is approved on or before a date that is at least five years before the latest termination date of the district permitted by the tax increment financing act.*

Sec. 10. [469.309] [RESPONSIBLE PERSONS.]

Subdivision 1. [NO INDEMNITY.] *The city may not agree to indemnify or hold harmless a person other than an eligible person as defined in section 2, subdivision 10, from any losses, costs, or damages arising from the application of chapter 115B or other state or federal environmental law.*

Subd. 2. [RECOVERY FROM RESPONSIBLE PERSONS.] *Nothing in sections 2 to 10 may be construed to limit the authority of the city, the agency, the attorney general, and other appropriate state and federal environmental regulatory agencies or persons authorized to enforce state and federal environmental laws to enforce the provisions of state and federal environmental laws against responsible persons. The city shall exercise all reasonable efforts to recover amounts due from responsible persons. All amounts recovered by the city from responsible persons, net of the costs of recovery, and all amounts otherwise received by the city representing all or a portion of amounts recovered from responsible persons, with respect to parcels included in the area must be deposited by the city.*

Subd. 3. [AMOUNTS RECOVERED.] *All amounts deposited with the city, as provided in subdivision 2, are considered tax increment derived from a district formed under sections 2 to 10 and must be:*

(1) applied to the payment of the costs of recovery;

(2) applied to the payment of eligible costs; or

(3) returned to the county auditor for redistribution.

Sec. 11. Laws 1991, chapter 291, article 10, section 23, is amended to read.

Sec. 23. [EFFECTIVE DATE.]

Sections 1, 2, 11, and 16 are effective the day following final enactment. Section 3 is effective for interest reduction assistance authorized after July 1, 1991. Sections 5 and 12, paragraph (h), are effective for improvements demolished or removed after April 1, 1991. Section 6, paragraph (h), is effective for delinquent property taxes paid after April 1, 1991. Section 6, paragraph (d), is effective for districts for which certification is requested after June 30, 1991. Sections 4, 6, paragraph (g), 7, 8, 9, and 10 are effective for districts for which certification was requested after April 30, 1990. Sections 12, except ~~paragraph~~ *paragraphs (f) and* (h), and 13 are effective the day following final enactment and apply to all tax increment financing districts regardless of when certification was requested. *Section 12, paragraph (f), is effective the day following final enactment for economic development districts which are originally certified after June 30, 1991.*

Sections 14 and 15 are effective for violations occurring after December 31, 1990. Section 18 is effective the day after compliance with Minnesota Statutes, section 645.021, by the governing body of the city of Moorhead. Section 19 is effective the day after compliance with Minnesota Statutes, section 645.021, by the governing body of the city of Fergus Falls. Sections 20, 21, and 22 each are effective the day after compliance with Minnesota Statutes, section 645.021, by the governing bodies of the city of Minneapolis, Cook county, and the city of Dawson respectively.

Sec. 12. [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. 13. [EFFECTIVE DATE.]

Sections 1 to 10 and 12 are effective the day following final enactment. Section 11 is effective as of the day following final enactment of Laws 1991, chapter 291, so that the original effective date language in Laws 1991, chapter 291, which is amended by section 11, has no effect."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Mondale moved to amend H.F. No. 2940, as amended by the Senate April 3, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2755.)

Page 183, after line 6, insert:

"Sec. 9. [ST. LOUIS PARK; TAX INCREMENT.]

The city of St. Louis Park, or its redevelopment agencies, may create a hazardous substance subdistrict within the Excelsior Boulevard redevelopment project ("district"), under Minnesota Statutes, section 469.175, subdivision 7, and issue bonds or other obligations payable in whole or in part from increment derived from the subdistrict upon a finding by city resolution that establishment of a subdistrict will facilitate environmental remediation and reduce the likelihood of litigation. The proceeds of bonds and existing and future tax increment captured from the subdistrict or within the district may be used for any lawful purpose related to environmental remediation and costs associated therewith, including payment or reimbursement of remediation costs, establishment and funding of a guaranty or indemnification fund, environmental insurance, settlement of claims arising out of contamination, costs of bond issuance at public or private sale, and public infrastructure or improvements. The request for certification of the subdistrict must be filed with the county auditor before December 1, 1995. The city may defer receipt of the first increment from a subdistrict

for up to three years following certification. Minnesota Statutes, sections 469.174, subdivision 7, paragraph (c); 469.176, subdivisions 1, paragraph (d); 4e; 6; and 7; and 469.1763, do not apply to a subdistrict. Tax increment must be expended or reserved for expenditure by the city only for costs set forth in this section. Nothing herein affects the liability of persons for costs or damages associated with releases of hazardous substances, the city's right to pursue responsible parties or reimbursement under applicable insurance contracts, or the city's liability under Minnesota Statutes, section 115B.04, subdivision 4. The powers granted are in addition to other powers of the city."

Renumber the sections of article 9 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. McGowan moved to amend H.F. No. 2940, as amended by the Senate April 3, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2755.)

Pages 179 to 181, delete section 6

Page 183, after line 6, insert:

"Sec. 8. [REPEALER.]

Minnesota Statutes 1990, section 10A.43, subdivision 5; Minnesota Statutes 1991 Supplement, sections 10A.322, subdivision 4; and 290.06, subdivision 23, are repealed.

Sec. 9. [APPROPRIATION.]

$3,000,000 is appropriated to the commissioner of jobs and training for the head start program."

Page 183, after line 15, insert:

"*Section 8 is effective for contributions made after July 1, 1992.*"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 33, as follows:

Those who voted in the affirmative were:

Belanger	Brataas	Halberg	McGowan	Pariseau
Benson, D.D.	Davis	Johnson, D.E.	Mehrkens	Renneke
Benson, J.E.	Frank	Johnston	Merriam	Riveness
Bernhagen	Frederickson, D.R.	Knaak	Metzen	Sams
Bertram	Gustafson	Laidig	Neuville	Terwilliger

Those who voted in the negative were:

Adkins	Finn	Kroening	Morse	Samuelson
Beckman	Flynn	Langseth	Novak	Spear
Berg	Frederickson, D.J.	Lessard	Piper	Stumpf
Berglin	Hottinger	Luther	Pogemiller	Traub
Cohen	Johnson, D.J.	Marty	Price	Vickerman
DeCramer	Johnson, J.B.	Moe, R.D.	Ranum	
Dicklich	Kelly	Mondale	Reichgott	

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

Mr. Laidig moved to amend H.F. No. 2940, as amended by the Senate April 3, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2755.)

Page 119, after line 28, insert:

"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. 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~~ *subdivisions* 9 *and 49*, 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~~, *but only if (1) the* horse *is* to be used for racing ~~whose~~ *and (2) the* birth *of the horse* 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."

Page 125, after line 6, insert:

"Sec. 17. Minnesota Statutes 1990, section 297A.25, is amended by adding a subdivision to read:

Subd. 49. [HORSES.] *Except as provided in section 297A.01, subdivision 3, paragraph (h), the gross receipts from the sale of horses are exempt.*"

Renumber the sections of article 6 in sequence and correct the internal references

Amend the title accordingly

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

Mr. Moe, R.D. moved to amend H.F. No. 2940, as amended by the Senate April 3, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2755.)

Pages 2 to 15, delete article 1 and insert:

"ARTICLE 1

LOCAL GOVERNMENT AIDS

Section 1. 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 $71,600,000.*

(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."

Pages 122 and 123, delete section 9

Page 124, delete section 12

Renumber the sections of article 6 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 6 and nays 57, as follows:

Those who voted in the affirmative were:

Belanger	Knaak	McGowan	Terwilliger	Traub
Bernhagen				

Those who voted in the negative were:

Adkins	Dicklich	Johnson, J.B.	Metzen	Ranum
Beckman	Finn	Johnston	Moe, R.D.	Reichgott
Benson, D.D.	Flynn	Kelly	Mondale	Renneke
Benson, J.E.	Frank	Kroening	Morse	Riveness
Berg	Frederickson, D.J.	Laidig	Neuville	Sams
Berglin	Frederickson, D.R.	Langseth	Novak	Samuelson
Bertram	Gustafson	Larson	Olson	Spear
Brataas	Halberg	Lessard	Pappas	Stumpf
Chmielewski	Hottinger	Luther	Pariseau	Vickerman
Cohen	Hughes	Marty	Piper	
Davis	Johnson, D.E.	Mehrkens	Pogemiller	
DeCramer	Johnson, D.J.	Merriam	Price	

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

Mr. Neuville moved to amend H.F. No. 2940, as amended by the Senate April 3, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2755.)

Page 114, after line 13, insert:

"Sec. 10. 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) the amount of the personal exemption reduction as provided under section 290.0803.

Sec. 11. 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;

(8) the amount by which the taxpayer's personal exemption amount is reduced under section 151(d)(3) of the Internal Revenue Code; and

(9) an amount equal to $250, multiplied by the number of personal exemptions for which the taxpayer is eligible to take a deduction under section 151 of the Internal Revenue Code, provided that the subtraction under this clause is available only to a taxpayer who is not subject to the personal exemption reduction provided under section 290.0803."

Page 115, after line 13, insert:

"Sec. 13. Minnesota Statutes 1991 Supplement, 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. 14. [290.0803] [PERSONAL EXEMPTION REDUCTION.]

In the case of any taxpayer whose adjusted gross income determined under section 62 of the Internal Revenue Code of 1986, as amended through December 31, 1991, for the taxable year exceeds the threshold amount, the amount taken as a deduction for personal exemptions under section 151 of the Internal Revenue Code of 1986, as amended through December 31, 1991, prior to application of section 151(d)(3), shall be reduced by the applicable percentage. The amount determined under this section shall be added to federal taxable income under section 290.01, subdivision 19a, clause (5).

As used in this section, the term "applicable percentage" means two percentage points for each $1,000 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds the threshold amount. In the case of a married individual filing a separate return, the preceding sentence shall be applied by substituting "$500" for "$1,000." In no event shall the applicable percentage exceed 100 percent.

As used in this section, the term "threshold amount" means:

(1) $100,000 in the case of a joint return or a surviving spouse as defined in section 2(a) of the Internal Revenue Code of 1986, as amended through December 31, 1991;

(2) $83,350 in the case of a head of a household as defined in section 2(b) of the Internal Revenue Code of 1986, as amended through December 31, 1991;

(3) $66,650 in the case of an individual who is not married and who is not a surviving spouse or head of a household; and

(4) $50,000 in the case of a married individual filing a separate return."

Page 117, line 14, after "*10*" insert "*to 14*"

Renumber the sections of article 5 in sequence and correct the internal references

Pages 122 and 123, delete section 9

Page 125, delete section 16

Renumber the sections of article 6 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 59 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Johnston	Merriam	Ranum
Belanger	Finn	Kelly	Metzen	Reichgott
Benson, D.D.	Flynn	Knaak	Moe, R.D.	Renneke
Benson, J.E.	Frank	Kroening	Mondale	Riveness
Berglin	Frederickson, D.R.	Laidig	Morse	Sams
Bertram	Gustafson	Langseth	Neuville	Samuelson
Brataas	Halberg	Larson	Novak	Spear
Chmielewski	Hottinger	Lessard	Pappas	Stumpf
Cohen	Hughes	Luther	Pariseau	Traub
Dahl	Johnson, D.E.	Marty	Piper	Vickerman
Davis	Johnson, D.J.	McGowan	Pogemiller	Waldorf
DeCramer	Johnson, J.B.	Mehrkens	Price	

Messrs. Bernhagen and Terwilliger voted in the negative.

The motion prevailed. So the amendment was adopted.

H.F. No 2940 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 44 and nays 21, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, J.B.	Moe, R.D.	Ranum
Beckman	Dicklich	Kelly	Mondale	Reichgott
Berglin	Finn	Kroening	Morse	Riveness
Bertram	Flynn	Langseth	Neuville	Sams
Brataas	Frederickson, D.J.	Lessard	Novak	Samuelson
Chmielewski	Frederickson, D.R.	Luther	Pappas	Spear
Cohen	Hottinger	Marty	Piper	Stumpf
Dahl	Hughes	Merriam	Pogemiller	Vickerman
Davis	Johnson, D.J.	Metzen	Price	

Those who voted in the negative were:

Belanger	Frank	Knaak	Olson	Waldorf
Benson, D.D.	Gustafson	Laidig	Pariseau	
Benson, J.E.	Halberg	Larson	Renneke	
Berg	Johnson, D.E.	McGowan	Terwilliger	
Bernhagen	Johnston	Mehrkens	Traub	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Johnson, D.J. moved that S.F. No. 2755, No. 69 on General Orders, be stricken and laid on the table. The motion prevailed.

Without objection, remaining on the Order of Business of Motions and

Resolutions, the Senate reverted to the Orders of Business of Reports of Committees and Second Reading of House Bills.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

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

S.F. No. 2603: 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 subdivisions; 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; 43A; 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 43A.316, subdivisions 1, 2, 3, 4, 5, 6, 7, and 10; 62A.02, subdivisions 4 and 5; Minnesota Statutes 1991 Supplement, section 43A.316, subdivisions 8 and 9.

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

Page 3, line 4, after the period, insert "*Professional licensing boards and state agencies responsible for licensing, registering, or regulating providers shall cooperate fully with the commissioner in achieving compliance with the reporting requirements. Intentional failure to provide reports requested under this section is grounds for revocation of a license or other disciplinary or regulatory action against a regulated provider. The commissioner may assess a fine against a provider who refuses to provide information required by the commissioner under this section. If a provider refuses to provide a report or information required under this section, the commissioner may obtain a court order requiring the provider to produce documents and allowing the commissioner to inspect the records of the provider for purposes of obtaining the information required under this section.*"

Page 7, line 11, delete "*24*" and insert "*25*"

Page 7, line 20, delete "*five*" and insert "*six*"

Page 7, line 24, after the comma, insert "*one rural physician appointed by the governor,*"

Page 7, line 28, after "*including*" insert "*(1)*"

Page 7, line 30, delete the comma and insert a semicolon and before "*two*" insert "*(2)*"

Page 14, line 9, after the period, insert "*For purposes of determining whether a proposed spending commitment exceeds a spending threshhold, the total dollar amount of the spending commitment must be reduced in proportion to the documented percentage of a provider's business that is attributable to treating patients who are residents of other states.*"

Page 16, line 17, delete "AND TEACHING"

Page 16, lines 21 and 22, delete "*or for health care education and training purposes*"

Page 16, delete lines 23 to 28 and insert:

"*(f)* [MANUFACTURERS.] *A major spending commitment may be made by a manufacturer of drugs or medical equipment if the major spending commitment relates to research, development, testing, or manufacturing of drugs or medical equipment. This exception does not apply to any portion of the manufacturer's business that involves direct sales to patients or individual consumers.*"

Page 19, line 5, delete "*compatible with*" and insert "*based on*"

Page 19, delete lines 18 to 36

Page 20, delete line 1

Page 20, line 2, delete "*4*" and insert "*2*"

Page 20, line 3, delete "*subdivision*" and insert "*section*"

Page 20, line 12, delete "*1992*" and insert "*1993*"

Page 20, line 20, after the period, insert "*This section does not apply to ambulance services as defined in section 144.801, subdivision 4.*"

Pages 20 and 21, delete sections 11 and 12 and insert:

"Sec. 11. [62J.27] [PRACTICE PARAMETERS.]

Subdivision 1. [APPROVAL.] *The commissioner of health, after receiving the advice and recommendations of the Minnesota health care commission, may through rulemaking under chapter 14 approve practice parameters that are supported by medical literature and appropriately controlled studies to minimize unnecessary, unproven, or ineffective care.*

Subd. 2. [MEDICAL MALPRACTICE CASES.] *(a) In an action against a provider for malpractice, error, mistake, or failure to cure, whether based in contract or tort, adherence to a practice parameter approved by the commissioner of health is an absolute defense against an allegation that the provider did not comply with accepted standards of practice in the community.*

(b) Evidence of a departure from a practice parameter is 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 approving the applicable practice parameter, whichever is later.

Sec. 12. [62J.29] [ANTITRUST EXCEPTIONS.]

Subdivision 1. [PURPOSE.] *The legislature finds that the goals of controlling health care costs and improving the quality of and access to health*

care services will be significantly enhanced by some cooperative arrangements involving providers or purchasers that would be prohibited by state and federal antitrust laws if undertaken without governmental involvement. The purpose of this section is to create an opportunity for the state to review proposed arrangements and to substitute regulation for competition when an arrangement is likely to result in lower costs, or greater access or quality, than would otherwise occur in the competitive marketplace. The legislature intends that approval of relationships be accompanied by appropriate conditions, supervision, and regulation to protect against private abuses of economic power.

Subd. 2. [REVIEW AND APPROVAL.] *The commissioner shall establish criteria and procedures to review and authorize contracts, business or financial arrangements, or other activities, practices, or arrangements 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 and further the policies and goals of this chapter. The commissioner shall not approve any application unless the commissioner finds that the proposed arrangement is likely to result in lower health care costs, or greater access to or quality of health care, than would occur in the competitive marketplace. The commissioner may condition approval of a proposed arrangement on a modification of all or part of the arrangement to eliminate any restriction on competition that is not reasonably related to the goals of controlling costs or improving access or quality. The commissioner may also establish conditions for approval that are reasonably necessary to protect against any abuses of private economic power and to ensure that the arrangement is appropriately supervised and regulated by the state. The commissioner shall actively monitor and regulate arrangements approved under this section to ensure that the arrangements remain in compliance with the conditions of approval. The commissioner may revoke an approval upon a finding that the arrangement is not in substantial compliance with the terms of the application or the conditions of approval.*

Subd. 3. [APPLICATIONS.] *Applications for approval under this section must be filed with the commissioner. An application for approval must describe the proposed arrangement in detail. The application must include at least: the identities of all parties, the intent of the arrangement, the expected effects of the arrangement, an explanation of how the arrangement will control costs or improve access or quality, and financial statements showing how the efficiencies of operation will be passed along to patients and purchasers of health care. The commissioner may ask the attorney general to comment on an application, but the application and any information obtained by the commissioner under this section is not admissible in any proceeding brought by the attorney general based on antitrust.*

Subd. 4. [STATE ANTITRUST LAW.] *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, practices, or arrangements involving providers or purchasers that are approved by the commissioner under this section 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 state commission is an absolute defense against any action under state antitrust laws.*

Subd. 5. [RULEMAKING.] *The commissioner shall by January 1, 1994, adopt permanent rules to implement this section. The commissioner is exempt*

from rulemaking until January 1, 1994."

Page 21, after line 6, insert:

"Sec. 13. [EFFECTIVE DATE.]

Sections 1 to 12 are effective the day following final enactment."

Page 93, after line 1, insert:

"Sec. 13. [REPEALER.]

Minnesota Statutes 1990, sections 62E.51, 62E.52, 62E.53, 62E.531, 62E.54, and 62E.55, are repealed."

Page 93, line 2, delete "13" and insert "14"

Page 96, line 29, before "*The*" insert "*Subdivision 1.* [SOLE COMMUNITY HOSPITAL FINANCIAL ASSISTANCE GRANTS.]"

Page 97, after line 4, 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 7. To be eligible for a grant, a hospital must have 50 or fewer beds and must not be located in a city of the first class. To receive a grant, the hospital must demonstrate to the satisfaction of the commissioner of health that the hospital will close in the absence of state assistance under this subdivision and that the hospital tax is the principal reason for the closure. The amount of the grant must not exceed the amount of the tax the hospital would pay under article 10, section 7, based on the previous year's hospital revenues.*"

Pages 133 to 139, delete 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 60A.15, subdivision 1, is amended to read:

Subdivision 1. [DOMESTIC AND FOREIGN COMPANIES.] (a) On or before April 15, June 15, and December 15 of each year, every domestic and foreign company, including town and farmers' mutual insurance companies ~~and~~, domestic mutual insurance companies, *and nonprofit health service corporations*, 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. Minnesota Statutes 1990, section 62C.01, subdivision 3, is amended to read:

Subd. 3. [SCOPE.] Every foreign or domestic nonprofit corporation organized for the purpose of establishing or operating a health service plan in Minnesota whereby health services are provided to subscribers to the plan under a contract with the corporation shall be subject to and governed by Laws 1971, chapter 568, and shall not be subject to the laws of this state relating to insurance, except *section 60A.15 and* as otherwise specifically provided. Laws 1971, chapter 568 shall apply to all health service plan corporations incorporated after August 1, 1971, and to all existing health service plan corporations, except as otherwise provided. Nothing in sections 62C.01 to 62C.23 shall apply to prepaid group practice plans. A prepaid group practice plan is any plan or arrangement other than a service plan, whereby health services are rendered to certain patients by providers who devote their professional effort primarily to members or patients of the plan, and whereby the recipients of health services pay for the services on a regular, periodic basis, not on a fee for service basis.

Sec. 4. 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. 5. [295.50] [DEFINITIONS.]

Subdivision 1. [DEFINITIONS.] *For purposes of sections 295.50 to 295.57, 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 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, as defined in section 151.44, paragraph (d), other than to another wholesale drug distributor; and

(6) a health plan manager for management, underwriting, claims administration, or other similar services for medical or health care benefits or coverage provided to purchasers located in Minnesota, if the revenues are not insurance premiums taxable under the gross premiums tax or are not used by the manager to pay taxable insurance premiums.

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, but excludes hospitals and pharmacies.*

Subd. 5. [HEALTH PLAN MANAGER.] *"Health plan manager" means a person, as defined in section 289A.02, that provides management, underwriting, claims administration, or similar services to a purchaser located in Minnesota, other than a hospital or health care provider.*

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 who 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, prosthetics, and similar items.*

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 licensed under sections 151.42 to 151.51 that sells to a Minnesota retailer or consumer.*

Sec. 6. [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 that 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. 7. [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. [HEALTH CARE PROVIDER TAX.] *A tax is imposed on each health care provider and health plan manager 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 . . . . . percent of its gross revenues.*

Subd. 4. [USE TAX.] *A person that receives prescription drugs for resale or use in Minnesota, other than from a wholesale drug distributer that paid the tax under subdivision 3 as evidenced by a wholesale drug distributor tax identification number on the invoice, is subject to a tax equal to . . . . . percent of the price paid. A wholesale drug distributor is not subject to this tax.*

Liability for the tax is incurred when prescription drugs are received by the person.

Sec. 8. [295.53] [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 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 that are subject to tax under section 295.52;

(6) payments received for prescription drugs, as defined in section 151.44, paragraph (d);

(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.

Sec. 9. [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. 10. [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.

(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 quarter.

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 hospital or health care provider 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.*

Subd. 7. [PASS-THROUGH.] *A hospital or health care provider that is subject to a tax under section 7 may assess a surcharge on all third-party contracts for the purchase of health care services on behalf of a patient or consumer to recover all or part of the tax obligation. The surcharge must not exceed two percent of the gross revenues received under the third-party contract, including copayments and deductibles paid by the individual patient or consumer. The surcharge must not be assessed on revenues derived from payments that are excluded from the tax under section 8. All third-party purchasers of health care services including, but not limited to, third-party purchasers regulated under chapters 60A, 62A, 62C, 62D, 64B, or 62H, must pay the surcharge in addition to any payments due under existing or future contracts with the hospital or health care provider, to the extent allowed under federal law. Nothing in this subdivision limits the ability of a hospital or health care provider to recover all or part of the tax obligation by other methods, including increasing fees or charges. A hospital or health care provider must not separately state the tax obligation on bills for services provided to individual patients.*

Sec. 11. [295.56] [TAX PERMIT.]

Subdivision 1. [PERMIT REQUIRED.] *Every wholesale drug distributor must file with the commissioner an application, on a form the commissioner prescribes, for a wholesale drug distributor tax identification number and wholesale drug distributor tax permit. A permit is not assignable and is valid only for the wholesaler in whose name it is issued.*

Subd. 2. [INCLUSION ON INVOICE.] *The wholesale drug distributor tax identification number must be included on every invoice for prescription drugs sent to a Minnesota retailer or consumer.*

Subd. 3. [REVOCATION.] *The commissioner may revoke a permit for nonpayment of tax.*

Sec. 12. [295.56] [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. 13. [295.57] [DEPOSIT OF REVENUES.]

The commissioner shall deposit all revenues, including penalties and interest, derived from the taxes imposed by sections 295.50 to 295.56 in the health care access account in the general fund.

Sec. 14. [295.58] [SEVERABILITY.]

If any section, subdivision, clause, or phrase of sections 295.50 to 295.58 is for any reason held to be unconstitutional, 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. 15. 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. 16. 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. 17. [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. 18. [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. 19. [TRANSITION PROVISION; HOSPITAL TAX.]

For gross revenues taxable under section 7, subdivision 1, for calendar year 1993, the exclusions under section 8, clauses (5) and (6), do not apply.

Sec. 20. [EFFECTIVE DATE.]

Sections 1 and 2 are effective beginning for calendar year 1993. Section 4 is effective for taxable years beginning after December 31, 1992. Section 7, subdivision 1, is effective for gross revenues generated by services performed and goods sold after December 31, 1992. Section 7, subdivisions 2, 3, and 4, are effective for gross revenues generated by services performed and goods sold after December 31, 1993. Sections 15 and 16 are effective July 1, 1992. Section 17 is effective the day following final enactment."

Amend the title as follows:

Page 1, line 11, after the semicolon, insert "60A.15, subdivision 1;"

Page 1, line 12, after the first semicolon, insert "62C.01, subdivision 3;"

Page 1, line 18, delete "and"

Page 1, line 19, after the semicolon, insert "297.03, subdivision 5;"

Page 1, line 25, after the second semicolon, insert "62E.51; 62E.52; 62E.53; 62E.531; 62E.54; 62E.55"

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

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

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.

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

Pages 1 and 2, delete section 1 and insert:

"Section 1. Minnesota Statutes 1990, section 211B.15, subdivision 1, is amended to read:

Subdivision 1. [~~DEFINITION~~ *DEFINITIONS.*] *(a) For purposes of this section, the following terms have the meanings given them.*

(b) "Corporation" ~~for purposes of this section~~ means a corporation organized for profit that does business in Minnesota.

(c) "Limited liability company" means a limited liability company formed under chapter 322B, or under similar laws of another state, that does business in Minnesota.

Sec. 2. Minnesota Statutes 1990, section 211B.15, subdivision 2, is amended to read:

Subd. 2. [PROHIBITED CONTRIBUTIONS.] A corporation *or limited liability company* may not make a contribution or offer or agree to make a contribution, directly or indirectly, of any money, property, free service of its officers or employees, or thing of monetary value to a major political party, organization, committee, or individual to promote or defeat the candidacy of an individual for nomination, election, or appointment to a political office. For the purpose of this subdivision, "contribution" includes an expenditure to promote or defeat the election or nomination of a candidate to a political office that is made with the authorization or expressed or implied consent of, or in cooperation or in concert with, or at the request or suggestion of, a candidate or committee established to support or oppose a candidate.

Sec. 3. Minnesota Statutes 1990, section 211B.15, subdivision 3, is amended to read:

Subd. 3. [INDEPENDENT EXPENDITURES.] A corporation *or limited liability company* may not make an independent expenditure or offer or agree to make an independent expenditure to promote or defeat the candidacy of an individual for nomination, election, or appointment to a political office. For the purpose of this subdivision, "independent expenditure" means an expenditure that is not made with the authorization or expressed or implied consent of, or in cooperation or concert with, or at the request or suggestion of, a candidate or committee established to support or oppose a candidate.

Sec. 4. Minnesota Statutes 1990, section 211B.15, subdivision 4, is amended to read:

Subd. 4. [BALLOT QUESTION.] A corporation *or limited liability company* may make contributions or expenditures to promote or defeat a ballot question, to qualify a question for placement on the ballot unless otherwise prohibited by law, or to express its views on issues of public concern. A corporation *or limited liability company* may not make a contribution to a candidate for nomination, election, or appointment to a political office or to a committee organized wholly or partly to promote or defeat a candidate.

Sec. 5. Minnesota Statutes 1990, section 211B.15, subdivision 6, is amended to read:

Subd. 6. [PENALTY FOR INDIVIDUALS.] An officer, *manager,* stockholder, *member,* agent, employee, attorney, or other representative of a corporation *or limited liability company* acting in behalf of the corporation *or limited liability company* who violates this section may be fined not more than $20,000 or be imprisoned for not more than five years, or both.

Sec. 6. Minnesota Statutes 1990, section 211B.15, subdivision 7, is amended to read:

Subd. 7. [PENALTY FOR CORPORATIONS *OR LIMITED LIABILITY COMPANIES.*] A corporation *or limited liability company* convicted of violating this section is subject to a fine not greater than $40,000. A convicted domestic corporation *or limited liability company* may be dissolved as well as fined. If a foreign or nonresident corporation *or limited liability company* is convicted, in addition to being fined, its right to do business in this state may be declared forfeited.

Sec. 7. Minnesota Statutes 1990, section 211B.15, subdivision 9, is amended to read:

Subd. 9. [MEDIA PROJECTS.] It is not a violation of this section for a corporation *or limited liability company* to contribute to or conduct public media projects to encourage individuals to attend precinct caucuses, register, or vote if the projects are not controlled by or operated for the advantage of a candidate, political party, or committee.

Sec. 8. Minnesota Statutes 1990, section 211B.15, subdivision 10, is amended to read:

Subd. 10. [MEETING FACILITIES.] It is not a violation of this section for a corporation *or limited liability company* to provide meeting facilities to a committee, political party, or candidate on a nondiscriminatory and nonpreferential basis.

Sec. 9. Minnesota Statutes 1990, section 211B.15, subdivision 11, is amended to read:

Subd. 11. [MESSAGES ON ~~CORPORATE~~ PREMISES.] It is not a violation of this section for a corporation *or limited liability company* selling products or services to the public to post on its public premises messages that promote participation in precinct caucuses, voter registration, or elections if the messages are not controlled by or operated for the advantage of a candidate, political party, or committee."

Page 4, after line 21, insert:

"Sec. 12. 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, 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:

For taxable years beginning after December 31, 1993, and before January 1, 1996, 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~~ *110*
$ 1,000,000 to $ 4,999,999	$ ~~300~~ *320*
$ 5,000,000 to $ 9,999,999	~~$1,000~~ *$1,060*
$10,000,000 to $19,999,999	~~$2,000~~ *$2,110*
$20,000,000 or more	~~$5,000~~ *$5,280*

For taxable years beginning after December 31, 1995, 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	*$ 120*
$ 1,000,000 to $ 4,999,999	*$ 350*

$ 5,000,000 to $ 9,999,999	*$1,170*
$10,000,000 to $19,999,999	*$2,340*
$20,000,000 or more	*$5,840*

(b) A tax is imposed annually ~~beginning in 1990~~ on a corporation required to file a return under section 290.41, subdivision 1, 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, 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 due under section 290.41, subdivision 1, for the calendar year following the calendar year in which the tax is imposed. 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:

For taxable years beginning after December 31, 1993, and before January 1, 1996, 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~~ *$ 110*
$ 1,000,000 to $ 4,999,999	~~$ 300~~ *$ 320*
$ 5,000,000 to $ 9,999,999	~~$1,000~~ *$1,060*
$10,000,000 to $19,999,999	~~$2,000~~ *$2,110*
$20,000,000 or more	~~$5,000~~ *$5,280*

For taxable years beginning after December 31, 1995, 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	*$ 120*
$ 1,000,000 to $ 4,999,999	*$ 350*
$ 5,000,000 to $ 9,999,999	*$1,170*
$10,000,000 to $19,999,999	*$2,340*
$20,000,000 or more	*$5,840*"

Page 22, line 3, delete "*2 and 3*" and insert "*10 and 11*"

Renumber the sections of article 1 in sequence

Amend the title as follows:

Page 1, line 18, after the second semicolon, insert "increasing the minimum fee on businesses;"

Page 1, line 20, delete "subdivision 1" and insert "subdivisions 1, 2, 3, 4, 6, 7, 9, 10, and 11"

Page 1, line 31, after the first semicolon, insert "290.0922, subdivision 1;"

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

SECOND READING OF HOUSE BILLS

H.F. No. 1910 was read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Finn introduced—

S.F. No. 2785: 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.

Referred to the Committee on Judiciary.

Messrs. Finn and Solon introduced—

S.F. No. 2786: 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.

Referred to the Committee on Taxes and Tax Laws.

Mr. Halberg introduced—

S.F. No. 2787: A bill for an act relating to professional corporations; removing certain filing and reporting requirements with the boards having jurisdiction of the professional service being rendered; amending Minnesota Statutes 1990, sections 319A.08; and 319A.18; repealing Minnesota Statutes 1990, section 319A.21.

Referred to the Committee on Judiciary.

MEMBERS EXCUSED

Mr. Day was excused from the Session of today. Mr. Bernhagen was excused from the Session of today at 6:45 p.m. Mr. Solon was excused from the Session of today at 6:00 p.m. Mr. Larson was excused from the Session of today from 6:15 to 6:30 p.m. Mr. Beckman was excused from the Session of today from 6:30 to 6:45 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Monday, April 6, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

NINETY-SECOND DAY

St. Paul, Minnesota, Monday, April 6, 1992

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Phil Formo.

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

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

Adkins	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moe, R.D.	Riveness
Belanger	Dicklich	Kelly	Mondale	Sams
Benson, D.D.	Finn	Knaak	Morse	Samuelson
Benson, J.E.	Flynn	Kroening	Neuville	Solon
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Halberg	Luther	Piper	Vickerman
Chmielewski	Hottinger	Marty	Pogemiller	Waldorf
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

April 3, 1992

The Honorable Jerome M. Hughes
President of the Senate

Dear President Hughes:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 2182, 1298,

1767, 1900, 1991, 2069, 2208, 2308 and 2310.

Warmest regards,
Arne H. Carlson, Governor

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Report at the Desk be now adopted. The motion prevailed.

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

H.F. No. 2623 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2623	2344				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2623 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2623 and insert the language after the enacting clause of S.F. No. 2344, the first engrossment; further, delete the title of H.F. No. 2623 and insert the title of S.F. No. 2344, the first engrossment.

And when so amended H.F. No. 2623 will be identical to S.F. No. 2344, and further recommends that H.F. No. 2623 be given its second reading and substituted for S.F. No. 2344, and that the Senate File be indefinitely postponed.

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

SECOND READING OF HOUSE BILLS

H.F. No. 2623 was read the second time.

MOTIONS AND RESOLUTIONS

Ms. Flynn moved that the name of Mr. Marty be added as a co-author to S.F. No. 1993. The motion prevailed.

Mr. Johnson, D.E. introduced—

Senate Resolution No. 140: A Senate resolution commending James A. Larson on his promotion to Colonel in the United States Army.

Referred to the Committee on Rules and Administration.

Ms. Piper and Mr. Pogemiller introduced—

Senate Resolution No. 141: A Senate resolution congratulating the Austin Pacelli High School Boys Basketball Team on winning the 1992 State Class A Boys Basketball championship.

Referred to the Committee on Rules and Administration.

Without objection, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Merriam, for the Committee on Finance, introduced—

S.F. No. 2788: A bill for an act relating to the organization and operation of state government; providing for programs relating to higher education; environment and natural resources; agriculture, transportation, semi-state, and regulatory agencies; economic and state affairs; health and human services; providing for regulation of certain activities and practices; making fund and account transfers; providing for fees; making grants; appropriating money and reducing earlier appropriations with certain conditions; amending Minnesota Statutes 1990, sections 3.21; 3.736, subdivision 8; 5.09; 5.14; 15.0597, subdivision 4; 16A.15, subdivision 1; 16A.48, subdivision 1; 16B.85, subdivision 5; 17.03, by adding subdivisions; 85A.02, subdivision 17; 85A.04, subdivision 1; 115D.04, subdivision 2; 115D.08; 116J.9673, subdivision 4; 138.56, by adding a subdivision; 144.123, subdivision 2; 147.01, by adding a subdivision; 176.104, subdivision 2, and by adding subdivisions; 176.129, subdivisions 1 and 11; 176.183, subdivision 1; 182.666, subdivision 7; 204B.27, subdivision 2; 204D.11, subdivisions 1 and 2; 237.701, subdivision 1; 246A.12, subdivision 7; 253B.10, subdivision 1; 254B.06, subdivision 3; 256.9655; 256.9695, subdivision 3; 256B.02, by adding subdivisions; 256B.035; 256B.056, by adding a subdivision; 256B.057, by adding a subdivision; 256B.059, subdivision 5; 256B.0595, subdivision 1; 256B.0625, by adding subdivisions; 256B.092, by adding a subdivision; 256B.15, subdivision 2; 256B.19, by adding a subdivision; 256B.431, subdivision 2i, and by adding subdivisions; 256B.48, subdivision 1b, and by adding a subdivision; 256B.501, by adding subdivisions; 256D.02, by adding subdivisions; 256D.03, by adding a subdivision; 256D.05, by adding a subdivision; 256D.051, by adding subdivisions; 256D.06, subdivision 5; 256D.101, by adding a subdivision; 256D.54, subdivision 3; 256E.14; 256H.10, subdivision 1; 256I.04, as amended; 256I.05, subdivision 1; 270.71; 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; 349.161, subdivision 4; 349.163, subdivision 2; 353.27, subdivision 13; 356.65, subdivision 1; 363.071, by adding a subdivision; 363.14, subdivisions 2 and 3; 466.06; 477A.12; 477A.14; and 490.123, by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 16A.45, subdivision 1; 16A.723, subdivision 2; 84.0855; 89.37, subdivision 4; 144A.071, subdivision 3; 144A.46, subdivisions 1 and 2; 144A.49; 148.921, subdivision 2; 182.666, subdivision 2; 251.011, subdivision 3; 252.46, subdivision 3; 252.50, subdivision 2; 254B.04, subdivision 1; 256.9656; 256.9657, subdivisions 1, 2, 3, 4, 7, and by adding a subdivision; 256.969, subdivisions 1, 9, and 20; 256B.0625, subdivision 17; 256B.0627, subdivision 5; 256B.0913, subdivisions 4, 5, 12, and 14; 256B.0915, subdivision 3; 256B.0917, subdivision 8; 256B.431, subdivisions 2m 2o, and 3f; 256B.49, subdivision 4;

256B.74, subdivisions 1 and 3; 256D.03, subdivision 3; 256D.05, subdivision 1; 256D.051, subdivisions 1 and 1a; 256H.03, subdivisions 4 and 6; 256H.05, subdivision 1b, and by adding a subdivision; 256I.05, subdivisions 1a, 1b, 2, and 10; 340A.311; 340A.316; 340A.504, subdivision 3; 357.021, subdivision 2; 611.27, subdivision 7; and Laws 1991, chapter 233, section 2, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 84; 115B; 144; 144A; 178; 246; 256; 256B; 256I; 501B; and 514; repealing Minnesota Statutes 1990, sections 3.737; 3.7371; 41A.051; 85.012, subdivision 27a; 211A.04, subdivision 2; 256D.052, as amended; 256D.09, subdivision 3; 256I.05, subdivision 7; 270.185; Minnesota Statutes 1991 Supplement, sections 97A.485, subdivision 1a; 144A.071, subdivision 3a; 256.9657, subdivision 5; 256.969, subdivision 7; 256B.056, subdivision 3a; 256B.74, subdivisions 8 and 9; 256I.05, subdivision 7a; and Laws 1991, chapter 292, article 4, section 77.

Under the Rules of the Senate, laid over one day.

SUSPENSION OF RULES

Mr. Moe, R.D. moved that the rules of the Senate be so far suspended that S.F. No. 2788 be referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Mr. Bertram introduced—

S.F. No. 2789: A bill for an act relating to motor vehicles; providing for free motor vehicle license plates for former prisoners of war; amending Minnesota Statutes 1990, section 168.125, subdivision 1.

Referred to the Committee on Transportation.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that H.F. No. 2121 be taken from the table. The motion prevailed.

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.

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 2121 and that the rules of the Senate be so far suspended as to give H.F. No. 2121 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 2121 was read the second time.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 1:15 p.m. The motion prevailed.

The hour of 1:15 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on H.F. No. 2121.

Mr. Dicklich moved to amend H.F. No. 2121 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 2121, and insert the language after the enacting clause, and the title, of S.F. No. 2326, the third engrossment.

The motion prevailed. So the amendment was adopted.

Mr. Dicklich then moved to amend H.F. No. 2121, as amended by the Senate April 6, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2326.)

Page 3, line 24, delete "*and*"

Page 3, line 25, before the semicolon, insert "*, and article 7, sections 10 and 11*"

Page 5, line 10, delete "*adjusted*"

Page 15, line 4, strike the first comma and delete "*under*" and strike "section 126.70,"

Page 15, line 5, strike "subdivisions 1 and 2a"

Page 16, line 35, delete "*$178,500,000*" and insert "*$178,200,000*"

Page 37, line 18, strike everything before "an" and insert "*fee that is charged to*" and after "individual" insert "*for the full battery of a GED test*"

Page 37, line 19, delete everything after "*individual*"

Page 37, line 20, delete everything before the period

Page 37, after line 20, insert:

"Sec. 3. Minnesota Statutes 1990, section 275.125, is amended by adding a subdivision to read:

Subd. 25. [LEVY FOR CERTAIN CHILDREN IN EXTENDED DAY PROGRAMS.] *A school district that offers an extended day program according to section 121.88, subdivision 10, may levy for the additional costs of providing services to children with disabilities who participate in the extended day program.*"

Renumber the sections of article 4 in sequence

Pages 37 and 38, delete section 1 and insert:

"Section 1. Minnesota Statutes 1990, section 124.243, subdivision 2, is amended to read:

Subd. 2. [CAPITAL EXPENDITURE FACILITIES REVENUE.] Capital expenditure facilities revenue for a district equals ~~the lesser of:~~

~~(1)~~ ~~$130~~ *$125* times its actual pupil units for the school year~~;~~ ~~or~~

~~(2) the difference between $400 times the actual pupil units for the school year and~~. *A district's capital expenditure facilities revenue for a school year*

shall be reduced if the unreserved balance in the capital expenditure facilities account on June 30 of the prior school year. ~~For the purpose of determining revenue for the 1989-1990 and the 1990-1991 school years, the unreserved balance in the capital expenditure facilities account on June 30 of the prior school year is zero~~ *exceeds $270 times the fund balance pupil units in the prior year as defined in section 124A.26, subdivision 1. If a district's capital expenditure facilities revenue is reduced, the reduction equals the lesser of (1) the amount that the unreserved balance in the capital expenditure facilities account on June 30 of the prior year exceeds $270 times the fund balance pupil units in the prior year, or (2) the capital expenditure facilities revenue for that year.*"

Page 61, line 4, after the second comma, insert "*special education cooperative,*"

Page 61, line 5, before the comma, insert "*that received a grant for a cooperative secondary facility*"

Page 61, line 26, after "*each*" insert "*member*"

Page 62, line 31, after the period, insert "*However, the provisions of section 122.244 continue to apply after July 1, 1996.*"

Page 70, after line 14, insert:

"*(f) If a school district levies according to this subdivision, it may not also levy according to article 6, section 9, for eligible employees.*"

Page 70, line 21, delete "*benefits*" and insert "*expenses*"

Page 70, line 25, delete the second "*the*" and insert "*$300,000.*"

Page 70, delete lines 26 to 34

Page 70, line 35, before "*the*" insert "*50 percent of*"

Page 76, line 29, before "*The*" insert "*Except for programs operated pursuant to sections 120.59 to 120.67, 124C.27 to 124C.31, and 124C.49,*"

Page 83, after line 10, insert:

"Sec. 14. 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, 50 percent of the proceeds of this levy shall be recognized in the fiscal year in which it is certified."

Page 92, line 32, after the period, insert "*The council shall have the power to make grants, from money appropriated to it, to organizations or individuals in order to obtain assistance in conducting the study.*"

Renumber the sections of article 8 in sequence and correct the internal references

Page 105, line 20, before the semicolon, insert ", *if the community has more than .5 percent people of color as determined by the most recent federal census or population estimate by the state demographer*"

Page 110, after line 32, insert:

"*Subd. 9.* [EVALUATION.] *During fiscal year 1993, the state board shall evaluate the programs provided under this section and report to the legislature by January 15, 1994, on effectiveness of the programs and the grants.*"

Page 113, after line 19, insert:

"Sec. 9. 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, *and 297E*, or sections 290.92, 349.212, and 349.2121."

Pages 114 to 117, delete sections 10 to 21 and insert:

"Sec. 11. Minnesota Statutes 1991 Supplement, section 289A.01, is amended to read:

289A.01 [APPLICATION OF CHAPTER.]

This chapter applies to taxes administered by or paid to the commissioner under chapters 290, 290A, 291, ~~and~~ 297A, *and 297E*, and sections 298.01 and 298.015.

Sec. 12. Minnesota Statutes 1990, section 289A.02, subdivision 5, is amended to read:

Subd. 5. [OTHER WORDS.] Unless specifically defined in this chapter, or unless the context clearly indicates otherwise, the words used in this chapter have the same meanings as they are defined in chapters 290, 290A, 291, ~~and~~ 297A, *and 297E*.

Sec. 13. [289A.13] [FILING REQUIREMENTS FOR SOFT DRINKS TAX RETURNS.]

Subdivision 1. [RETURN REQUIRED.] *For taxes imposed under chapter 297E, a return for the preceding taxable period must be filed with the commissioner in the form the commissioner prescribes. The return must be verified by a written declaration that it is made under the criminal penalties for making a false return, and must contain a confession of judgment for the amount of the tax shown due, to the extent not timely paid.*

Subd. 2. [WHO MUST FILE A RETURN.] *A return must be filed by a wholesaler. A return must also be filed by a person who receives soft drinks from someone other than a wholesaler or retailer. The return must be signed*

by the person filing it or by the person's agent duly authorized in writing.

Sec. 14. Minnesota Statutes 1990, section 289A.18, is amended by adding a subdivision to read:

Subd. 6. [SOFT DRINKS TAX RETURNS.] *The return required to be made under section 289A.13 is due on or before the 20th day of the month following the month in which the tax liability is incurred.*

Sec. 15. Minnesota Statutes 1990, section 289A.19, is amended by adding a subdivision to read:

Subd. 7. [SOFT DRINKS TAX RETURNS.] *Where good cause exists, the commissioner may extend the time for filing soft drinks tax returns up to 60 days.*

Sec. 16. Minnesota Statutes 1990, section 289A.20, is amended by adding a subdivision to read:

Subd. 6. [SOFT DRINKS TAXES.] *Soft drinks taxes are due on or before the 20th day of the month following the month in which the tax liability is incurred.*

Sec. 17. Minnesota Statutes 1990, section 289A.56, subdivision 3, is amended to read:

Subd. 3. [WITHHOLDING TAX, ENTERTAINER WITHHOLDING TAX, WITHHOLDING FROM PAYMENTS TO OUT-OF-STATE CONTRACTORS, ESTATE TAX, ~~AND~~ SALES TAX, *AND SOFT DRINKS TAX* OVERPAYMENTS.] When a refund is due for overpayments of withholding tax, entertainer withholding tax, withholding from payments to out-of-state contractors, estate tax, ~~or~~ sales tax, *or soft drinks tax* interest is computed 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.

Sec. 18. [297E.01] [DEFINITIONS.]

Subdivision 1. [WORDS, TERMS, AND PHRASES.] *The following words, terms, and phrases have the meanings given, except where the context clearly indicates a different meaning.*

Subd. 2. [COMMISSIONER.] *"Commissioner" means the commissioner of revenue.*

Subd. 3. [PERSON.] *"Person" includes an individual, partner, officer, director, firm, partnership, joint venture, association, cooperative, social club, fraternal organization, municipal or private corporation, whether organized for profit or not, estate, trust, business trust, receiver, trustee, syndicate, the United States, the state of Minnesota, any political subdivision of Minnesota, or any other group or combination acting as a unit, and the plural as well as the singular member. Person includes any agent or consignee of an individual or organization listed in this subdivision.*

Subd. 4. [RELATED RETAILER.] *"Related retailer" means any retailer that has any commonality of interest of ownership with the wholesaler, or a retailer that is a party to a franchise agreement with the wholesaler.*

Subd. 5. [RETAIL OUTLET.] *"Retail outlet" means a location in this state at which consumers may purchase soft drinks.*

Subd. 6. [RETAILER.] *"Retailer" means a person who sells soft drinks*

at a retail outlet.

Subd. 7. [SOFT DRINKS.] *(a) "Soft drinks" means carbonated beverages, beverages commonly referred to as soft drinks containing less than 15 percent fruit juice, or bottled water other than noncarbonated and nonefervescent bottled water sold in individual containers of one-half gallon or more in size.*

(b) Soft drinks include each of the component products sold to a retailer which when combined, create a drink defined in paragraph (a).

Subd. 8. [WHOLESALE PRICE.] *"Wholesale price" means the gross sales price charged by the wholesaler, not including the tax imposed by this chapter. No deduction for discounts or any other item is allowed in determining wholesale price, except that a deduction is allowed for transportation charges from the wholesaler's location to the retailer's location if the transportation charges are separately stated. When the wholesaler sells to a related retailer, "wholesale price" means the higher of the amount invoiced to the retailer, or the amount paid by the wholesaler for the soft drinks.*

Subd. 9. [WHOLESALER.] *"Wholesaler" means any person subject to tax under chapter 290 who sells or otherwise furnishes for resale purposes, from a stock maintained inside or outside the state, soft drinks to one or more retailers or consumers within the state. Wholesaler includes a manufacturer of soft drinks who sells soft drinks directly to retailers or consumers.*

Sec. 19. [297E.02] [TAX IMPOSED.]

Subdivision 1. [WHOLESALE TAX.] *Until June 30, 1994, or until terminated earlier according to this section, a tax equal to five percent of the wholesale price is imposed on the sale or transfer of soft drinks by a wholesaler. The tax is payable by the wholesaler in the manner and at the times provided in chapter 289A. Liability for the tax is incurred when soft drinks are shipped or delivered to a retail outlet, to a retailer for sale at a retail outlet, or to another person for resale or use in this state, or when the soft drinks are received by the customer's authorized representative at the wholesaler's place of business in this state.*

Subd. 2. [USE TAX.] *Until June 30, 1994, or until terminated earlier according to this section, a person that receives soft drinks for resale or use in Minnesota, other than from a wholesaler that paid the tax under subdivision 1 as evidenced by a soft drinks tax identification number appearing on the invoice or from a retailer, is subject to a tax equal to five percent of the wholesale price. The tax is payable in the manner and at the times provided in chapter 289A. Liability for the tax is incurred when soft drinks are received by the person.*

Subd. 3. [1992 CERTIFICATION.] *By July 1, 1992, the commissioner of education shall certify to the commissioner of revenue that the commissioner of education will:*

(1) make aid payments to school districts as required by section 124.2615 according to the provisions of section 31 of this article; or

(2) either not make such aid payments or will make aid payments only according to the provisions of Laws 1991, chapter 265, article 7, section 42, subdivision 2.

If the commissioner of education certifies the circumstances of clause

(2), the commissioner of revenue shall not impose the tax in this chapter.

Subd. 4. [1993 CERTIFICATION.] *This subdivision applies only if the commissioner of revenue imposes and collects the tax in this chapter pursuant to subdivision 3. By July 1, 1993, the commissioner of education shall certify to the commissioner of revenue that the commissioner of education will make aid payments to school districts as required by section 124.2615 and that the source of money for the aid payments is:*

(1) the general fund; or

(2) the early learning and violence prevention account in the special revenue fund.

If the commissioner of education certifies the circumstances of clause (1), the commissioner of revenue shall not thereafter impose the tax in this chapter.

Subd. 5. [DURATION OF TAX.] *The commissioner of revenue shall impose the tax in this chapter until June 30, 1994, unless terminated earlier according to this section.*

Sec. 20. [297E.03] [TAX PERMIT.]

Subdivision 1. [REQUIREMENT.] *Every wholesaler must file with the commissioner an application, on a form the commissioner prescribes, for a soft drinks tax identification number and soft drinks tax permit. A permit is not assignable and is valid only for the wholesaler in whose name it is issued.*

Subd. 2. [INCLUSION ON INVOICE.] *The wholesaler's soft drinks tax identification number must be included on every invoice for soft drinks sent to a Minnesota retailer or consumer.*

Sec. 21. [297E.04] [DEPOSIT OF FUNDS.]

The commissioner shall deposit all tax, penalties, and interest collected under this chapter in the early learning and violence protection account in the special revenue fund."

Page 121, line 1, delete "*($2,700,000)*" and insert "*($2,968,200)*"

Renumber the sections of article 11 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

CALL OF THE SENATE

Mr. Dicklich imposed a call of the Senate for the balance of the proceedings on H.F. No. 2121. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Finn moved to amend H.F. No. 2121, as amended by the Senate April 6, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2326.)

Page 39, after line 21, insert:

"Sec. 4. 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.~~"

Renumber the sections of article 5 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Laidig moved to amend H.F. No. 2121, as amended by the Senate April 6, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2326.)

Page 105, after line 24, insert:

"*(9) a mental health professional person, employed by or according to a contract with the school district, including a psychologist, counselor, social worker, or a nurse;*"

Renumber the clauses in sequence

The motion prevailed. So the amendment was adopted.

Mr. Neuville moved to amend H.F. No. 2121, as amended by the Senate April 6, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2326.)

Page 93, delete section 25

Renumber the sections of article 8 in sequence and correct the internal references

The motion prevailed. So the amendment was adopted.

Ms. Reichgott moved to amend H.F. No. 2121, as amended by the Senate April 6, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2326.)

Page 34, delete section 10

Renumber the sections of article 3 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Mehrkens moved to amend H.F. No. 2121, as amended by the Senate April 6, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2326.)

Page 93, after line 27, insert:

"Sec. 24. [RULES PROHIBITED.]

Notwithstanding Minnesota Statutes, section 121.11, subdivision 12, or any law to the contrary, the state board of education may not adopt rules requiring school districts to implement outcome-based education."

Renumber the sections of article 8 in sequence and correct the internal references

The motion prevailed. So the amendment was adopted.

Mr. Benson, D.D. moved to amend H.F. No. 2121, as amended by the Senate April 6, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2326.)

Page 93, after line 35, insert:

"Sec. 26. [STATE BOARD OF EDUCATION.]

Subdivision 1. [OUTCOME-BASED EDUCATION RULE.] *The state board of education must not adopt a rule requiring school districts to implement a system of outcome-based education instructional practices.*

Subd. 2. [GRADUATION LEARNER OUTCOME RULE.] *The state board of education shall adopt a rule establishing a set of concise performance-based measures of student academic achievement levels that must be met by students who wish to receive a Minnesota high school diploma. Specific performance-based measures of academic achievement must be established for the core subject areas of mathematics, science, reading, writing, history, and geography. Local school boards are expected to adopt graduation standards in other subject areas, as well as standards in the core subject areas that exceed those established by the state.*

The graduation learner outcome rule must be phased in to apply fully to high school students graduating at the end of the 1997-1998 school year.

Subd. 3. [WAIVERS FROM STATE MANDATES.] *Beginning with the 1993-1994 school year, the state board of education shall grant school districts a waiver from any rule for which a waiver is requested except for rules governing health and safety, and special education.*"

Page 94, line 7, after the period, insert "*Section 26 is effective the day following final enactment.*"

Renumber the sections of article 8 in sequence and correct the internal references

Mr. Price requested division of the amendment as follows:

First portion:

Page 93, after line 35, insert:

"Sec. 26. [STATE BOARD OF EDUCATION.]

Beginning with the 1993-1994 school year, the state board of education shall grant school districts a waiver from any rule for which a waiver is requested except for rules governing health and safety, and special education."

Page 94, line 7, after the period, insert "*Section 26 is effective the day following final enactment.*"

Renumber the sections of article 8 in sequence and correct the internal references

Second portion:

Page 93, after line 35, insert:

"Sec. 26. [STATE BOARD OF EDUCATION.]

Subdivision 1. [OUTCOME-BASED EDUCATION RULE.] *The state board of education must not adopt a rule requiring school districts to implement a system of outcome-based education instructional practices.*

Subd. 2. [GRADUATION LEARNER OUTCOME RULE.] *The state board of education shall adopt a rule establishing a set of concise performance-based measures of student academic achievement levels that must be met by students who wish to receive a Minnesota high school diploma. Specific performance-based measures of academic achievement must be established for the core subject areas of mathematics, science, reading, writing, history, and geography. Local school boards are expected to adopt graduation standards in other subject areas, as well as standards in the core subject areas that exceed those established by the state.*

The graduation learner outcome rule must be phased in to apply fully to high school students graduating at the end of the 1997-1998 school year."

Page 94, line 7, after the period, insert "*Section 26 is effective the day following final enactment.*"

Renumber the sections of article 8 in sequence and correct the internal references

The question was taken on the adoption of the first portion of the Benson, D.D. amendment. The motion did not prevail. So the first portion of the amendment was not adopted.

The question was taken on the adoption of the second portion of the Benson, D.D. amendment.

The roll was called, and there were yeas 40 and nays 22, as follows:

Those who voted in the affirmative were:

Adkins	Brataas	Gustafson	Lessard	Price
Belanger	Chmielewski	Halberg	McGowan	Renneke
Benson, D.D.	Cohen	Hottinger	Mehrkens	Riveness
Benson, J.E.	Davis	Johnson, D.E.	Morse	Sams
Berg	Day	Johnston	Neuville	Stumpf
Berglin	Flynn	Knaak	Novak	Terwilliger
Bernhagen	Frank	Langseth	Olson	Vickerman
Bertram	Frederickson, D.R.	Larson	Pariseau	Waldorf

Those who voted in the negative were:

Dahl	Hughes	Laidig	Piper	Spear
DeCramer	Johnson, D.J.	Luther	Pogemiller	Traub
Dicklich	Johnson, J.B.	Merriam	Ranum	
Finn	Kelly	Mondale	Reichgott	
Frederickson, D.J.	Kroening	Pappas	Samuelson	

The motion prevailed. So the second portion of the amendment was

adopted.

Mr. Mehrkens moved to amend H.F. No. 2121, as amended by the Senate April 6, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2326.)

Pages 10 and 11, delete section 11

Renumber the sections of article 1 in sequence and correct the internal references

Amend the title accordingly

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

Mr. Bertram moved to amend the second Dicklich amendment to H.F. No. 2121, adopted by the Senate April 6, 1992, as follows:

Page 4, line 13, delete from "and" through page 8, line 35, to "*fund.*"

Mr. Dicklich moved to amend the Bertram amendment to H.F. No. 2121 as follows:

Page 1, after line 4, insert:

"Pages 105 and 106, delete section 2

Pages 107 to 110, delete sections 4 and 5

Page 119, delete sections 23 and 24

Page 120, delete section 26

Page 122, delete section 31"

Mr. Bertram questioned whether the amendment was germane.

The President ruled that the amendment was germane.

Mr. Halberg appealed the decision of the President.

The question was taken on "Shall the decision of the President be the judgment of the Senate?"

The roll was called, and there were yeas 43 and nays 23, as follows:

Those who voted in the affirmative were:

Beckman	Finn	Kroening	Morse	Riveness
Berg	Flynn	Langseth	Novak	Sams
Berglin	Frank	Lessard	Pappas	Samuelson
Chmielewski	Frederickson, D.J.	Luther	Piper	Spear
Cohen	Hottinger	Marty	Pogemiller	Stumpf
Dahl	Hughes	Merriam	Price	Traub
Davis	Johnson, D.J.	Metzen	Ranum	Vickerman
DeCramer	Johnson, J.B.	Moe, R.D.	Reichgott	
Dicklich	Kelly	Mondale	Renneke	

Those who voted in the negative were:

Adkins	Bertram	Halberg	Larson	Pariseau
Belanger	Brataas	Johnson, D.E.	McGowan	Terwilliger
Benson, D.D.	Day	Johnston	Mehrkens	Waldorf
Benson, J.E.	Frederickson, D.R.	Knaak	Neuville	
Bernhagen	Gustafson	Laidig	Olson	

The decision of the President was sustained.

The question recurred on the adoption of the Dicklich amendment to the

Bertram amendment.

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

Those who voted in the affirmative were:

Beckman	Flynn	Langseth	Pappas	Samuelson
Berglin	Frederickson, D.J.	Luther	Piper	Spear
Chmielewski	Hughes	Marty	Pogemiller	Stumpf
Cohen	Johnson, D.J.	Merriam	Price	Traub
Dahl	Johnson, J.B.	Moe, R.D.	Ranum	Vickerman
DeCramer	Kelly	Mondale	Reichgott	
Dicklich	Kroening	Morse	Riveness	

Those who voted in the negative were:

Adkins	Brataas	Halberg	Lessard	Pariseau
Belanger	Davis	Hottinger	McGowan	Renneke
Benson, D.D.	Day	Johnson, D.E.	Mehrkens	Sams
Benson, J.E.	Finn	Johnston	Metzen	Terwilliger
Berg	Frank	Knaak	Neuville	Waldorf
Bernhagen	Frederickson, D.R.	Laidig	Novak	
Bertram	Gustafson	Larson	Olson	

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

The question recurred on the adoption of the Bertram amendment to the second Dicklich amendment.

The roll was called, and there were yeas 32 and nays 34, as follows:

Those who voted in the affirmative were:

Adkins	Bertram	Halberg	McGowan	Sams
Beckman	Brataas	Johnson, D.E.	Mehrkens	Samuelson
Belanger	Davis	Johnston	Neuville	Terwilliger
Benson, D.D.	Day	Knaak	Novak	Vickerman
Benson, J.E.	Finn	Laidig	Olson	
Berg	Frank	Larson	Pariseau	
Bernhagen	Gustafson	Lessard	Renneke	

Those who voted in the negative were:

Berglin	Frederickson, D.J.	Kroening	Mondale	Reichgott
Chmielewski	Frederickson, D.R.	Langseth	Morse	Riveness
Cohen	Hottinger	Luther	Pappas	Spear
Dahl	Hughes	Marty	Piper	Stumpf
DeCramer	Johnson, D.J.	Merriam	Pogemiller	Traub
Dicklich	Johnson, J.B.	Metzen	Price	Waldorf
Flynn	Kelly	Moe, R.D.	Ranum	

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

Mr. Halberg moved to amend H.F. No. 2121, as amended by the Senate April 6, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2326.)

Page 123, line 2, delete "*1992*" and insert "*1993*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 38, as follows:

Those who voted in the affirmative were:

Beckman	Bertram	Gustafson	Laidig	Olson
Belanger	Brataas	Halberg	Larson	Pariseau
Benson, D.D.	Davis	Johnson, D.E.	McGowan	Renneke
Benson, J.E.	Day	Johnston	Mehrkens	Terwilliger
Bernhagen	Frank	Knaak	Neuville	Waldorf

Those who voted in the negative were:

Adkins	Finn	Kroening	Mondale	Riveness
Berg	Flynn	Langseth	Morse	Sams
Berglin	Frederickson, D.J.	Lessard	Pappas	Samuelson
Chmielewski	Frederickson, D.R.	Luther	Piper	Spear
Cohen	Hottinger	Marty	Pogemiller	Traub
Dahl	Hughes	Merriam	Price	Vickerman
DeCramer	Johnson, D.J.	Metzen	Ranum	
Dicklich	Johnson, J.B.	Moe, R.D.	Reichgott	

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

Mr. McGowan moved to amend H.F. No. 2121, as amended by the Senate April 6, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2326.)

Page 113, line 32, strike everything after "district"

Page 113, strike lines 33 and 34

Page 113, line 35, strike "district's middle and secondary schools" and delete "*and*" and strike "(2)"

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

Mr. Mehrkens moved to amend H.F. No. 2121, as amended by the Senate April 6, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2326.)

Page 76, line 29, delete the new language

Page 76, delete lines 30 to 33 and insert "*Additional transportation costs resulting from schedule adjustments approved under this subdivision, as determined by generally accepted accounting principles, shall not be authorized for transportation aid according to section 124.225 or for transportation levies according to section 275.125, subdivision 5, 5a, 5b, 5c, 5e, 5f, 5g, or 5h.*"

The motion prevailed. So the amendment was adopted.

Mr. Bertram moved to amend the second Dicklich amendment to H.F. No. 2121, adopted by the Senate April 6, 1992, as follows:

Page 7, lines 11 and 22, delete "*1994*" and insert "*1993*"

Page 8, delete lines 7 to 19

Page 8, line 21, delete "*1994*" and insert "*1993*"

Renumber the subdivisions in sequence

The question was taken on the adoption of the Bertram amendment to the second Dicklich amendment.

The roll was called, and there were yeas 25 and nays 34, as follows:

Those who voted in the affirmative were:

Belanger	Brataas	Gustafson	Laidig	Pariseau
Benson, D.D.	Davis	Halberg	McGowan	Renneke
Benson, J.E.	Day	Johnson, D.E.	Mehrkens	Sams
Berg	Finn	Johnston	Novak	Stumpf
Bertram	Frank	Knaak	Olson	Terwilliger

Those who voted in the negative were:

Adkins	Flynn	Langseth	Morse	Reichgott
Beckman	Frederickson, D.J.	Luther	Neuville	Riveness
Chmielewski	Frederickson, D.R.	Marty	Pappas	Samuelson
Cohen	Hottinger	Merriam	Piper	Spear
Dahl	Johnson, D.J.	Metzen	Pogemiller	Traub
DeCramer	Johnson, J.B.	Moe, R.D.	Price	Vickerman
Dicklich	Kroening	Mondale	Ranum	

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

Mr. Gustafson moved to amend H.F. No. 2121, as amended by the Senate April 6, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2326.)

Page 45, line 11, delete "*two-thirds majority*" and insert "*a unanimous*"

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

Mr. Gustafson then moved to amend H.F. No. 2121, as amended by the Senate April 6, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2326.)

Page 45, line 11, delete "*two-thirds majority vote*" and insert "*eight votes*"

Mr. Johnson, D.J. moved to amend the second Gustafson amendment to H.F. No. 2121 as follows:

Page 1, line 6, delete "*eight votes*" and insert "*two-thirds majority plus one vote*"

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

The question recurred on the second Gustafson amendment, as amended. The motion prevailed. So the second Gustafson amendment, as amended, was adopted.

Mrs. Benson, J.E. moved to amend H.F. No. 2121, as amended by the Senate April 6, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2326.)

Pages 105 and 106, delete section 2 and insert:

"Sec. 2. [121.881] [COMMUNITY VIOLENCE PREVENTION COUNCILS.]

(a) Each school board, township, city, or county may establish at least one community violence prevention council. The membership may consist of representatives of any of the following:

(1) school districts within the township, city, or county;

(2) members of the clergy;

(3) the business community;

(4) civic leaders;

(5) people of color;

(6) local elected officials;

(7) law enforcement officials;

(8) county social workers;

(9) crime and abuse victim advocates;

(10) the legal system;

(11) young people; and

(12) other individuals involved in violence prevention.

(b) The community violence prevention council shall identify community needs and community resources for violence prevention and develop a plan to address the needs of the community. The community violence prevention council may apply for community violence prevention revenue according to section 4 by submitting an application to the office for a violence-free Minnesota, containing a description of the services to be provided and the procedures to be used to coordinate public and private resources to maximize the use of existing community resources and community violence prevention revenue. The services to be provided or coordinated may include the following:

(1) a community violence hotline;

(2) public forums;

(3) public service messages involving newspapers, radio, and television;

(4) a speakers bureau;

(5) billboard or other means of communication; and

(6) other programs meeting the criteria of the office for a violence-free Minnesota and the department of education to carry out violence prevention activities in the community.

(c) The council may receive gifts and donations from public and private sources for violence prevention programs."

Pages 107 to 110, delete sections 4 and 5 and insert:

"Sec. 4. [124.2717] [COMMUNITY VIOLENCE PREVENTION GRANTS.]

Subdivision 1. [ELIGIBILITY.] *A community violence prevention council is eligible for a community violence prevention grant if it has a plan approved by the office for a violence-free Minnesota.*

Subd. 2. [GRANTS FOR COMMUNITY VIOLENCE PREVENTION.] *A council shall receive a grant of up to $25,000 from the office for a violence-free Minnesota if the council's plan is approved by the office.*

Subd. 3. [PEOPLE TO BE SERVED AND PROGRAM DURATION.] *The grant application shall state the expected number of people to be served by the program and the expected duration of the program.*

Subd. 4. [COORDINATION WITH OTHER ORGANIZATIONS.] *A community violence prevention council may submit a grant application that includes the involvement of, and coordination with, nonprofit agencies,*

nonpublic schools, or regional foundations.

Subd. 5. [USE OF REVENUE.] *Community violence prevention grants shall be used for community violence prevention programs as set forth in the approved application.*

Sec. 5. [126.77] [NONVIOLENT CONFLICT RESOLUTION.]

Subdivision 1. [VIOLENCE PREVENTION PROGRAM.] *(a) The assistant commissioner appointed to the office for a violence-free Minnesota, in consultation with the commissioners of education, health, and human services, shall assist districts on request in developing and implementing a violence prevention program for students in kindergarten to grade 12. 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 have a program for nonviolent conflict resolution that is recommended to include:

(1) a culturally specific comprehensive, accurate, and age appropriate curriculum that promotes equality, respect, understanding, effective communication, individual responsibility, thoughtful decision making, positive conflict resolution, useful coping skills, critical thinking, listening and watching skills, and personal safety;

(2) culturally specific planning materials, guidelines, and other accurate information on preventing violence that can be readily integrated into the curriculum;

(3) collaboration among districts and ECSUs;

(4) involvement of parents and other community members; and

(5) collaboration with local community services, agencies, and organizations that assist in violence intervention or prevention, including family-based services, crises services, life management skills services, case coordination services, mental health services, and early intervention services.

(c) The office for a violence-free Minnesota may provide assistance at a neutral site to a nonpublic school participating in a district's program.

Subd. 2. [IN-SERVICE EDUCATION PROGRAMS.] *Each district is encouraged to provide education programs 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 education programs should be ongoing and involve experts familiar with domestic violence and personal safety issues."*

Pages 114 to 117, delete sections 10 to 21 and insert:

"Sec. 10. [299A.50] [OFFICE FOR A VIOLENCE-FREE MINNESOTA.]

Subdivision 1. [OFFICE; ASSISTANT COMMISSIONER.] *The office for a violence-free Minnesota 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 work to prevent and reduce violence in the family and in the community by helping to provide opportunities for individuals to learn to resolve conflicts in effective, nonviolent ways.*

Subd. 2. [DUTIES.] *(a) The assistant commissioner shall award grants according to section 4 and shall gather, and make available throughout the state information, educational materials, and curriculum on preventing and reducing violence in the family and in the community. The assistant commissioner shall foster collaboration among state and local agencies, public and nonpublic schools, community service providers, and local organizations that assist in violence prevention or intervention, including family-based services, crises services, life management skills services, case coordination services, mental health services, and early intervention services. The assistant commissioner shall assist agencies, schools, service providers, and organizations with in-service education programs and other programs designed to educate individuals about violence and reinforce values which contribute to ending violence.*

(b) The commissioner shall:

(1) after consulting with all state agencies involved in preventing or reducing violence within the family or community, develop a state strategy for preventing and reducing violence that encompasses the efforts of those state agencies and takes into account all money available for preventing or reducing violence, from any source;

(2) submit the strategy to the governor and the legislature by January 15 of each calendar year, along with a concise summary of activities occurring during the previous year to prevent or reduce violence within the family or community;

(3) assist appropriate professional and occupational organizations, including organizations of educators and service providers, in developing and operating informational and educational programs to improve the effectiveness of activities to prevent or reduce violence within the family or community;

(4) provide information, educational materials, and assistance to state and local agencies, schools, service providers, and organizations, both directly and by serving as a clearinghouse for information from agencies, schools, service providers, and organizations;

(5) facilitate collaboration among state and local agencies, schools, service providers and organizations that assist in violence prevention or intervention; and

(6) develop, in consultation with the departments of education, health, and human services, a violence prevention curriculum under section 126.77 for students in kindergarten to grade 12 that teaches children to resolve conflicts within the family and community in nonviolent, effective ways.

Subd. 3. [VIOLENCE-FREE MINNESOTA WEEK.] *(a) The governor is encouraged to annually designate one week as violence-free Minnesota week. During that week there may be special observances throughout the state emphasizing the importance of resolving conflicts within the family and community in effective, nonviolent ways. Schools are encouraged to devote time to appropriate instruction in identifying and exploring violence in the family and community.*

(b) The assistant commissioner shall encourage, and assist upon request, the observance of violence-free Minnesota week by any school, group, or association.

(c) Each year during violence-free Minnesota week, the assistant commissioner shall award an annual "Minnesota Peace Prize" to the individual, agency, school, service provider, or organization that best advances the state's strategy for preventing and reducing violence.

(d) The governor shall in any way considered necessary encourage the observance of violence-free Minnesota week and shall by proclamation call the public's attention to the importance of resolving conflicts within the family and community in effective, nonviolent ways."

Pages 119 and 120, delete sections 23 and 24

Page 120, delete section 26 and insert:

"Sec. 13. [COMPLEMENT.]

The complement of the department of public safety is increased by two for the office for a violence-free Minnesota."

Page 122, lines 7 and 12, delete "*and violence prevention*"

Page 122, line 14, delete "VIOLENCE PREVENTION PROGRAM AID AND GRANTS AND"

Page 122, delete line 16

Page 122, line 17, delete "*grants, and*"

Page 122, delete lines 19 to 21

Page 122, delete lines 24 to 27

Page 122, line 29, delete "*and violence*"

Page 122, line 30, delete "*prevention*"

Page 122, after line 32, insert:

"Sec. 19. [APPROPRIATION.]

There is appropriated from the general fund to the department of public safety, $355,000 for fiscal year 1993 to perform the duties of the office for a violence-free Minnesota.

Of this amount, not less than $145,000 is for grants to community violence prevention councils. Of this amount, up to $20,000 is to conduct the survey of school districts required in this article."

Pages 122 and 123, delete section 33

Renumber the sections of article 11 in sequence and correct the internal references

Amend the title accordingly

Mrs. Benson, J.E. then moved to amend the Benson, J.E. amendment to H.F. No. 2121 as follows:

Page 6, line 21, delete "*$355,000*" and insert "*$500,000*"

Page 6, line 23, delete "*$145,000*" and insert "*$290,000*"

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

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

The roll was called, and there were yeas 26 and nays 36, as follows:

Those who voted in the affirmative were:

Adkins	Bertram	Johnston	McGowan	Terwilliger
Belanger	Davis	Knaak	Mehrkens	Waldorf
Benson, D.D.	Day	Laidig	Neuville	
Benson, J.E.	Gustafson	Langseth	Olson	
Berg	Halberg	Larson	Pariseau	
Bernhagen	Johnson, D.E.	Lessard	Stumpf	

Those who voted in the negative were:

Beckman	Flynn	Kroening	Pappas	Samuelson
Berglin	Frank	Luther	Piper	Spear
Chmielewski	Frederickson, D.J.	Marty	Pogemiller	Traub
Cohen	Hottinger	Merriam	Price	Vickerman
Dahl	Hughes	Metzen	Ranum	
DeCramer	Johnson, D.J.	Mondale	Reichgott	
Dicklich	Johnson, J.B.	Morse	Riveness	
Finn	Kelly	Novak	Sams	

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

Mr. DeCramer moved to amend H.F. No. 2121, as amended by the Senate April 6, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2326.)

Page 110, line 6, delete "*and*" and insert:

"*(3) establishment of adolescent health care centers to coordinate with existing health care services in the community and to promote a comprehensive health care program for pupils of all ages; and*"

Page 110, line 7, delete "*(3)*" and insert "*(4)*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 37, as follows:

Those who voted in the affirmative were:

Berglin	Flynn	Marty	Piper	Spear
Brataas	Frederickson, D.J.	Moe, R.D.	Pogemiller	Traub
Cohen	Hottinger	Mondale	Price	
DeCramer	Johnson, J.B.	Morse	Ranum	
Dicklich	Kelly	Novak	Reichgott	
Finn	Luther	Pappas	Riveness	

Those who voted in the negative were:

Adkins	Chmielewski	Johnson, D.J.	McGowan	Sams
Beckman	Dahl	Johnston	Mehrkens	Samuelson
Belanger	Davis	Knaak	Merriam	Stumpf
Benson, D.D.	Day	Kroening	Metzen	Vickerman
Benson, J.E.	Frank	Laidig	Neuville	Waldorf
Berg	Frederickson, D.R.	Langseth	Olson	
Bernhagen	Halberg	Larson	Pariseau	
Bertram	Johnson, D.E.	Lessard	Renneke	

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

Mr. Knaak moved to amend H.F. No. 2121, as amended by the Senate April 6, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2326.)

Pages 43 and 44, delete section 10

Renumber the sections of article 5 in sequence and correct the internal

references

Amend the title accordingly

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

Mr. McGowan moved to amend H.F. No. 2121, as amended by the Senate April 6, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2326.)

Pages 39 to 41, delete sections 5 and 6 and insert:

"Sec. 5. Minnesota Statutes 1991 Supplement, section 124.95, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, the required debt service levy of a district is defined as follows:

(1) the amount needed to produce between five and six percent in excess of the amount needed to meet when due the principal and interest payments on the obligations, *excluding obligations under section 124.2445*, of the district *for eligible projects according to subdivision 2*, including the amounts necessary for repayment of energy loans according to section 216C.37 *or sections 298.292 to 298.298*, debt service loans and capital loans, minus

(2) the amount of ~~any surplus remaining in the debt service fund when the obligations and interest on them have been paid~~ *debt service excess for that school year calculated according to the procedure established by the commissioner*.

Sec. 6. Minnesota Statutes 1991 Supplement, section 124.95, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] ~~To be eligible for debt service equalization revenue, the following conditions must be met~~ *The following portions of a district's debt service levy qualify for debt service equalization*:

(1) ~~the required debt service levy of a district must exceed the amount raised by a level of eight percent times the adjusted net tax capacity of the district~~ *debt service for repayment of principal and interest on bonds issued before July 2, 1992*;

(2) *debt service for bonds issued before July 2, 1992, and refinanced after July 1, 1992, if the bond schedule has been approved by the commissioner and, if necessary, adjusted to reflect a 20-year maturity schedule; and*

(3) debt service for bond issues approved after July 1, ~~1990~~ *1992*, ~~the~~ *for* construction ~~project must~~ *projects that* have received a positive review and comment according to section 121.15~~;~~, *if*

~~(3)~~ the commissioner has determined that the district has met the criteria under section 124.431, subdivision 2, ~~for new projects; and~~

~~(4)~~ *except that the district may serve, on average, at least 66 pupils per grade, and if* the bond schedule ~~must be~~ *has been* approved by the commissioner and, if necessary, adjusted to reflect a 20-year maturity schedule.

Sec. 7. Minnesota Statutes 1991 Supplement, section 124.95, is amended by adding a subdivision to read:

Subd. 2a. [NOTIFICATION.] *A district eligible for debt service equalization revenue under subdivision 2 must notify the commissioner of the amount of its intended debt service levy calculated under subdivision 1 for all bonds sold prior to the notification by July 1 of the calendar year the levy is certified.*

Sec. 8. Minnesota Statutes 1991 Supplement, section 124.95, subdivision 3, is amended to read:

Subd. 3. [DEBT SERVICE EQUALIZATION REVENUE.] (a) For fiscal years 1995 and later, the debt service equalization revenue of a district equals the required debt service levy minus the amount raised by a levy of ~~12~~ *ten* percent times the adjusted net tax capacity of the district.

(b) For fiscal year 1993, debt service equalization revenue equals one-third of the amount calculated in paragraph (a).

(c) For fiscal year 1994, debt service equalization revenue equals two-thirds of the amount calculated in paragraph (a).

Sec. 9. Minnesota Statutes 1991 Supplement, section 124.95, subdivision 4, is amended to read:

Subd. 4. [EQUALIZED DEBT SERVICE LEVY.] To obtain debt service equalization revenue, a district must levy an amount not to exceed the district's debt service equalization revenue times the lesser of one or the ratio of:

(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified by the actual pupil units in the district for the year ~~to which the levy is attributable~~ *prior to the year the levy is certified*; ~~or~~ *to*

(2) *50 percent of* the equalizing factor as defined in section 124A.02, subdivision 8, for the year to which the levy is attributable.

Sec. 10. Minnesota Statutes 1991 Supplement, section 124.95, subdivision 5, is amended to read:

Subd. 5. [DEBT SERVICE EQUALIZATION AID.] A district's debt service equalization aid is the difference between the debt service equalization revenue and the equalized debt service levy. ~~A district's debt service equalization aid must not be prorated.~~ *If the amount of debt service equalization aid actually appropriated for the fiscal year in which this calculation is made is insufficient to fully fund debt service equalization aid, the commissioner shall prorate the amount of aid across all eligible districts.*

Sec. 11. [124.9601] [DEBT SERVICE APPROPRIATION.]

$7,000,000 is appropriated in fiscal year 1993 from the general fund to the commissioner of education for payment of debt service equalization aid under section 124.95. $14,000,000 in fiscal year 1994 and $21,000,000 in fiscal year 1995 and each year thereafter is appropriated from the general fund to the commissioner of education for payment of debt service equalization aid under section 124.95. These amounts must be reduced by the amount of any money specifically appropriated for the same purpose in any year from any state fund."

Renumber the sections of article 5 in sequence and correct the internal references

Amend the title accordingly

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

Mr. Knaak moved to amend H.F. No. 2121, as amended by the Senate April 6, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2326.)

Page 40, line 35, delete "*66*" and insert "*100*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 10 and nays 45, as follows:

Those who voted in the affirmative were:

Belanger	Johnston	Kroening	Merriam	Pariseau
Brataas	Knaak	McGowan	Novak	Terwilliger

Those who voted in the negative were:

Adkins	Dicklich	Johnson, D.E.	Mehrkens	Reichgott
Beckman	Finn	Johnson, D.J.	Metzen	Renneke
Benson, J.E.	Flynn	Johnson, J.B.	Moe, R.D.	Riveness
Berg	Frank	Laidig	Mondale	Sams
Bernhagen	Frederickson, D.J.	Langseth	Morse	Samuelson
Bertram	Frederickson, D.R.	Larson	Neuville	Spear
Chmielewski	Halberg	Lessard	Pappas	Stumpf
Cohen	Hottinger	Luther	Price	Traub
Davis	Hughes	Marty	Ranum	Vickerman

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

Mr. Knaak then moved to amend H.F. No. 2121, as amended by the Senate April 6, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2326.)

Page 40, line 32, delete "*The*"

Page 40, delete lines 33 to 36

Page 41, delete lines 1 to 3

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

Mrs. Benson, J.E. moved to amend H.F. No. 2121, as amended by the Senate April 6, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2326.)

Page 37, after line 20, insert:

"Sec. 3. Minnesota Statutes 1991 Supplement, section 124.2711, subdivision 1, is amended to read:

Subdivision 1. [REVENUE.] The revenue for early childhood family education programs for a school district is the amount of revenue earned by multiplying $96.50 for fiscal year 1992 or ~~$101.25~~ *$119.75* for fiscal year 1993 times the greater of:

(1) 150; or

(2) the number of people under five years of age residing in the school district on September 1 of the last school year."

Renumber the sections of article 4 in sequence and correct the internal references

Page 122, line 14, delete the second "AND"

Page 122, line 15, delete everything before the period

Page 122, line 16, delete the comma and insert "*and*"

Page 122, line 17, delete "*, and learning readiness program aid*"

Page 122, line 18, delete "*$28,975,000*" and insert "*$4,975,000*"

Page 122, delete lines 22 and 23

Page 122, after line 27, insert:

"*Subd. 4.* [HEAD START.] *To the department of jobs and training for head start programs:*

$19,000,000 1993

Subd. 5. [EARLY CHILDHOOD FAMILY EDUCATION.] *To the department of education for additional money for early childhood family education programs:*

$5,000,000 . . . . . 1993"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 32, as follows:

Those who voted in the affirmative were:

Belanger	Brataas	Johnson, D.E.	McGowan	Renneke
Benson, D.D.	Davis	Johnston	Mehrkens	Sams
Benson, J.E.	Day	Knaak	Merriam	Stumpf
Berg	Frederickson, D.R.	Laidig	Neuville	Terwilliger
Bernhagen	Gustafson	Langseth	Olson	Vickerman
Bertram	Halberg	Larson	Pariseau	

Those who voted in the negative were:

Adkins	Finn	Johnson, J.B.	Mondale	Riveness
Beckman	Flynn	Kroening	Morse	Samuelson
Berglin	Frank	Lessard	Novak	Spear
Cohen	Frederickson, D.J.	Luther	Pappas	Traub
Dahl	Hottinger	Marty	Price	
DeCramer	Hughes	Metzen	Ranum	
Dicklich	Johnson, D.J.	Moe, R.D.	Reichgott	

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

H.F. No. 2121 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 47 and nays 19, as follows:

Those who voted in the affirmative were:

Beckman	Flynn	Kroening	Morse	Samuelson
Benson, D.D.	Frank	Laidig	Novak	Solon
Berglin	Frederickson, D.J.	Langseth	Pappas	Spear
Brataas	Frederickson, D.R.	Lessard	Piper	Stumpf
Cohen	Hottinger	Luther	Pogemiller	Traub
Dahl	Hughes	Marty	Price	Vickerman
Davis	Johnson, D.E.	Merriam	Ranum	Waldorf
DeCramer	Johnson, D.J.	Metzen	Reichgott	
Dicklich	Johnson, J.B.	Moe, R.D.	Riveness	
Finn	Kelly	Mondale	Sams	

Those who voted in the negative were:

Adkins	Bernhagen	Halberg	McGowan	Pariseau
Belanger	Bertram	Johnston	Mehrkens	Renneke
Benson, J.E.	Day	Knaak	Neuville	Terwilliger
Berg	Gustafson	Larson	Olson	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Dicklich moved that S.F. No. 2326, No. 70 on General Orders, be stricken and laid on the table. The motion prevailed.

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

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 2378. The motion prevailed.

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

S.F. No. 2378: A bill for an act relating to public safety; establishing the automatic fire-safety sprinkler system loan program for existing multifamily residential properties; creating the automatic fire-safety sprinkler system fund; exempting newly installed automatic sprinklers from sales and property taxes; authorizing bonds to be issued to fund the program; appropriating money; amending Minnesota Statutes 1990, sections 273.11, by adding a subdivision; 297A.25, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 272.03, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 299F.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 273.11, is amended by adding a subdivision to read:

Subd. 6a. [RESIDENTIAL FIRE-SAFETY SPRINKLER SYSTEMS.] *For purposes of property taxation, the market value of automatic fire-safety sprinkler systems meeting the standards of the Minnesota fire code shall be excluded from the market value of (1) existing multifamily 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 and (2) existing real estate containing four or more contiguous residential units for use by customers of the owner, such as hotels, motels, and lodging houses.*

Sec. 2. Minnesota Statutes 1990, section 297A.25, is amended by adding a subdivision to read:

Subd. 47. [AUTOMATIC FIRE-SAFETY SPRINKLER SYSTEMS.] *The gross receipts from the sale of automatic fire-safety sprinkler systems described in section 273.11, subdivision 6a, are exempt.*

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective for taxes levied in 1992, payable in 1993, and thereafter. Section 2 is effective for sales after June 30, 1992."

Delete the title and insert:

"A bill for an act relating to public safety; exempting newly installed automatic fire-safety sprinklers from sales and property taxes; amending Minnesota Statutes 1990, sections 273.11, by adding a subdivision; and 297A.25, by adding a subdivision."

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2411: A bill for an act relating to human services; providing for pilot projects to demonstrate the use of intergovernmental contracts between state and counties to fund, administer, and regulate delivery of community social service programs; appropriating money.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

HEALTH DEPARTMENT

Section 1. Minnesota Statutes 1990, section 144A.43, subdivision 3, is amended to read:

Subd. 3. [HOME CARE SERVICE.] "Home care service" means any of the following services when delivered in a place of residence to a person whose illness, disability, or physical condition creates a need for the service:

(1) nursing services, including the services of a home health aide;

(2) personal care services not included under sections 148.171 to 148.285;

(3) physical therapy;

(4) speech therapy;

(5) respiratory therapy;

(6) occupational therapy;

(7) nutritional services;

(8) home management services when provided to a person who is unable to perform these activities due to illness, disability, or physical condition. Home management services include at least two of the following services: housekeeping, meal preparation, ~~laundry,~~ *and* shopping~~, and other similar services~~;

(9) medical social services;

(10) the provision of medical supplies and equipment when accompanied by the provision of a home care service;

(11) the provision of a hospice program as specified in section 144A.48; and

(12) other similar medical services and health-related support services identified by the commissioner in rule.

Sec. 2. Minnesota Statutes 1990, section 144A.43, subdivision 4, is amended to read:

Subd. 4. [HOME CARE PROVIDER.] "Home care provider" means an individual, organization, association, corporation, unit of government, or other entity that is regularly engaged in the delivery, directly or by contractual arrangement, of home care services for a fee. At least one home care service must be provided directly, although additional home care services may be provided by contractual arrangements. "Home care provider" includes a hospice program defined in section 144A.48. "Home care provider" does not include:

(1) any home care or nursing services conducted by and for the adherents of any recognized church or religious denomination for the purpose of providing care and services for those who depend upon spiritual means, through prayer alone, for healing;

(2) an individual who only provides services to a relative;

(3) an individual not connected with a home care provider who provides assistance with home management services or personal care needs if the assistance is provided primarily as a contribution and not as a business;

(4) an individual not connected with a home care provider who shares housing with and provides primarily housekeeping or homemaking services to an elderly or disabled person in return for free or reduced-cost housing;

(5) an individual or agency providing home-delivered meal services;

(6) an agency providing senior companion services and other older American volunteer programs established under the Domestic Volunteer Service Act of 1973, Public Law Number 98-288;

(7) ~~an individual or agency that only provides chore, housekeeping, or child care services which do not involve the provision of home care services;~~

~~(8)~~ an employee of a nursing home licensed under this chapter who provides emergency services to individuals residing in an apartment unit attached to the nursing home;

~~(9)~~ *(8)* a member of a professional corporation organized under sections 319A.01 to 319A.22 that does not regularly offer or provide home care services as defined in subdivision 3;

~~(10)~~ *(9)* the following organizations established to provide medical or surgical services that do not regularly offer or provide home care services as defined in subdivision 3: a business trust organized under sections 318.01 to 318.04, a nonprofit corporation organized under chapter 317A, a partnership organized under chapter 323, or any other entity determined by the commissioner;

~~(11)~~ *(10)* an individual or agency that provides medical supplies or durable medical equipment, except when the provision of supplies or equipment is accompanied by a home care service; ~~or~~

~~(12)~~ *(11)* an individual licensed under chapter 147; *or*

(12) an individual who provides home care services to a person with a developmental disability who lives in a place of residence with a family,

foster family, or primary caregiver.

Sec. 3. Minnesota Statutes 1990, section 144A.46, subdivision 5, is amended to read:

Subd. 5. [PRIOR CRIMINAL CONVICTIONS.] ~~An applicant for a home care provider license shall disclose to the commissioner all criminal convictions of persons involved in the management, operation, or control of the provider. A home care provider shall require employees of the provider and applicants for employment in positions that involve contact with recipients of home care services to disclose all criminal convictions.~~ *(a) All persons who have or will have direct contact with clients, including the home care provider, employees of the provider, and applicants for employment shall be required to disclose all criminal convictions.* The commissioner may adopt rules that may require a person who must disclose criminal convictions under this subdivision to provide fingerprints and releases that authorize law enforcement agencies, including the bureau of criminal apprehension and the federal bureau of investigation, to release information about the person's criminal convictions to the commissioner and home care providers. The bureau of criminal apprehension, county sheriffs, and local chiefs of police shall, if requested, provide the commissioner with criminal conviction data available from local, state, and national criminal record repositories, including the criminal justice data communications network. No person may be employed by a home care provider in a position that involves contact with recipients of home care services nor may any person be involved in the management, operation, or control of a provider, if the person has been convicted of a crime that relates to the provision of home care services or to the position, duties, or responsibilities undertaken by that person in the operation of the home care provider, unless the person can provide sufficient evidence of rehabilitation. The commissioner shall adopt rules for determining what types of employment positions, including volunteer positions, involve contact with recipients of home care services, and whether a crime relates to home care services and what constitutes sufficient evidence of rehabilitation. The rules must require consideration of the nature and seriousness of the crime; the relationship of the crime to the purposes of home care licensure and regulation; the relationship of the crime to the ability, capacity, and fitness required to perform the duties and discharge the responsibilities of the person's position; mitigating circumstances or social conditions surrounding the commission of the crime; the length of time elapsed since the crime was committed; the seriousness of the risk to the home care client's person or property; and other factors the commissioner considers appropriate. Data collected under this subdivision shall be classified as private data under section 13.02, subdivision 12.

(b) Termination of an employee in good faith reliance on information or records obtained under paragraph (a) regarding a confirmed conviction does not subject the home care provider to civil liability or liability for unemployment compensation benefits.

Sec. 4. Minnesota Statutes 1991 Supplement, section 144A.61, subdivision 3a, is amended to read:

Subd. 3a. [COMPETENCY EVALUATION PROGRAM.] The commissioner of health shall approve the competency evaluation program. A competency evaluation must be administered to nursing assistants who desire to be listed in the nursing assistant registry *and who have done one of the following: (1) completed an approved training program; (2) been listed on*

the nursing assistant registry maintained by another state; or (3) completed a training program in nursing assistant skills other than the approved course. The tests may only be administered by technical colleges, community colleges, or other organizations approved by the department of health. ~~After January 1, 1992,~~ A competency evaluation for a person, other than an individual enrolled in a licensed nurse education program, who has not completed an approved nursing assistant training program, must include an evaluation of all clinical skills.

Sec. 5. Minnesota Statutes 1991 Supplement, section 144A.61, subdivision 6a, is amended to read:

Subd. 6a. [NURSING ASSISTANTS HIRED IN 1990 AND AFTER.] Each nursing assistant hired to work in a nursing home or in a certified boarding care home on or after January 1, 1990, must have successfully completed an approved competency evaluation *prior to employment* or an approved nursing assistant training program and competency evaluation within four months from the date of employment.

Sec. 6. Minnesota Statutes 1991 Supplement, section 147.03, is amended to read:

147.03 [LICENSURE BY ENDORSEMENT; RECIPROCITY; *TEMPORARY PERMIT.*]

Subdivision 1. [ENDORSEMENT; RECIPROCITY.] *(a)* The board~~, with the consent of six of its members,~~ may issue a license to practice medicine to any person who satisfies the ~~following~~ requirements: *in paragraphs (b) to (f).*

~~(a)~~ *(b)* The applicant shall satisfy all the requirements established in section 147.02, subdivision 1, paragraphs (a), (b), (d), (e), and (f).

~~(b)~~ *(c)* The applicant shall:

(1) within ten years prior to application have passed an examination prepared and graded by the Federation of State Medical Boards, the National Board of Medical Examiners, the National Board of Osteopathic Examiners, or the Medical Council of Canada; or

(2) have a current license from the equivalent licensing agency in another state or Canada~~;~~ and *either:*

(i) pass the Special Purpose Examination of the Federation of State Medical Boards with a score of 75 or better *within three attempts*; or

(ii) have a current certification by a specialty board of the American Board of Medical Specialties *or of the Royal College of Physicians and Surgeons of Canada.*

~~(c)~~ *(d)* The applicant shall pay a fee established by the board by rule. The fee may not be refunded.

~~(d)~~ *(e) The applicant must not be under license suspension or revocation by the licensing board of the state in which the conduct that caused the suspension or revocation occurred.*

(f) The applicant must not have engaged in conduct warranting disciplinary action against a licensee, or have been subject to disciplinary action in another state *other than as specified in paragraph (e).* If an applicant does not satisfy the requirements stated in this ~~clause~~ *paragraph*, the board may ~~refuse to~~ issue a license ~~unless it determines~~ *only on the applicant's*

showing that the public will be protected through issuance of a license with conditions or limitations the board considers appropriate.

Subd. 2. [TEMPORARY PERMIT.] The board may issue a temporary permit to practice medicine to a physician eligible for licensure under this section upon payment of a fee set by the board. The permit remains valid only until the next meeting of the board.

Sec. 7. 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. 8. 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. 9. 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. 10. [EFFECTIVE DATE.]

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

ARTICLE 2

MEDICAL PROGRAMS

Section 1. Minnesota Statutes 1990, section 144A.073, subdivision 3, is amended to read:

Subd. 3. [REVIEW AND APPROVAL OF PROPOSALS.] Within the limits of money specifically appropriated to the medical assistance program for this purpose, the interagency board for quality assurance may recommend that the commissioner of health grant exceptions to the nursing home licensure or certification moratorium for proposals that satisfy the requirements of this section. The interagency board shall appoint an advisory review panel composed of representatives of consumers and providers to review proposals and provide comments and recommendations to the board. The commissioners of human services and health shall provide staff and technical assistance to the board for the review and analysis of proposals. The interagency board shall hold a public hearing before submitting recommendations to the commissioner of health on project requests. The board shall submit recommendations within 150 days of the date of the publication of the notice, based on a comparison and ranking of proposals using the criteria in subdivision 4. The commissioner of health shall approve or disapprove a project within 30 days after receiving the board's recommendations. The cost to the medical assistance program of the proposals approved must be within the limits of the appropriations specifically made for this purpose. Approval of a proposal expires ~~12~~ *18* months after approval by the commissioner of health unless the facility has commenced construction as defined in section 144A.071, subdivision 3, paragraph (b). The board's report to the legislature, as required under section 144A.31, must include the projects approved, the criteria used to recommend proposals for approval, and the estimated costs of the projects, including the costs of initial construction and remodeling, and the estimated operating costs during the first two years after the project is completed.

Sec. 2. 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 1, 1990~~ *July 1, 1992*, may be commenced more than ~~12~~ *18* 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. 3. 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. 4. 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;

(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. *The board shall adopt rules regarding prospective drug utilization review and patient counseling by pharmacists. A pharmacist in the exercise of the pharmacist's professional judgment, upon the presentation of a new prescription by a patient or the*

patient's caregiver or agent, shall perform the prospective drug utilization review required by rules issued under this subdivision.

Sec. 5. Minnesota Statutes 1990, section 151.19, is amended by adding a subdivision to read:

Subd. 1a. [DISCIPLINARY ACTION.] *The board may suspend the registration of a pharmacy if it determines that any person with supervisory responsibilities at the pharmacy attempted to prevent a licensed pharmacist from providing drug utilization review and patient counseling as required by rules adopted under section 151.06, subdivision 1.*

Sec. 6. [245A.091] [EXEMPTION FROM CERTAIN RULE PARTS GOVERNING RESIDENTIAL PROGRAMS FOR PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS.]

A Minnesota residential program certified under federal standards by the department of health as an intermediate care facility for persons with mental retardation or related conditions is exempt from the following Minnesota Rules parts:

(1) part 9525.0235, subparts 4; 6; 7; 8; 10, items A and B; and 12 to 15;

(2) part 9525.0243;

(3) part 9525.0245, subparts 2, items A, C, D, E, F; 4 to 7; and 9;

(4) part 9525.0255, subparts 1, items B, D, and F; and 3;

(5) part 9525.0265, subparts 1, items A and C; 3, items A to F; 5; and 8, items A and B;

(6) part 9525.0275;

(7) part 9525.0285, subparts 2 and 3;

(8) part 9525.0295, subparts 5, item B, subitem (3); and 6;

(9) part 9525.0305, subparts 2; 3, items C, E, and F; and 5;

(10) part 9525.0315, subparts 1; 2; and 3, items A to D;

(11) part 9525.0325, subpart 3, items A, D to G, and I to K;

(12) part 9525.0335, items C, E, F, H to J, and K, subitems (2) and (3); and

(13) part 9525.0345, subparts 1, item B, subitem (2); 2, item A; 3 to 5; and 6, items A and B.

Sec. 7. 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. 8. 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 utilization review 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. 9. 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. 10. 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. 11. 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. 12. 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. 13. Minnesota Statutes 1990, section 256B.056, subdivision 2, is amended to read:

Subd. 2. [HOMESTEAD; *EXCLUSION FOR INSTITUTIONALIZED PERSONS.*] ~~To be eligible for medical assistance, a person must not own, individually or together with the person's spouse, real property other than the homestead. For the purposes of this section, "homestead" means the house owned and occupied by the applicant or recipient as a primary place of residence, together with the contiguous land upon which it is situated.~~ *The homestead shall be excluded for the first six calendar months of a person's stay in a long-term care facility and shall continue to be excluded for as long as the recipient can be reasonably expected to return, as provided under the methodologies for the supplemental security income program.* The homestead shall continue to be excluded for persons residing in a long-term care facility if it is used as a primary residence by one of the following individuals:

(a) the spouse;

(b) a child under age 21;

(c) a child of any age who is blind or permanently and totally disabled as defined in the supplemental security income program;

(d) a sibling who has equity interest in the home and who resided in the home for at least one year immediately before the date of the person's admission to the facility; or

(e) a child of any age, or, subject to federal approval, a grandchild of any age, who resided in the home for at least two years immediately before the date of the person's admission to the facility, and who provided care to the person that permitted the person to reside at home rather than in an institution.

~~The homestead is also excluded for the first six calendar months of the person's stay in the long-term care facility. The person's equity in the homestead must be reduced to an amount within limits or excluded on another basis if the person remains in the long-term care facility for a period longer than six months. Real estate not used as a home may not be retained unless the property is not salable, the equity is $6,000 or less and the income produced by the property is at least six percent of the equity, or the excess real property is exempted for a period of nine months if there is a good faith effort to sell the property and a legally binding agreement is signed to repay the amount of assistance issued during that nine months.~~

Sec. 14. Minnesota Statutes 1990, section 256B.056, subdivision 3, is amended to read:

Subd. 3. [ASSET LIMITATIONS.] To be eligible for medical assistance, a person must not individually own more than $3,000 in assets, or if a member of a household with two family members (husband and wife, or parent and child), the household must not own more than $6,000 in assets, plus $200 for each additional legal dependent. In addition to these maximum amounts, an eligible individual or family may accrue interest on these amounts, but they must be reduced to the maximum at the time of an eligibility redetermination. ~~For residents of long-term care facilities, the accumulation of the clothing and personal needs allowance pursuant to section 256B.35 must also be reduced to the maximum at the time of the eligibility redetermination. The value of the items in paragraphs (a) to (i) are not considered in determining medical assistance eligibility.~~ *The accumulation of the clothing and personal needs allowance pursuant to section 256B.35*

must also be reduced to the maximum at the time of the eligibility redetermination. The value of assets that are not considered in determining eligibility for medical assistance is the value of those assets that are excluded by the aid to families with dependent children program for families and children, and the supplemental security income program for aged, blind, and disabled persons, with the following exceptions:

(a) ~~The homestead is not considered.~~

~~(b)~~ Household goods and personal effects are not considered.

~~(c) Personal property used as a regular abode by the applicant or recipient is not considered.~~

~~(d) A lot in a burial plot for each member of the household is not considered.~~

~~(e)~~ *(b)* Capital and operating assets of a trade or business that the local agency determines are necessary to the person's ability to earn an income are not considered.

~~(f) Insurance settlements to repair or replace damaged, destroyed, or stolen property are considered to the same extent as in the related cash assistance programs.~~

~~(g) One motor vehicle that is licensed pursuant to chapter 168 and defined as: (1) passenger automobile, (2) station wagon, (3) motorcycle, (4) motorized bicycle or (5) truck of the weight found in categories A to E, of section 168.013, subdivision 1e, and that is used primarily for the person's benefit is not considered.~~

~~To be excluded, the vehicle must have a market value of less than $4,500; be necessary to obtain medically necessary health services; be necessary for employment; be modified for operation by or transportation of a handicapped person; or be necessary to perform essential daily tasks because of climate, terrain, distance, or similar factors. The equity value of other motor vehicles is counted against the asset limit.~~

~~(h) Life insurance policies and assets designated as burial expenses, according to the standards and restrictions of the supplemental security income (SSI) program.~~

~~(i) Other items excluded by federal law are not considered.~~

(c) Motor vehicles are excluded to the same extent excluded by the supplemental security income program.

(d) Assets designated as burial expenses are excluded to the same extent excluded by the supplemental security income program.

Sec. 15. Minnesota Statutes 1990, section 256B.059, subdivision 2, is amended to read:

Subd. 2. [ASSESSMENT OF SPOUSAL SHARE.] At the beginning of a continuous period of institutionalization of a person, at the request of either the institutionalized spouse or the community spouse, or upon application for medical assistance, the total value of assets in which either the institutionalized spouse or the community spouse had an interest at the time of *the first period of* institutionalization *of 30 days or more* shall be assessed and documented and the spousal share shall be assessed and documented.

Sec. 16. 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~~ *may* review and recommend drugs which require prior authorization. *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:*

(1) the drug formulary committee must develop criteria to be used for identifying drugs;

(2) the drug formulary committee must hold a public forum and receive public comment for an additional 15 days; and

(3) the commissioner must provide information to the formulary committee on the impact that placing the drug on prior authorization will have on the quality of patient care, and information regarding whether the drug is subject to clinical abuse or misuse. Prior authorization may be required by the commissioner before certain formulary drugs are eligible for payment. The formulary shall not include: drugs or products for which there is no federal funding; over-the-counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, products for the treatment of lice, and vitamins for children under the age of seven and pregnant or nursing women; or any other over-the-counter drug identified by the commissioner, in consultation with the drug formulary committee as necessary, appropriate and cost effective for the treatment of certain specified chronic diseases, conditions or disorders, and this determination shall not be subject to the requirements of chapter 14, the administrative procedure act; nutritional products, except for those products needed for treatment of phenylketonuria, hyperlysinemia, maple syrup urine disease, a combined allergy to human milk, cow milk, and soy formula, or any other childhood or adult diseases, conditions, or disorders identified by the commissioner as requiring a similarly necessary nutritional product; anorectics; and drugs for which medical value has not been established. Separate payment shall not be made for nutritional products for residents of long-term care facilities; payment for dietary requirements is a component of the per diem rate paid to these

facilities. Payment to drug vendors shall not be modified before the formulary is established except that the commissioner shall not permit payment for any drugs which may not by law be included in the formulary, and the commissioner's determination shall not be subject to chapter 14, the administrative procedure act. The commissioner shall publish conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

(b) The basis for determining the amount of payment shall be the lower of the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner, the maximum allowable cost set by the federal government or by the commissioner plus the fixed dispensing fee or the usual and customary price charged to the public. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. The actual acquisition cost of a drug may 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 January 4, 1993, or the date the Medicaid Management Information System (MMIS) upgrade is implemented, whichever occurs last, a pharmacy provider may require individuals who seek to become eligible for medical assistance under a one-month spend-down, as provided in section 256B.056, subdivision 5, to pay for services to the extent of the spend-down amount at the time the services are provided. A pharmacy provider choosing this option shall file a medical assistance claim for the pharmacy services provided. If medical assistance reimbursement is received for this claim, the pharmacy provider shall return to the individual the total amount paid by the individual for the pharmacy services reimbursed by the medical assistance program. If the claim is not eligible for medical assistance reimbursement because of the provider's failure to comply with the provisions of the medical assistance program, the pharmacy provider shall refund to

the individual the total amount paid by the individual. Pharmacy providers may choose this option only if they apply similar credit restrictions to private pay or privately insured individuals. A pharmacy provider choosing this option must inform individuals who seek to become eligible for medical assistance under a one-month spend-down of (1) their right to appeal the denial of services on the grounds that they have satisfied the spend-down requirement, and (2) their potential eligibility for the health right program or the children's health plan.

Sec. 17. Minnesota Statutes 1991 Supplement, section 256B.0625, subdivision 19a, is amended to read:

Subd. 19a. [PERSONAL CARE SERVICES.] Medical assistance covers personal care services in a recipient's home. Recipients *authorized to receive personal care in the home* who can direct their own care, or persons who cannot direct their own care when ~~accompanied~~ *authorized* by the responsible party, may use approved hours outside the home when normal life activities take them outside the home and when, without the provision of personal care, their health and safety would be jeopardized. Medical assistance does not cover personal care services at a hospital, nursing facility, intermediate care facility or a health care facility licensed by the commissioner of health, except as authorized in section 256B.64 for ventilator-dependent recipients in hospitals. Total hours of service and payment allowed for services outside the home cannot exceed that which is otherwise allowed for personal care services in an in-home setting according to section 256B.0627. All personal care services must be provided according to section 256B.0627. Personal care services may not be reimbursed if the personal care assistant is the spouse of the recipient ~~or~~, the parent of a recipient under age 18, the responsible party, the foster care provider of a recipient who cannot direct ~~their~~ *the recipient's* own care or the recipient's legal guardian, *unless in the case of the foster care provider a county or state case manager visits the recipient as needed but not less than every six months to monitor the health and safety of the recipient and to ensure the goals of the plan of care are being met.* Parents of adult recipients, adult children of the recipient or adult siblings of the recipient may be reimbursed for personal care services if they are granted a waiver under section 256B.0627. ~~An exception for foster care providers may be made according to section 256B.0627, subdivision 5, paragraph (j).~~

Sec. 18. 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. 19. Minnesota Statutes 1991 Supplement, section 256B.0627, subdivision 1, is amended to read:

Subdivision 1. [~~DEFINITION~~ *DEFINITIONS.*] *(a)* "Home care services" means a health service, determined by the commissioner as medically necessary, that is ordered by a physician and documented in a care plan that

is reviewed by the physician at least once every 60 days for the provision of home health services, or private duty nursing, or at least once every 365 days for personal care. Home care services are provided to the recipient at the recipient's residence that is a place other than a hospital or ~~long-term~~ *health* care facility or as specified in section 256B.0625.

(b) "Medically necessary" has the meaning given in Minnesota Rules, parts 9505.0170 to 9505.0475.

(c) "Care plan" means a written description, *signed by the recipient or the responsible party,* of the services needed which shall, *at a minimum,* include a detailed description of the covered home care services, who is providing the services, frequency ~~of those services.~~ and duration of ~~those~~ services. ~~The care plan shall also include~~, *and* expected outcomes and goals including expected date of goal accomplishment.

(d) "Responsible party" means an individual residing with a recipient of personal care services who is capable of providing the support care necessary to assist the recipient to live independently, is at least 18 years old, is not a personal care assistant, and does not have any direct financial interest in the provision of the personal care services. Responsible parties who are parents of minors or guardians of minors or incapacitated persons may delegate the responsibility to another adult during a temporary absence of at least 24 hours but not more than six months. The person delegated as a responsible party must be able to meet the definition of responsible party, except that the delegated responsible party is required to reside with the recipient only during the time that they are serving as the delegated responsible party. Foster care license holders may be designated the responsible party for residents of the foster care home who cannot direct their own care if case management is being provided according to section 256B.0625, subdivision 19a.

Sec. 20. Minnesota Statutes 1991 Supplement, section 256B.0627, subdivision 4, is amended to read:

Subd. 4. [PERSONAL CARE SERVICES.] (a) The personal care services that are eligible for payment are the following:

(1) bowel and bladder care;

(2) skin care to maintain the health of the skin;

(3) range of motion exercises;

(4) respiratory assistance;

(5) transfers;

(6) bathing, grooming, and hairwashing necessary for personal hygiene;

(7) turning and positioning;

(8) assistance with furnishing medication that is normally self-administered;

(9) application and maintenance of prosthetics and orthotics;

(10) cleaning medical equipment;

(11) dressing or undressing;

(12) assistance with food, nutrition, and diet activities;

(13) accompanying a recipient to obtain medical diagnosis or treatment;

(14) ~~helping~~ *assisting, monitoring, or prompting* the recipient to complete daily living skills such as personal and oral hygiene and medication schedules;

(15) supervision and observation that are medically necessary because of the recipient's diagnosis or disability; and

(16) incidental household services that are an integral part of a personal care service *authorized to be reimbursed by medical assistance* described in clauses (1) to (15).

(b) The personal care services that are not eligible for payment are the following:

(1) personal care services that are not in the care plan developed by the supervising registered nurse in consultation with the personal care assistants and the recipient or the responsible party directing the care of the recipient;

(2) services that are not supervised by the registered nurse;

(3) services provided by the recipient's spouse, legal guardian, or parent of a minor child;

(4) *services provided by a* foster care provider of a recipient who cannot direct their own care, unless ~~prior authorized by the commissioner under paragraph (j)~~ *monitored by a county case manager under subdivision 19a*;

(5) sterile procedures;

(6) injections of fluids into veins, muscles, or skin;

(7) services provided by parents of adult recipients, adult children, or adult siblings, unless these relatives meet one of the following hardship criteria and the commissioner waives this requirement:

(i) the relative resigns from a part-time or full-time job to provide personal care for the recipient;

(ii) the relative goes from a full-time to a part-time job with less compensation to provide personal care for the recipient;

(iii) the relative takes a leave of absence without pay to provide personal care for the recipient;

(iv) the relative incurs substantial expenses by providing personal care for the recipient; or

(v) because of labor conditions, the relative is needed in order to provide an adequate number of qualified personal care assistants to meet the medical needs of the recipient;

(8) homemaker services that are not an integral part of ~~a~~ personal care services; and

(9) home maintenance, or chore services.

Sec. 21. Minnesota Statutes 1990, section 256B.064, is amended by adding a subdivision to read:

Subd. 1d. [RECOVERY OF 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. 22. 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. 23. 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. 24. 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. 25. 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. 26. 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. 27. 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. 28. 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. 29. Minnesota Statutes 1991 Supplement, section 256B.0915, is amended by adding a subdivision to read:

Subd. 5. [REASSESSMENTS FOR WAIVER CLIENTS.] *A reassessment of a client served under the elderly or disabled waiver must be conducted at least every six 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. 30. 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 coordinating 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. 31. 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. 32. 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 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. 33. 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. 34. 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. 35. 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. 36. Minnesota Statutes 1991 Supplement, section 256B.0917, subdivision 9, is amended to read:

Subd. 9. [STATE TECHNICAL ASSISTANCE CENTER.] The organization under contract shall be the state technical assistance center to provide orientation and technical assistance, and to coordinate the living-at-home/block nurse programs established. The state resource center shall:

(1) provide communities with criteria in planning and designing their living-at-home/block nurse programs;

(2) provide general orientation and technical assistance to communities who desire to establish living-at-home/block nurse programs; *and*

(3) provide ongoing analysis and data collection of existing and newly established living-at-home/block nurse programs and provide data to the ~~organization performing~~ *commissioner of human services for* the independent assessment; ~~and~~

~~(4) serve as the living-at-home/block nurse programs' liaison to the legislature and other state agencies~~.

Sec. 37. Minnesota Statutes 1991 Supplement, section 256B.0917, subdivision 10, is amended to read:

Subd. 10. [IMPLEMENTATION PLAN.] The organization under contract *in conjunction with the department* shall develop a plan that specifies a strategy for implementing living-at-home/block nurse programs statewide. The plan must also analyze the data collected by the state technical assistance center and describe the effectiveness of services provided by living-at-home/block nurse programs, including the program's impact on acute care costs. The organization shall report to the commissioner of human services ~~and to the legislature~~ by January 1, 1993.

Sec. 38. 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. 39. Minnesota Statutes 1991 Supplement, section 256B.0919, subdivision 1, is amended to read:

Subdivision 1. [ADULT FOSTER CARE LICENSURE CAPACITY.] Notwithstanding contrary provisions of the human services licensing act and rules adopted under it, an adult foster care license holder may care for five adults age 60 years or older who do not have serious and persistent mental illness or a developmental disability. ~~The license holder under this section shall not be a corporate business which operates more than two facilities.~~

Sec. 40. [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. 41. Minnesota Statutes 1991 Supplement, section 256B.093, subdivision 1, is amended to read:

Subdivision 1. [STATE ~~COORDINATOR~~ *TRAUMATIC BRAIN INJURY CASE MANAGEMENT.*] The commissioner of human services shall ~~designate a full-time position within the long-term care management division of the department of human services to supervise and coordinate services for persons with traumatic brain injuries.~~

~~An advisory committee shall be established to provide recommendations to the department regarding program and service needs of persons with traumatic brain injuries~~*:*

(1) establish and maintain statewide traumatic brain injury case management;

(2) designate a full-time position to supervise and coordinate services for persons with traumatic brain injuries;

(3) contract with qualified agencies or employ staff to provide statewide administrative case management; and

(4) establish an advisory committee to provide recommendations in a report to the department regarding program and service needs of persons

with traumatic brain injuries.

Sec. 42. Minnesota Statutes 1991 Supplement, section 256B.093, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] ~~The commissioner may contract with qualified agencies or employ staff to provide statewide case management services to medical assistance recipients who are at risk of institutionalization and who~~ *Persons eligible for traumatic brain injury administrative case management must be eligible medical assistance recipients who* have traumatic brain injury *and:*

(1) are at risk of institutionalization; or

(2) exceed limits established by the commissioner in section 256B.0627, subdivision 5, paragraph (b).

Sec. 43. Minnesota Statutes 1991 Supplement, section 256B.093, subdivision 3, is amended to read:

Subd. 3. [CASE MANAGEMENT DUTIES.] The department shall fund case management under this subdivision using medical assistance administrative funds. Case management duties include:

(1) assessing the person's individual needs for services required to prevent institutionalization;

(2) ensuring that a care plan that addresses the person's needs is developed, implemented, and monitored on an ongoing basis by the appropriate agency or individual;

(3) assisting the person in obtaining services necessary to allow the person to remain in the community;

(4) coordinating home care services with other medical assistance services under section 256B.0625;

(5) ensuring appropriate, accessible, and cost-effective medical assistance services;

(6) recommending to the commissioner the approval or denial of the use of medical assistance funds to pay for home care services when home care services exceed thresholds established by the commissioner under ~~Minnesota Rules, parts 9505.0170 to 9505.0475~~ *section 256B.0627*;

(7) assisting the person with problems related to the provision of home care services;

(8) ensuring the quality of home care services;

(9) reassessing the person's need for and level of home care services at a frequency determined by the commissioner; and

(10) recommending to the commissioner the approval or denial of medical assistance funds *to pay* for out-of-state placements for traumatic brain injury services *and in-state traumatic brain injury services provided by designated Medicare long-term care hospitals.*

Sec. 44. 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. 45. Minnesota Statutes 1990, section 256B.15, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] *For purposes of this section, "medical assistance" includes the medical assistance program under chapter 256B, excluding the alternative care program, and the general assistance medical care program under chapter 256D.*

Subd. 1a. [ESTATES SUBJECT TO CLAIMS.] If a person receives any medical assistance hereunder, on the person's death, if single, or on the death of the survivor of a married couple, either or both of whom received medical assistance, the total amount paid for medical assistance rendered for the person and spouse shall be filed as a claim against the estate of the person or the estate of the surviving spouse in the court having jurisdiction to probate the estate.

A claim shall be filed if medical assistance was rendered for either or both persons under one of the following circumstances:

(a) the person was over 65 years of age, *and received services under chapter 256B, excluding alternative care*; ~~or~~

(b) the person resided in a medical institution for six months or longer, *received services under chapter 256B excluding alternative care,* and, at the time of institutionalization or application for medical assistance, whichever is later, the person could not have reasonably been expected to be discharged and returned home, as certified in writing by the person's treating physician. For purposes of this section only, a "medical institution" means

a skilled nursing facility, intermediate care facility, intermediate care facility for persons with mental retardation, nursing facility, or inpatient hospital; *or*

(c) the person received general assistance medical care services under chapter 256D.

The claim shall be considered an expense of the last illness of the decedent for the purpose of section 524.3-805. Any statute of limitations that purports to limit any county agency or the state agency, or both, to recover for medical assistance granted hereunder shall not apply to any claim made hereunder for reimbursement for any medical assistance granted hereunder. Counties are entitled to one-half of the nonfederal share of medical assistance collections from estates that are directly attributable to county effort.

Sec. 46. 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 following amounts, deducted 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.

Sec. 47. 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. 48. Minnesota Statutes 1990, section 256B.432, is amended by adding a subdivision to read:

Subd. 7. [RECEIVERSHIP AGREEMENTS.] *This section does not apply to payment rates determined under sections 245A.12, 245A.13, and 256B.495, except that any additional directly identified costs associated with the department of human services' or the department of health's managing agent under a receivership agreement must be allocated to the facility under receivership, and are nonallowable costs to the managing agent on the facility's cost reports.*

Sec. 49. 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 9505.0750 to 9505.1080, and that could be reimbursed separately from the nursing home per diem.*

Sec. 50. 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. 51. 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. 52. Minnesota Statutes 1990, section 256B.48, subdivision 2, is amended to read:

Subd. 2. [REPORTING REQUIREMENTS.] No later than December 31 of each year, a skilled nursing facility or intermediate care facility, including boarding care facilities, which receives medical assistance payments or other reimbursements from the state agency shall:

(a) Provide the state agency with a copy of its audited financial statements. The audited financial statements must include a balance sheet, income statement, statement of the rate or rates charged to private paying residents, statement of retained earnings, statement of cash flows, notes to the financial statements, audited applicable supplemental information, and the certified public accountant's or licensed public accountant's opinion. The examination by the certified public accountant or licensed public accountant shall be conducted in accordance with generally accepted auditing standards as promulgated and adopted by the American Institute of Certified Public Accountants;

(b) Provide the state agency with a statement of ownership for the facility;

(c) Provide the state agency with separate, audited financial statements as specified in clause (a) for every other facility owned in whole or part by an individual or entity which has an ownership interest in the facility;

(d) Upon request, provide the state agency with separate, audited financial statements as specified in clause (a) for every organization with which the facility conducts business and which is owned in whole or in part by an individual or entity which has an ownership interest in the facility;

(e) Provide the state agency with copies of leases, purchase agreements, and other documents related to the lease or purchase of the nursing facility;

(f) Upon request, provide the state agency with copies of leases, purchase agreements, and other documents related to the acquisition of equipment, goods, and services which are claimed as allowable costs; and

(g) Permit access by the state agency to the certified public accountant's and licensed public accountant's audit workpapers which support the audited financial statements required in clauses (a), (c), and (d).

Documents or information provided to the state agency pursuant to this subdivision shall be public. If the requirements of clauses (a) to (g) are not met, the reimbursement rate may be reduced to 80 percent of the rate in effect on the first day of the fourth calendar month after the close of the reporting year, and the reduction shall continue until the requirements are met.

Both nursing facilities and intermediate care facilities for the mentally retarded must maintain statistical and accounting records in sufficient detail to support information contained in the facility's cost report for at least five years, including the year following the submission of the cost report. For

computerized accounting systems, the records must include copies of electronically generated media such as magnetic discs and tapes.

Sec. 53. 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. 54. Minnesota Statutes 1990, section 256B.48, subdivision 4, is amended to read:

Subd. 4. [EXTENSIONS.] The commissioner may grant *up to* a 15-day extension of the reporting deadline to a nursing home for good cause. To receive such an extension, a nursing home shall submit a written request by December 1. The commissioner will notify the nursing home of the decision by December 15. *Between December 1 and December 31, the nursing facility may request a reporting extension for good cause by telephone and followed by a written request.*

Sec. 55. 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. 56. Minnesota Statutes 1990, section 256B.495, subdivision 2, is amended to read:

Subd. 2. [DEDUCTION OF 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, the commissioner must deduct the receivership fee payments according to paragraphs (a) to (c).

(a) The total receivership fee payments shall be the receivership fee per diem 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.

Sec. 57. Minnesota Statutes 1990, section 256B.495, is amended by adding a subdivision to read:

Subd. 4. [RECEIVERSHIP PAYMENT RATE.] *(a) 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.

(b) 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 agreed upon 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.

(c) Any 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.

(d) Upon the subsequent sale or transfer of the nursing facility, the commissioner must recover amounts paid through payment rate adjustments under this subdivision 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.

(e) If a nursing facility whose payment rates are subject to paragraph (b) 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 must be at least five consecutive months.

Sec. 58. Minnesota Statutes 1990, section 256B.50, subdivision 1b, is amended to read:

Subd. 1b. [FILING AN APPEAL.] To appeal, the provider shall file with the commissioner a written notice of appeal; the appeal must be *postmarked or* received by the commissioner within 60 days of the date the determination of the payment rate was mailed. The notice of appeal must specify each disputed item; the reason for the dispute; the total dollar amount in dispute for each separate disallowance, allocation, or adjustment of each cost item or part of a cost item; the computation that the provider believes is correct; the authority in statute or rule upon which the provider relies for each disputed item; the name and address of the person or firm with whom contacts may be made regarding the appeal; and other information required by the commissioner. *The commissioner shall review an appeal by a nursing facility, if the appeal was sent by certified mail and postmarked prior to August 1, 1991, and would have been received by the commissioner within*

the 60-day deadline if it had not been delayed due to an error by the postal service.

Sec. 59. Minnesota Statutes 1990, section 256B.50, subdivision 2, is amended to read:

Subd. 2. [APPRAISED VALUE.] (a) A nursing home may appeal the determination of its appraised value, as determined by the commissioner pursuant to section 256B.431 and rules established thereunder. A written notice of appeal concerning the appraised value of a nursing home's real estate as established by an appraisal conducted after July 1, 1986, must be filed with the commissioner within 60 days of the date the determination was made and shall state the appraised value the nursing home believes is correct for the building, land improvements, and attached equipment and the name and address of the firm with whom contacts may be made regarding the appeal. The appeal request shall include a separate appraisal report prepared by an independent appraiser of real estate which supports the total appraised value claimed by the nursing home. The appraisal report shall be based on an on-site inspection of the nursing home's real estate using the depreciated replacement cost method, must be in a form comparable to that used in the commissioner's appraisal, and must pertain to the same time period covered by the appealed appraisal. The appraisal report shall include information related to the training, experience, and qualifications of the appraiser who conducted and prepared the appraisal report for the nursing home. *An appeal request shall be deemed timely if it is postmarked or received by the commissioner within the time limits established for filing such appeal requests.*

(b) A nursing home which has filed an appeal request prior to the effective date of Laws 1987, chapter 403, concerning the appraised value of its real estate as established by an appraisal conducted before July 1, 1986, must submit to the commissioner the information described under paragraph (a) within 60 days of the effective date of Laws 1987, chapter 403, in order to preserve the appeal.

(c) An appeal request which has been filed pursuant to the provisions of paragraph (a) or (b) shall be finally resolved through an agreement entered into by and between the commissioner and the nursing home or by the determination of an independent appraiser based upon an on-site inspection of the nursing home's real estate using the depreciated replacement cost method, in a form comparable to that used in the commissioner's appraisal, and pertaining to the same time period covered by the appealed appraisal. The appraiser shall be selected by the commissioner and the nursing home by alternately striking names from a list of appraisers approved for state contracts by the commissioner of administration. The appraiser shall make assurances to the satisfaction of the commissioner and the nursing home that the appraiser is experienced in the use of the depreciated cost method of appraisals and that the appraiser is free of any personal, political, or economic conflict of interest that may impair the ability to function in a fair and objective manner. The commissioner shall pay costs of the appraiser through a negotiated rate for services of the appraiser.

(d) The decision of the appraiser is final and is not appealable. Exclusive jurisdiction for appeals of the appraised value of nursing homes lies with the procedures set out in this subdivision. No court of law shall possess subject matter jurisdiction to hear appeals of appraised value determinations of nursing homes.

Sec. 60. Minnesota Statutes 1991 Supplement, section 256D.03, subdivision 3, is amended to read:

Subd. 3. [GENERAL ASSISTANCE MEDICAL CARE; ELIGIBILITY.] (a) General assistance medical care may be paid for any person ~~who is age 18 or older and~~ who is not eligible for medical assistance under chapter 256B, including eligibility for medical assistance based on a spend-down of excess income according to section 256B.056, subdivision 5, and:

(1) who is receiving assistance under section 256D.05 or 256D.051; or

(2)(i) who is a resident of Minnesota; and whose equity in assets is not in excess of $1,000 per assistance unit. Exempt assets, the reduction of excess assets, and the waiver of excess assets must conform to the medical assistance program in chapter 256B, *with the following exception: the maximum amount of undistributed funds in a trust that could be distributed to or on behalf of the beneficiary by the trustee, assuming the full exercise of the trustee's discretion under the terms of the trust, must be applied toward the asset maximum*; and

(ii) who has countable income not in excess of the assistance standards established in section 256B.056, subdivision 4, or whose excess income is spent down pursuant to section 256B.056, subdivision 5, using a six-month budget period, except that a one-month budget period must be used for recipients residing in a long-term care facility. The method for calculating earned income disregards and deductions for a person who resides with a dependent child under age 21 shall be as specified in section 256.74, subdivision 1. However, if a disregard of $30 and one-third of the remainder described in section 256.74, subdivision 1, clause (4), has been applied to the wage earner's income, the disregard shall not be applied again until the wage earner's income has not been considered in an eligibility determination for general assistance, general assistance medical care, medical assistance, or aid to families with dependent children for 12 consecutive months. The earned income and work expense deductions for a person who does not reside with a dependent child under age 21 shall be the same as the method used to determine eligibility for a person under section 256D.06, subdivision 1, except the disregard of the first $50 of earned income is not allowed; or

(3) who would be eligible for medical assistance except that the person resides in a facility that is determined by the commissioner or the federal health care financing administration to be an institution for mental diseases.

(b) Eligibility is available for the month of application, and for three months prior to application if the person was eligible in those prior months. A redetermination of eligibility must occur every 12 months.

(c) General assistance medical care is not available for a person in a correctional facility unless the person is detained by law for less than one year in a county correctional or detention facility as a person accused or convicted of a crime, or admitted as an inpatient to a hospital on a criminal hold order, and the person is a recipient of general assistance medical care at the time the person is detained by law or admitted on a criminal hold order and as long as the person continues to meet other eligibility requirements of this subdivision.

(d) General assistance medical care is not available for applicants or recipients who do not cooperate with the county agency to meet the requirements of medical assistance.

(e) In determining the amount of assets of an individual, there shall be included any asset or interest in an asset, including an asset excluded under paragraph (a), that was given away, sold, or disposed of for less than fair market value within the 30 months preceding application for general assistance medical care or during the period of eligibility. Any transfer described in this paragraph shall be presumed to have been for the purpose of establishing eligibility for general assistance medical care, unless the individual furnishes convincing evidence to establish that the transaction was exclusively for another purpose. For purposes of this paragraph, the value of the asset or interest shall be the fair market value at the time it was given away, sold, or disposed of, less the amount of compensation received. For any uncompensated transfer, the number of months of ineligibility, including partial months, shall be calculated by dividing the uncompensated transfer amount by the average monthly per person payment made by the medical assistance program to skilled nursing facilities for the previous calendar year. The individual shall remain ineligible until this fixed period has expired. The period of ineligibility may exceed 30 months, and a reapplication for benefits after 30 months from the date of the transfer shall not result in eligibility unless and until the period of ineligibility has expired. The period of ineligibility begins in the month the transfer was reported to the county agency, or if the transfer was not reported, the month in which the county agency discovered the transfer, whichever comes first. For applicants, the period of ineligibility begins on the date of the first approved application.

Sec. 61. [EFFECTIVE DATE.]

Section 15 is effective for persons who became institutionalized after September 30, 1989.

ARTICLE 3

ASSISTANCE PAYMENTS

Section 1. 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. 2. 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. 3. 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. 4. 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. 5. 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. 6. 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. 7. 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. 8. 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. 9. 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.*

Sec. 10. 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. 11. [256.985] [INVESTIGATORY SUBPOENA.]

Any person serving as a welfare fraud investigator or health care program investigator may request, and the district court may issue a subpoena based on probable cause for, the production of records relating to eligibility for public assistance programs of the party or parties who are under an investigation or subject to an administrative proceeding. A person who refuses

to produce the documents is subject to contempt procedures under chapter 588.

Sec. 12. [256.986] [ASSISTANCE TRANSACTION CARD FRAUD.]

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

Sec. 13. 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.*

Sec. 14. [256D.091] [GRANT DIVERSION.]

Subdivision 1. [DEFINITIONS.] *(a) "Diverted grant" means the amount of the general assistance grant or work readiness assistance payment, not exceeding the standard of assistance for one person, that is available for a wage subsidy.*

(b) "Net monthly wage" means the income remaining to a registrant after taking the disregards and exclusions from income under section 256D.06.

(c) "Registrant" means a recipient of general assistance or work assistance who is participating in a grant diversion employment and employment-related program.

Subd. 2. [GRANT DIVERSION PROGRAM.] *(a) The county agency may establish a grant diversion program for payment of all or a part of a recipient's general assistance or work readiness grant 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 county agency may administer and deliver grant diversions directly or may contract for delivery of the program according to section 268.871.*

(b) The county agency shall assess a registrant's continued eligibility for general assistance or work readiness assistance before the end of the registrant's grant diversion period.

(c) The county agency shall submit fiscal and summary reports required by the commissioner.

Subd. 3. [REGISTRANT PARTICIPATION.] *(a) A recipient may refuse employment or employment-related training under the grant diversion program unless the recipient lacks a work history or local work reference and the recipient's employability plan requires participation in a community investment program.*

(b) A recipient may participate in a grant diversion program for up to four months.

(c) During participation in the grant diversion program, a registrant must submit to the county agency the monthly food stamp eligibility household report form.

Subd. 4. [CONTRACT WITH GRANT DIVERSION EMPLOYER.] *The county agency or the local service unit shall enter into a written contract with a grant diversion employer. The contract must include:*

(1) the period of time the diverted grant is available;

(2) the amount of the monthly diverted grant;

(3) the method of payment of the diverted grant;

(4) data gathering and reporting requirements;

(5) agreement by the employer not to terminate or reduce the working hours of current employees in order to participate in the grant diversion program;

(6) agreement by the employer to provide the registrant the same or a comparable level of wages, fringe benefits, and workers' compensation coverage that are provided other employees; and

(7) agreement by the employer to hire the registrant at the end of the grant diversion period.

Subd. 5. [NOTICE TO REGISTRANT.] *The county agency or local service unit shall provide the registrant written notice of the terms of the registrant's grant diversion program, including:*

(1) the requirement to complete the period of subsidized employment or employment-related training specified in the contract;

(2) the date of the first day of employment or employment-related training;

(3) the name, address, and occupational title of the employer;

(4) the hourly wage and the number of work hours per week;

(5) the effect of participation on work readiness eligibility;

(6) the maximum period of participation and the months the registrant's grant will be diverted;

(7) the amount of the diverted grant and the amount of any residual assistance grant; and

(8) the actions to be taken if the registrant fails to complete the grant diversion participation period.

The county agency shall maintain a copy of the notice in the registrant's case file.

Subd. 6. [GRANT DIVERSION MONTHLY PAYMENT.] *(a) The county agency shall calculate and pay the diverted grant directly to the registrant's employer or shall reimburse an employment and training service provider that has paid the employer. The amount of monthly payment available to an employer under the grant diversion program must not exceed the monthly standard of assistance for one person.*

(b) If a registrant is receiving assistance as a member of an assistance unit, the monthly payment to the assistance unit may be reduced only by the amount of the assistance standard for one person.

(c) Notwithstanding any change in resources, household, or income of the registrant or the registrant's assistance unit, eligibility for work readiness and the amount of monthly payment is not subject to change during the grant diversion period if the registrant is participating in the grant diversion

program as required in the notice provided under subdivision 5.

Subd. 7. [MEDICAL CARE.] *A registrant is eligible for general assistance medical care during the term of the grant diversion contract.*

Subd. 8. [CHILD CARE.] *A recipient who is the sole adult in an assistance unit with one or more children under 12 years of age must not be referred to the grant diversion program during hours the child is in the home unless the county agency pays any child care expenses that exceed the child care deduction from earned income.*

Subd. 9. [DISQUALIFICATION.] *A registrant who fails without good cause to complete the grant diversion period specified in the contract must be disqualified from receiving assistance as provided in section 256D.101.*

Sec. 15. 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.*

Sec. 16. 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. 17. 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. 18. 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. 19. 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. 20. 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. 21. 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 residential housing* rate, the residence 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. 22. 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. 23. 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. 24. 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. 25. 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. 26. 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. 27. 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. 28. 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.

Sec. 29. [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."

ARTICLE 4

SOCIAL SERVICES, MENTAL HEALTH, AND DEVELOPMENTAL DISABILITIES

Section 1. [16B.185] [PROCUREMENTS FROM REHABILITATION FACILITIES AND DAY TRAINING AND HABILITATION FACILITIES.]

In collaboration with the commissioners of jobs and training, human services, and trade and economic development, the commissioner shall identify contracts for the purchase of goods and services from certified rehabilitation facilities and day training and habitation services that will enhance employment opportunities for persons with severe disabilities that result in additional annual sales volume of 15 percent per year by July 1, 1995.

Sec. 2. Minnesota Statutes 1990, section 43A.191, subdivision 2, is amended to read:

Subd. 2. [AGENCY AFFIRMATIVE ACTION PLANS.] (a) The head of each agency in the executive branch shall prepare and implement an agency affirmative action plan consistent with this section and rules issued under section 43A.04, subdivision 3.

(b) The agency plan must include a plan for the provision of reasonable accommodation in the hiring and promotion of qualified disabled persons. The reasonable accommodation plan must consist of at least the following:

(1) procedures for compliance with section 363.03 and, where appropriate, regulations implementing United States Code, title 29, section 794, as amended through December 31, 1984, which is section 504 of the Rehabilitation Act of 1973, as amended;

(2) methods and procedures for providing reasonable accommodation for disabled job applicants, current employees, and employees seeking promotion; and

(3) provisions for funding reasonable accommodations.

(c) The agency plan must be prepared by the agency head with the assistance of the agency affirmative action officer and the director of equal employment opportunity. The council on disability shall provide assistance with the agency reasonable accommodation plan.

(d) *The agency plan must identify, annually, any positions in the agency that can be used for supported employment as defined in section 268A.01, subdivision 13, of persons with severe disabilities. The agency shall report this information to the commissioner. An agency that hires more than one supported worker in the identified positions must receive recognition for each supported worker toward meeting the agency's affirmative action goals and objectives.*

(e) An agency affirmative action plan may not be implemented without the commissioner's approval.

Sec. 3. 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 institutional 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. 4. 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. 5. 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 a person 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 persons 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. 6. 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.

Any individual aggrieved by the commissioner's action or failure to act in accordance with the requirements of this section, including employees of the affected regional treatment centers, and patients and their families, may appeal the commissioner's actions in accordance with the provisions of section 256.045, subdivisions 1 to 6. For purposes of this section, appeals from decisions made by the commissioner under section 256.045 must be taken in accordance with the contested case proceedings of chapter 14.

Sec. 7. 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 single site funded as home and community-based services.

Sec. 8. Minnesota Statutes 1990, section 252.291, subdivision 3, is amended to read:

Subd. 3. [DUTIES OF COMMISSIONER OF HUMAN SERVICES.] The commissioner shall:

(a) establish standard admission criteria for state hospitals and county utilization targets to limit and reduce the number of intermediate care beds in state hospitals and community facilities in accordance with approved waivers under United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1987, to assure that appropriate services are provided in the least restrictive setting;

(b) define services, including respite care, that may be needed in meeting individual service plan objectives;

(c) provide technical assistance so that county boards may establish a request for proposal system for meeting individual service plan objectives through home and community-based services; alternative community services; or, if no other alternative will meet the needs of identifiable individuals for whom the county is financially responsible, a new intermediate care facility for persons with mental retardation or related conditions;

(d) establish a client tracking and evaluation system as required under applicable federal waiver regulations, Code of Federal Regulations, title 42, sections 431, 435, 440, and 441, as amended through December 31, 1987; and

(e) develop a state plan for the delivery and funding of residential day and support services to persons with mental retardation or related conditions in Minnesota and submit that plan to the clerk of each house of the Minnesota legislature on or before ~~the 15th of January~~ *September 1* of each biennium

beginning ~~January 15, 1985~~ *September 1, 1993*. The biennial mental retardation plan shall include but not be limited to:

(1) county by county maximum intermediate care bed utilization quotas;

(2) plans for the development of the number and types of services alternative to intermediate care beds;

(3) procedures for the administration and management of the plan;

(4) procedures for the evaluation of the implementation of the plan; and

(5) the number, type, and location of intermediate care beds targeted for decertification.

The commissioner shall modify the plan to ensure conformance with the medical assistance home and community-based services waiver.

Sec. 9. Minnesota Statutes 1990, section 253B.02, is amended by adding a subdivision to read:

Subd. 3a. [COMMITMENT.] *"Commitment," "commitment period," and "committed" means the period that begins on the date of filing the order of initial commitment by the committing court under section 253B.09 or order of initial commitment as mentally ill and dangerous under section 253B.18 and includes all periods of continued commitment under sections 253B.13 and 253B.18, subdivisions 2 and 3. Each period of continued commitment shall be deemed to begin on the day following the last day of the prior initial or continued commitment.*

Sec. 10. Minnesota Statutes 1990, section 253B.09, is amended to read:

253B.09 [DECISION; STANDARD OF PROOF; DURATION.]

Subdivision 1. [STANDARD OF PROOF.] If the court finds by clear and convincing evidence that the proposed patient is a mentally ill, mentally retarded, or chemically dependent person and, that after careful consideration of reasonable alternative dispositions, including but not limited to, dismissal of petition, voluntary outpatient care, informal admission to a treatment facility, appointment of a guardian or conservator, or release before commitment as provided for in subdivision 4, it finds that there is no suitable alternative to judicial commitment, the court shall commit the patient to the least restrictive treatment program which can meet the patient's treatment needs consistent with section 253B.03, subdivision 7. In deciding on the least restrictive program, the court shall consider a range of treatment alternatives including, but not limited to, community-based nonresidential treatment, community residential treatment, partial hospitalization, acute care hospital, and regional ~~treatment~~ center services. The court shall also consider the proposed patient's treatment preferences and willingness to participate in the treatment ordered. The court may not commit a patient to a facility or program that is not capable of meeting the patient's needs.

Subd. 2. [FINDINGS.] The court shall find the facts specifically, separately state its conclusions of law, and direct the ~~entry~~ *filing* of an appropriate ~~judgment~~ *order*. Where commitment is ordered, ~~the~~ findings of fact and conclusions of law shall specifically state the proposed patient's conduct which is a basis for determining that each of the requisites for commitment is met.

If commitment is ordered, the findings shall also include a listing of less restrictive alternatives considered and rejected by the court and the reasons

for rejecting each alternative.

Subd. 3. [~~FINANCIAL DETERMINATION~~ *COMMITMENT TO THE COMMISSIONER.*] *If* the court ~~shall determine the nature and extent of the property of the patient and of the persons who are liable for the patient's care~~ *finds that regional center services are the least restrictive alternative, the court shall commit the proposed patient to the custody of the commissioner.* If the patient is committed to ~~a regional facility~~ *the commissioner*, a copy *of the findings of fact and conclusion of law and order for commitment* shall be transmitted to the commissioner.

Subd. 5. [INITIAL COMMITMENT PERIOD.] For persons committed as mentally ill, mentally retarded, or chemically dependent the initial commitment shall not exceed six months. At least 60 days, but not more than 90 days, after the commencement of the initial commitment of a person as mentally ill, mentally retarded, or chemically dependent, the head of the facility shall file a written report with the committing court with a copy to the patient and patient's counsel. This first report shall set forth the same information as is required in section 253B.12, subdivision 1, but no hearing shall be required at this time. If no written report is filed within the required time, or if it describes the patient as not in need of further institutional care and treatment, the proceedings shall be terminated by the committing court, and the patient shall be discharged from the treatment facility. If the person is discharged prior to the expiration of 60 days, the report required by this subdivision shall be filed at the time of discharge.

Sec. 11. Minnesota Statutes 1990, section 253B.11, subdivision 2, is amended to read:

Subd. 2. [FACILITIES.] Each county or a group of counties shall maintain or provide by contract a facility for confinement of persons held temporarily for observation, evaluation, diagnosis, treatment, and care *under section 253B.05 and during subsequent holds under sections 253B.07, subdivision 6, and 253B.08, if necessary, pending initial commitment under section 253B.09. When the confinement is provided at a treatment facility other than a regional center, the county of financial responsibility shall be responsible for all costs of the temporary confinement not otherwise paid by public assistance.* When the confinement is provided at a regional center, the commissioner shall charge the county of financial responsibility for the costs of confinement of persons hospitalized under section 253B.05, subdivisions 1 and 2, and section 253B.07, subdivision 6. "County of financial responsibility" means the county in which the person resides at the time of confinement or, if the person has no residence in this state, the county which initiated the confinement. The charge *for temporary confinement in a regional center* shall be based on the commissioner's determination of the cost of care pursuant to section 246.50, subdivision 5. When there is a dispute as to which county is the county of financial responsibility, the county charged for the costs of confinement shall pay for them pending final determination of the dispute over financial responsibility. Disputes about the county of financial responsibility shall be submitted to the commissioner to be settled in the manner prescribed in section 256G.09.

Sec. 12. Minnesota Statutes 1990, section 253B.11, is amended by adding a subdivision to read:

Subd. 4. [HOLDS PENDING CONTINUED COMMITMENT.] *When a report recommending continued commitment under section 253B.12, subdivision 1, or a petition for continued commitment is filed prior to termination*

of the previous commitment, any delay between the end of the previous commitment and a determination on continued commitment shall not constitute temporary confinement but rather continued commitment.

Sec. 13. 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. 14. [PILOT PROJECTS.]

The commissioner of human services may approve up to ten counties to participate in six pilot projects 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 projects. 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 for a pilot project. The pilot projects shall expire after June 30, 1997.

Sec. 15. [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.

Sec. 16. [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 a 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 14 to 20 with all county social services and mental health advisory committees and councils.

Sec. 17. [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 a pilot project if a 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.

Sec. 18. [DISPUTE RESOLUTION.]

Nothing in sections 14 to 20 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. 19. [ALTERNATIVE SERVICES PILOT PROJECTS.]

Subdivision 1. [ALTERNATIVE SERVICES AUTHORIZED.] *The commissioner may develop pilot projects that provide alternatives to day training and habilitation services for persons with mental retardation or related conditions who are 65 years of age or older. Before implementing the pilot projects, the commissioner shall consult with the board on aging; providers of day training and habilitation programs, residential programs, state-operated community-based programs, and other alternative services for persons with mental retardation or related conditions; and other interested persons including parents, advocates, and persons who may be considered for alternative services. The commissioner shall select as pilot project vendors only current providers of day training and habilitation programs, residential programs, state-operated community-based programs, or other alternative programs.*

Subd. 2. [ALTERNATIVE SERVICES PARTICIPATION.] *No more than 30 persons may receive alternative services under the pilot projects, and participants must be selected as follows: no more than seven persons from day training and habilitation programs; no more than seven persons from*

state-operated community-based programs; no more than seven persons from residential programs; and no more than nine persons from other community-integrated programs. Alternative services may be provided by a person's residential program provider only after other alternative services have been considered and determined not to meet the person's needs.

Subd. 3. [ADVISORY COMMITTEE.] *The commissioner shall convene an advisory committee consisting of persons concerned with and affected by the alternative services pilot projects and the effect of the projects on existing services to evaluate the alternative services pilot projects. The commissioner shall report the advisory committee's evaluation to the legislature by February 1, 1994.*

Sec. 20. [PILOT PROJECT FOR CRISIS SERVICES.]

The commissioner may authorize a pilot project to provide community-based crisis services for persons with mental retardation or related conditions who would otherwise be admitted to or are at risk of being admitted to an acute care hospital for psychological care. To make available the facility capacity for the pilot project, the commissioner may authorize relocation of and alternative services for up to 15 residents of an existing intermediate care facility for persons with mental retardation or related conditions. The medical assistance costs of the alternative services must not exceed the medical assistance costs of services, including day training and habilitation services, for the residents at the intermediate care facility who are relocated. The commissioner may adjust the program operating costs rate of the facility under Minnesota Rules, part 9553.0050, subpart 3, as necessary to implement the pilot project. The project shall serve persons who are the responsibility of Hennepin and Carver counties and other counties as determined by the commissioner.

By January 15, 1994, the commissioner shall report to the legislature on the cost effectiveness of the pilot project.

Sec. 21. [REPEALER.]

Minnesota Statutes 1990, sections 245.0311, 245.0312, and 246.14; and Minnesota Statutes 1991 Supplement, section 252.46, subdivision 15, are repealed."

Delete the title and insert:

"A bill for an act relating to health and human services; revising home care licensure requirements; modifying criteria for listing persons on the nursing assistant registry; revising psychology licensure requirements; modifying the nursing home moratorium exception review process; requiring prospective drug utilization review; modifying requirements relating to the medical assistance, AFDC, general assistance, and work readiness programs; changing commitment requirements; authorizing social service contract pilot projects; amending Minnesota Statutes 1990, sections 43A.191, subdivision 2; 144A.073, subdivisions 3 and 3a; 144A.43, subdivisions 3 and 4; 144A.46, subdivision 5; 151.06, subdivision 1; 151.19, by adding a subdivision; 245A.02, by adding a subdivision; 245A.13, subdivision 4; 252.025, subdivision 4; 252.291, subdivision 3; 253B.02, by adding a subdivision; 253B.09; 253B.11, subdivision 2, and by adding a subdivision; 256.12, by adding a subdivision; 256B.056, subdivisions 1a, 2, and 3; 256B.059, subdivision 2; 256B.0625, by adding a subdivision; 256B.064, by adding a subdivision; 256B.14, subdivision 2; 256B.15, subdivision 1; 256B.36; 256B.431, subdivision 4; 256B.432, by adding a subdivision;

256B.433, subdivisions 1, 2, and 3; 256B.48, subdivisions 2, 3, and 4; 256B.495, subdivisions 1, 2, and by adding a subdivision; 256B.50, subdivisions 1b and 2; 256D.02, subdivision 8; 256D.35, subdivision 11; 256H.01, subdivision 9, and by adding a subdivision; 256I.01; 256I.02; 256I.03, subdivisions 2 and 3; 256I.05, subdivisions 3, 6, 8, and 9; 256I.06; 261.001, subdivision 1; 261.063; Minnesota Statutes 1991 Supplement, sections 144.50, subdivision 6; 144A.31, subdivision 2a; 144A.61, subdivisions 3a and 6a; 147.03; 148.925, subdivisions 1, 2, and by adding a subdivision; 245A.03, subdivision 2; 252.28, 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; 256.9685, subdivision 1; 256.969, subdivision 2; 256.9751, subdivisions 1 and 6; 256.98, subdivision 8; 256B.0625, subdivisions 13 and 19a; 256B.0627, subdivisions 1 and 4; 256B.064, subdivision 2; 256B.0911, subdivisions 3, 8, and by adding a subdivision; 256B.0913, subdivisions 8 and 11; 256B.0915, by adding subdivisions; 256B.0917, subdivisions 2, 3, 4, 5, 6, 7, 9, 10, and 11; 256B.0919, subdivision 1; 256B.092, subdivision 4; 256B.093, subdivisions 1, 2, and 3; 256D.03, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 16B; 245A; 256; 256B; 256D; repealing Minnesota Statutes 1990, sections 245.0311; 245.0312; 246.14; and Minnesota Statutes 1991 Supplement, section 252.46, subdivision 15."

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

SECOND READING OF SENATE BILLS

S.F. No. 2411 was read the second time.

MEMBERS EXCUSED

Mr. Solon was excused from the Session of today at 2:15 p.m. Mr. Chmielewski was excused from the Session of today at 4:45 p.m. Ms. Berglin was excused from the Session of today from 3:30 to 3:50 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Tuesday, April 7, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

NINETY-THIRD DAY

St. Paul, Minnesota, Tuesday, April 7, 1992

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Fred A. Hueners.

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

Adkins	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moe, R.D.	Riveness
Belanger	Dicklich	Kelly	Mondale	Sams
Benson, D.D.	Finn	Knaak	Morse	Samuelson
Benson, J.E.	Flynn	Kroening	Neuville	Solon
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Halberg	Luther	Piper	Vickerman
Chmielewski	Hottinger	Marty	Pogemiller	Waldorf
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

The President declared a quorum present.

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 2694.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 6, 1992

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

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.

Mr. Moe, R.D. moved that H.F. No. 2694 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time and referred to the committee indicated.

Mr. Bernhagen introduced—

S.F. No. 2790: 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.

Referred to the Committee on Judiciary.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

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

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

S.F. Nos. 2206, 2434 and H.F. No. 2113, which the committee recommends to pass.

S.F. No. 168, which the committee reports progress, after the following motions:

Mr. Cohen moved to amend S.F. No. 168 as follows:

Page 2, delete lines 12 to 17

Page 2, line 18, delete "FURTHER"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 17 and nays 44, as follows:

Those who voted in the affirmative were:

Berglin	Flynn	Luther	Piper	Traub
Brataas	Frederickson, D.J.	Marty	Pogemiller	
Cohen	Kelly	Merriam	Ranum	
DeCramer	Knaak	Mondale	Spear	

Those who voted in the negative were:

Adkins	Davis	Johnson, D.E.	McGowan	Renneke
Beckman	Day	Johnson, D.J.	Mehrkens	Riveness
Belanger	Dicklich	Johnson, J.B.	Metzen	Sams
Benson, D.D.	Finn	Johnston	Morse	Samuelson
Benson, J.E.	Frank	Kroening	Neuville	Stumpf
Berg	Frederickson, D.R.	Laidig	Novak	Terwilliger
Bernhagen	Gustafson	Langseth	Olson	Vickerman
Bertram	Halberg	Larson	Pariseau	Waldorf
Chmielewski	Hottinger	Lessard	Price	

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

Ms. Flynn moved to amend S.F. No. 168 as follows:

Page 2, line 10, after the semicolon, insert "and

WHEREAS, some of the American ideals for which the flag stands are not yet enshrined in the Constitution;"

Page 2, after line 17, insert:

"BE IT FURTHER RESOLVED that the Legislature urges the Congress of the United States to propose an amendment to the United States Constitution, for ratification by the states, providing that equality of rights under the law shall not be denied or abridged by the United States or by any state on account of sex."

Amend the title as follows:

Page 1, line 7, before the period, insert ", and an amendment providing for equal rights for women and men under law"

Mr. Berg questioned whether the amendment was germane.

The Chair ruled that the amendment was germane.

Mr. Berg appealed the decision of the Chair.

The question was taken on "Shall the decision of the Chair be the judgment of the Senate?"

The roll was called, and there were yeas 42 and nays 20, as follows:

Those who voted in the affirmative were:

Beckman	Frederickson, D.J.	Kroening	Morse	Riveness
Berglin	Gustafson	Langseth	Neuville	Sams
Bertram	Hottinger	Lessard	Novak	Samuelson
Brataas	Hughes	Luther	Pappas	Spear
Cohen	Johnson, D.E.	Marty	Piper	Traub
DeCramer	Johnson, D.J.	McGowan	Pogemiller	Vickerman
Dicklich	Johnson, J.B.	Metzen	Price	
Finn	Kelly	Moe, R.D.	Ranum	
Flynn	Knaak	Mondale	Reichgott	

Those who voted in the negative were:

Adkins	Bernhagen	Frederickson, D.R.	Mehrkens	Renneke
Belanger	Davis	Halberg	Merriam	Stumpf
Benson, J.E.	Day	Johnston	Olson	Terwilliger
Berg	Frank	Laidig	Pariseau	Waldorf

The decision of the Chair was sustained.

S.F. No. 168 was then progressed.

S.F. No. 2336, which the committee reports progress, subject to the following motion:

Mr. Chmielewski moved to amend S.F. No. 2336 as follows:

Delete everything after the enacting clause and insert:

"Section 1. [181.938] [NONWORK ACTIVITIES; PROHIBITED EMPLOYER CONDUCT.]

Subdivision 1. [DEFINITION.] *For the purpose of this section, "employer" has the meaning given it in section 179.01, subdivision 3.*

Subd. 2. [PROHIBITED PRACTICE.] *An employer may not refuse to hire a job applicant or discipline or discharge an employee because the applicant or employee engages in or has engaged in the use or enjoyment of lawful consumable products, if the use or enjoyment takes place off the premises of the employer during nonworking hours. For purposes of this section, "lawful consumable products" means products whose use or enjoyment is lawful and which are consumed during use or enjoyment, and*

includes food, alcoholic or nonalcoholic beverages, and tobacco.

Subd. 3. [EXCEPTIONS.] *(a) It is not a violation of subdivision 2, for an employer to restrict the use of lawful consumable products by employees during nonworking hours if the employer's restriction:*

(1) relates to a bona fide occupational requirement and is reasonably related to employment activities or responsibilities of a particular employee or group of employees; or

(2) is necessary to avoid a conflict of interest or the appearance of a conflict of interest with any responsibilities owed by the employee to the employer.

(b) It is not a violation of subdivision 2, for an employer to refuse to hire an applicant or discipline or discharge an employee who refuses or fails to comply with the conditions established by a chemical dependency treatment or aftercare program.

(c) It is not a violation of subdivision 2, for an employer to offer, impose, or have in effect a health or life insurance plan that makes distinctions between employees for the type of coverage or the cost of coverage based upon the employee's use of lawful consumable products, provided that, to the extent that different premium rates are charged to the employees, those rates must reflect the actual differential cost to the employer.

(d) It is not a violation of subdivision 2, for an employer to refuse to hire an applicant or discipline or discharge an employee on the basis of the applicant's or employee's past or present job performance.

Subd. 4. [REMEDY.] *The sole remedy for a violation of subdivision 2 is a civil action for damages. Damages are limited to wages and benefits lost by the individual because of the violation. A court shall award the prevailing party in the action, whether plaintiff or defendant, court costs and a reasonable attorney fee."*

Delete the title and insert:

"A bill for an act relating to employment; prohibiting certain actions by an employer because of a job applicants' or employees' use of certain products; proposing coding for new law in Minnesota Statutes, chapter 181."

The motion prevailed. So the amendment was adopted.

S.F. No. 2336 was then progressed.

S.F. No. 2314, which the committee recommends to pass with the following amendment offered by Mr. Kroening:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 469.1831, is amended by adding a subdivision to read:

Subd. 8. [DISTRIBUTION OF NEIGHBORHOOD PARTICIPATION.] *The city of Minneapolis shall ensure that all planning districts in the city are allowed to participate in its neighborhood revitalization program.*

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 2213, which the committee recommends to pass with the following amendments offered by Messrs. Solon and Cohen:

Mr. Solon moved to amend S.F. No. 2213 as follows:

Page 3, line 26, delete "*Public Law Number 92-544*" and insert "*is authorized to exchange fingerprints with the federal bureau of investigation for the purpose of a criminal background check of the national files*"

Page 12, delete lines 13 and 14 and insert "*the Federal National Mortgage Association posted yields on 30-year mortgage commitments for delivery within 60 days on standard conventional fixed-rate mortgages published in the Wall Street Journal for the last business day of the second preceding month plus four percentage points.*"

Page 20, lines 25 and 26, delete "*identification required under subdivision 2, paragraph (g), that meets the requirements of section 29*" and insert "*a driver's license impervious to alteration as is reasonably practicable in the design and quality of material and technology*"

Page 33, delete section 29

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Cohen moved to amend S.F. No. 2213 as follows:

Page 36, after line 13, insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 11A.24, subdivision 4, is amended to read:

Subd. 4. [OTHER OBLIGATIONS.] (a) The state board may invest funds in bankers acceptances, certificates of deposit, commercial paper, mortgage participation certificates and pools, repurchase agreements and reverse repurchase agreements, guaranteed investment contracts, savings accounts, and guaranty fund certificates, surplus notes, or debentures of domestic mutual insurance companies if they conform to the following provisions:

(1) bankers acceptances of United States banks are limited to those issued by banks rated in the highest four quality categories by a nationally recognized rating agency;

(2) certificates of deposit are limited to those issued by United States banks ~~and~~, savings institutions, *and credit unions* that are rated in the highest four quality categories by a nationally recognized rating agency, *that meet the collateral requirements established in section 9.031*, or whose certificates of deposit are fully insured by federal agencies;

(3) commercial paper is limited to those issued by United States corporations or their Canadian subsidiaries and rated in the highest two quality categories by a nationally recognized rating agency;

(4) mortgage participation or pass through certificates evidencing interests in pools of first mortgages or trust deeds on improved real estate located in the United States where the loan to value ratio for each loan as calculated in accordance with section 61A.28, subdivision 3, does not exceed 80 percent for fully amortizable residential properties and in all other respects

meets the requirements of section 61A.28, subdivision 3;

(5) collateral for repurchase agreements and reverse repurchase agreements is limited to letters of credit and securities authorized in this section;

(6) guaranteed investment contracts are limited to those issued by insurance companies or banks rated in the top four quality categories by a nationally recognized rating agency;

(7) savings accounts are limited to those fully insured by federal agencies.

(b) Sections 16A.58 and 16B.06 do not apply to certifications of deposit and collateralization agreements executed by the state board under paragraph (a), clause (2).

(c) In addition to investments authorized by paragraph (a), clause (4), the state board may purchase from the Minnesota housing finance agency all or any part of a pool of residential mortgages, not in default, that has previously been financed by the issuance of bonds or notes of the agency. The state board may also enter into a commitment with the agency, at the time of any issue of bonds or notes, to purchase at a specified future date, not exceeding 12 years from the date of the issue, the amount of mortgage loans then outstanding and not in default that have been made or purchased from the proceeds of the bonds or notes. The state board may charge reasonable fees for any such commitment and may agree to purchase the mortgage loans at a price sufficient to produce a yield to the state board comparable, in its judgment, to the yield available on similar mortgage loans at the date of the bonds or notes. The state board may also enter into agreements with the agency for the investment of any portion of the funds of the agency. The agreement must cover the period of the investment, withdrawal privileges, and any guaranteed rate of return."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 2743, which the committee recommends to pass with the following amendment offered by Mr. Hottinger:

Page 11, line 31, delete "*62A.04*" and insert "*62A.03*"

Page 11, line 32, delete ", *subdivision 3a*"

Page 12, line 31, after the first comma, insert "*not to exceed any charge limitation established by the Medicare program,*"

Page 36, line 19, delete "*30*" and insert "*60*"

The motion prevailed. So the amendment was adopted.

S.F. No. 2396, which the committee recommends to pass with the following amendment offered by Mr. Waldorf:

Page 12, after line 1, insert:

"Sec. 21. [MINNEAPOLIS TEACHERS MODIFICATION OF DISABILITY BENEFITS.]

(a) In accordance with Minnesota Statutes, section 354A.12, subdivision 4, the Minneapolis teachers retirement fund association may amend its articles of incorporation to clarify certain provisions governing disability

benefits for members of the basic program and to conform certain administrative provisions to the statutory provisions applicable to disability benefits for coordinated program members, as provided in paragraphs (b) to (g).

(b) Article 5, section 5.11, may be amended to change the definition of "disability" from the "inability to render further satisfactory service as a teacher" to the "inability to engage in any substantial gainful activity" by reason of any medically determinable physical or mental impairment that can be expected to be of long continued and indefinite duration, which may not be less than one year.

(c) Article 21, section 21.3, may be amended to clarify that disability benefits accrue from the later of either 90 days following commencement of the permanent disability or the first day of the month following the date on which the written application for the disability benefit has been filed with the board.

(d) Article 21, section 21.4, may be amended to provide that basic program disability recipients submit to regular medical examinations at least once each year during the first five years of disability and at least once in every subsequent three-year period, in conformity with the requirements applicable to the coordinated program contained in Minnesota Statutes, section 354A.36, subdivision 6.

(e) Article 21, section 21.5, may be amended to provide that if a basic member disability recipient resumes gainful employment, and the earnings from that employment, together with the disability benefit payments, exceed the monthly compensation the member would have received if the member had remained in active teaching service in the position held prior to becoming disabled, the disability benefit shall be reduced by the excess.

(f) Article 21 may be amended by adding a subsection to provide that a basic program disability recipient who remains disabled until normal retirement age must be transferred to retirement status. The disability benefit terminates upon the transfer, and the person is subsequently entitled to receive a retirement annuity in accordance with the optional annuity previously elected or, if the person had not elected an optional annuity, then, at the person's option, either a straight life retirement annuity in accordance with the articles of incorporation or a straight life retirement annuity equal to the disability benefit paid prior to the date on which the person attained normal retirement age, whichever is greater, or an optional annuity as provided in the articles of incorporation. If an optional annuity is elected, the election must be made prior to the person's attaining normal retirement age and takes effect on the date of the election.

(g) Paragraphs (b) to (f) of this section apply to a basic member who applies for a disability benefit after the effective date of the amendments. Paragraphs (c) to (f) of this section also apply to basic program members who made application for disability benefits before the effective date of the amendments and who are currently receiving disability benefits."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "providing authority for the Minneapolis teachers retirement fund association to amend its articles of incorporation to modify disability benefits for basic program members;"

The motion prevailed. So the amendment was adopted.

S.F. No. 2702, which the committee reports progress, subject to the following motions:

Pursuant to Rule 22, Mr. McGowan moved that he be excused from voting on all questions relating to S.F. No. 2702. The motion prevailed.

Mr. Laidig moved to amend S.F. No. 2702 as follows:

Page 2, line 8, delete "*This*"

Page 2, delete lines 9 and 10

Page 2, line 12, delete "*and*" and insert a period

Page 2, delete lines 13 to 15

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 35 and nays 14, as follows:

Those who voted in the affirmative were:

Adkins	Bertram	Frederickson, D.R.	Langseth	Pariseau
Beckman	Brataas	Halberg	Larson	Price
Belanger	Chmielewski	Hottinger	Luther	Renneke
Benson, D.D.	Dahl	Johnston	Metzen	Sams
Benson, J.E.	Day	Knaak	Morse	Solon
Berg	Finn	Kroening	Neuville	Terwilliger
Bernhagen	Frank	Laidig	Olson	Vickerman

Those who voted in the negative were:

Cohen	Marty	Pogemiller	Riveness	Traub
Davis	Moe, R.D.	Ranum	Spear	Waldorf
Flynn	Pappas	Reichgott	Stumpf	

The motion prevailed. So the amendment was adopted.

S.F. No. 2702 was then progressed.

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

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Orders of Business of Reports of Committees and Second Reading of Senate Bills. The motion prevailed.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

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

S.F. No. 2648: A bill for an act relating to bond allocation; changing procedures for allocating bonding authority; amending Minnesota Statutes 1991 Supplement, sections 474A.03, subdivision 4; 474A.061, subdivision 1; and 474A.091, subdivisions 2 and 3.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 80A.15, subdivision 1, is amended to read:

Subdivision 1. The following securities are exempted from sections 80A.08 and 80A.16:

(a) Any security, including a revenue obligation, guaranteed by the United States, any state, any political subdivision of a state or any corporate or other instrumentality of one or more of the foregoing; but this exemption shall not include any industrial revenue bond. Pursuant to section 106(c) of the Secondary Mortgage Market Enhancement Act of 1984, Public Law Number 98-440, this exemption does not apply to a security that is offered or sold pursuant to section 106(a)(1) or (2) of that act.

(b) Any security issued or guaranteed by Canada, any Canadian province, any political subdivision of any province, any agency or corporate or other instrumentality of one or more of the foregoing, if the security is recognized as a valid obligation by the issuer or guarantor; but this exemption shall not include any revenue obligation payable solely from payments to be made in respect of property or money used under a lease, sale or loan arrangement by or for a nongovernmental industrial or commercial enterprise.

(c) Any security issued by and representing an interest in or a debt of, or guaranteed by, any bank organized under the laws of the United States, or any bank, savings institution or trust company organized under the laws of any state and subject to regulation in respect of the issuance or guarantee of its securities by a governmental authority of that state.

(d) Any security issued by and representing an interest in or a debt of, or guaranteed by, any federal savings and loan association, or any building and loan or similar association organized under the laws of any state and authorized to do business in this state.

(e) Any security issued or guaranteed by any federal credit union or any credit union, or similar association organized and supervised under the laws of this state.

(f) Any security listed or approved for listing upon notice of issuance on the New York Stock Exchange, the American Stock Exchange, the Midwest Stock Exchange, the Pacific Stock Exchange, or the Chicago Board Options Exchange; any other security of the same issuer which is of senior or substantially equal rank; any security called for by subscription rights or warrants so listed or approved; or any warrant or right to purchase or subscribe to any of the foregoing.

(g) Any commercial paper which arises out of a current transaction or the proceeds of which have been or are to be used for current transactions, and which evidences an obligation to pay cash within nine months of the date of issuance, exclusive of days of grace, or any renewal of the paper which is likewise limited, or any guarantee of the paper or of any renewal which are not advertised for sale to the general public in newspapers or other publications of general circulation or otherwise, or by radio, television or direct mailing.

(h) Any interest in any employee's savings, stock purchase, pension, profit sharing or similar benefit plan, or a self-employed person's retirement plan.

(i) Any security issued or guaranteed by any railroad, other common

carrier or public utility which is subject to regulation in respect to the issuance or guarantee of its securities by a governmental authority of the United States.

(j) Any interest in a common trust fund or similar fund maintained by a state bank or trust company organized and operating under the laws of Minnesota, or a national bank wherever located, for the collective investment and reinvestment of funds contributed thereto by the bank or trust company in its capacity as trustee, executor, administrator, or guardian; and any interest in a collective investment fund or similar fund maintained by the bank or trust company, or in a separate account maintained by an insurance company, for the collective investment and reinvestment of funds contributed thereto by the bank, trust company or insurance company in its capacity as trustee or agent, which interest is issued in connection with an employee's savings, pension, profit sharing or similar benefit plan, or a self-employed person's retirement plan.

(k) Any security which meets all of the following conditions:

(1) If the issuer is not organized under the laws of the United States or a state, it has appointed a duly authorized agent in the United States for service of process and has set forth the name and address of the agent in its prospectus;

(2) A class of the issuer's securities is required to be and is registered under section 12 of the Securities Exchange Act of 1934, and has been so registered for the three years immediately preceding the offering date;

(3) Neither the issuer nor a significant subsidiary has had a material default during the last seven years, or for the period of the issuer's existence if less than seven years, in the payment of (i) principal, interest, dividend, or sinking fund installment on preferred stock or indebtedness for borrowed money, or (ii) rentals under leases with terms of three years or more;

(4) The issuer has had consolidated net income, before extraordinary items and the cumulative effect of accounting changes, of at least $1,000,000 in four of its last five fiscal years including its last fiscal year; and if the offering is of interest bearing securities, has had for its last fiscal year, net income, before deduction for income taxes and depreciation, of at least 1-1/2 times the issuer's annual interest expense, giving effect to the proposed offering and the intended use of the proceeds. For the purposes of this clause "last fiscal year" means the most recent year for which audited financial statements are available, provided that such statements cover a fiscal period ended not more than 15 months from the commencement of the offering;

(5) If the offering is of stock or shares other than preferred stock or shares, the securities have voting rights and the rights include (i) the right to have at least as many votes per share, and (ii) the right to vote on at least as many general corporate decisions, as each of the issuer's outstanding classes of stock or shares, except as otherwise required by law; and

(6) If the offering is of stock or shares, other than preferred stock or shares, the securities are owned beneficially or of record, on any date within six months prior to the commencement of the offering, by at least 1,200 persons, and on that date there are at least 750,000 such shares outstanding with an aggregate market value, based on the average bid price for that day, of at least $3,750,000. In connection with the determination of the number of persons who are beneficial owners of the stock or shares of an issuer,

the issuer or broker-dealer may rely in good faith for the purposes of this clause upon written information furnished by the record owners.

(l) Any certificate of indebtedness sold or issued for investment, other than a certificate of indebtedness pledged as a security for a loan made contemporaneously therewith, and any savings account or savings deposit issued, by an industrial loan and thrift company.

(m) Any security designated or approved for designation upon notice of issuance on the NASDAQ/National Market System; any other security of the same issuer that is of senior or substantially equal rank; any security called for by subscription rights or warrants so designated or approved; or any warrant or right to purchase or subscribe to any of the securities referred to in this paragraph; provided that the National Market System provides the commissioner with notice of any material change in its designation requirements. The commissioner may revoke this exemption if the commissioner determines that the designation requirements are not enforced or are amended in a manner that lessens protection to investors.

(n) Any bond or similar interest-bearing security issued by the United States, any state, any political subdivision of any state, or any corporate or other instrumentality of one or more of any of those entities (including any certificate of participation representing an interest in an obligation of any of the foregoing) that has been rated in one of the top four letter categories by Standard & Poor's Corporation, Moody's Investors Services, Inc., Fitch Investors Service, Inc., or any other nationally recognized rating service approved by the commissioner.

Sec. 2. 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. 3. Minnesota Statutes 1990, section 176.181, subdivision 2, is amended to read:

Subd. 2. [COMPULSORY INSURANCE; SELF-INSURERS.] (1) Every employer, except the state and its municipal subdivisions, liable under this chapter to pay compensation shall insure payment of compensation with some insurance carrier authorized to insure workers' compensation liability in this state, or obtain a written order from the commissioner of commerce exempting the employer from insuring liability for compensation and permitting self-insurance of the liability. The terms, conditions and requirements governing self-insurance shall be established by the commissioner pursuant to chapter 14. The commissioner of commerce shall also adopt, pursuant to clause (2)(c), rules permitting two or more employers, whether or not they are in the same industry, to enter into agreements to pool their liabilities under this chapter for the purpose of qualifying as group self-insurers. With the approval of the commissioner of commerce, any employer may exclude medical, chiropractic and hospital benefits as required by this chapter. An employer conducting distinct operations at different locations may either insure or self-insure the other portion of operations as a distinct

and separate risk. An employer desiring to be exempted from insuring liability for compensation shall make application to the commissioner of commerce, showing financial ability to pay the compensation, whereupon by written order the commissioner of commerce, on deeming it proper, may make an exemption. An employer may establish financial ability to pay compensation by: (1) providing financial statements of the employer to the commissioner of commerce; or (2) filing a surety bond or bank letter of credit with the commissioner of commerce in an amount equal to the anticipated annual compensation costs of the employer, but in no event less than $100,000. Upon ten days' written notice the commissioner of commerce may revoke the order granting an exemption, in which event the employer shall immediately insure the liability. As a condition for the granting of an exemption the commissioner of commerce may require the employer to furnish security the commissioner of commerce considers sufficient to insure payment of all claims under this chapter, *consistent with subdivisions 2b and 2c*. If the required security is in the form of currency or negotiable bonds, the commissioner of commerce shall deposit it with the state treasurer. In the event of any default upon the part of a self-insurer to abide by any final order or decision of the commissioner of labor and industry directing and awarding payment of compensation and benefits to any employee or the dependents of any deceased employee, then upon at least ten days notice to the self-insurer, the commissioner of commerce may by written order to the state treasurer require the treasurer to sell the pledged and assigned securities or a part thereof necessary to pay the full amount of any such claim or award with interest thereon. This authority to sell may be exercised from time to time to satisfy any order or award of the commissioner of labor and industry or any judgment obtained thereon. When securities are sold the money obtained shall be deposited in the state treasury to the credit of the commissioner of commerce and awards made against any such self-insurer by the commissioner of commerce shall be paid to the persons entitled thereto by the state treasurer upon warrants prepared by the commissioner of commerce and approved by the commissioner of finance out of the proceeds of the sale of securities. Where the security is in the form of a surety bond or personal guaranty the commissioner of commerce, at any time, upon at least ten days notice and opportunity to be heard, may require the surety to pay the amount of the award, the payments to be enforced in like manner as the award may be enforced.

(2)(a) No association, corporation, partnership, sole proprietorship, trust or other business entity shall provide services in the design, establishment or administration of a group self-insurance plan under rules adopted pursuant to this subdivision unless it is licensed to do so by the commissioner of commerce. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license shall be granted only when the commissioner of commerce is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner of commerce may issue a license subject to restrictions or limitations, including restrictions or limitations on the type of services which may be supplied or the activities which may be engaged in. The license is for a two-year period.

(b) To assure that group self-insurance plans are financially solvent, administered in a fair and capable fashion, and able to process claims and pay benefits in a prompt, fair and equitable manner, entities licensed to engage in such business are subject to supervision and examination by the

commissioner of commerce.

(c) To carry out the purposes of this subdivision, the commissioner of commerce may promulgate administrative rules, including emergency rules, pursuant to sections 14.001 to 14.69. These rules may:

(i) establish reporting requirements for administrators of group self-insurance plans;

(ii) establish standards and guidelines *consistent with subdivisions 2b and 2c* to assure the adequacy of the financing and administration of group self-insurance plans;

(iii) establish bonding requirements or other provisions assuring the financial integrity of entities administering group self-insurance plans;

(iv) establish standards, including but not limited to minimum terms of membership in self-insurance plans, as necessary to provide stability for those plans;

(v) establish standards or guidelines governing the formation, operation, administration, and dissolution of self-insurance plans; and

(vi) establish other reasonable requirements to further the purposes of this subdivision.

Sec. 4. Minnesota Statutes 1990, section 176.181, is amended by adding a subdivision to read:

Subd. 2b. [ACCEPTABLE SECURITIES.] *The following are acceptable securities and surety bonds for the purpose of funding self-insurance plans and group self-insurance plans:*

(1) direct obligations of the United States government except mortgage-backed securities of the Government National Mortgage Association;

(2) bonds, notes, debentures, and other instruments which are obligations of agencies and instrumentalities of the United States including, but not limited to, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank, the Student Loan Marketing Association, and the Farm Credit System, and their successors, but not including collateralized mortgage obligations or mortgage pass-through instruments;

(3) bonds or securities that are issued by the state of Minnesota and that are secured by the full faith and credit of the state;

(4) certificates of deposit which are insured by the Federal Deposit Insurance Corporation and are issued by a Minnesota depository institution;

(5) obligations of, or instruments unconditionally guaranteed by, Minnesota depository institutions whose long-term debt rating is at least AA-, Aa3, or their equivalent, by at least two nationally recognized rating agencies;

(6) surety bonds issued by a corporate surety authorized by the commissioner of commerce to transact such business in the state;

(7) obligations of or instruments unconditionally guaranteed by Minnesota insurance companies, whose long-term debt rating is at least AA-, Aa3, or their equivalent, by at least two nationally recognized rating agencies and whose rating is A + by Best & Co.; and

(8) any guarantee from the United States government whereby the payment of the workers' compensation liability of a self-insurer is guaranteed; and bonds which are the general obligation of the Minnesota housing finance agency.

Sec. 5. Minnesota Statutes 1990, section 176.181, is amended by adding a subdivision to read:

Subd. 2c. [DEPOSIT OF SECURITIES.] *Securities described in subdivision 2b must be deposited with the state treasurer or deposited in a custodial account with a depository institution acceptable to the state treasurer. The instrument or contract creating and governing any custodial account must contain the following assignment language: "The account is hereby assigned to the state treasurer by the company for the payment of compensation and the performance of the obligations of employers imposed under Minnesota Statutes, chapter 176. The company has no right, title, or interest in the security deposited in the account until released by the state."*

All instruments and contracts creating and governing custodial accounts shall remain with the state treasurer or the commissioner of commerce for a period of time as dictated by the applicable statute of limitations provided in this chapter. The custodian of any custodial account shall report to the commissioner of commerce the market value of the instruments held in the account once each month. No custodial accounts assigned to the state shall be released without an order from the commissioner of commerce.

Sec. 6. [RULE CHANGE.]

The commissioner of commerce shall amend Minnesota Rules, part 2780.0400, so that it is consistent with the changes in sections 3 to 5.

Sec. 7. Minnesota Statutes 1990, section 429.091, subdivision 2, is amended to read:

Subd. 2. [TYPES OF OBLIGATIONS PERMITTED.] The council may by resolution adopted prior to the sale of obligations pledge the full faith, credit, and taxing power of the municipality for the payment of the principal and interest. Such obligations shall be called improvement bonds and the council shall pay the principal and interest out of any fund of the municipality when the amount credited to the specified fund is insufficient for the purpose and shall each year levy a sufficient amount to take care of accumulated or anticipated deficiencies, which levy shall not be subject to any statutory or charter tax limitation. Obligations for the payment of which the full faith and credit of the municipality is not pledged shall be called ~~improvement warrants~~ *assessment revenue notes* or, in the case of bonds for fire protection, revenue bonds and shall contain a promise to pay solely out of the proper special fund or funds pledged to their payment. It shall be the duty of the municipal treasurer to pay maturing principal and interest on warrants or revenue bonds out of funds on hand in the proper funds and not otherwise.

Sec. 8. Minnesota Statutes 1991 Supplement, section 462A.073, subdivision 1, is amended to read:

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

(b) "Existing housing" means single-family housing that (i) has been previously occupied prior to the first day of the origination period; or (ii) has been available for occupancy for at least 12 months but has not been previously occupied.

(c) "Metropolitan area" means the metropolitan area as defined in section 473.121, subdivision 2.

(d) "New housing" means single-family housing that has not been previously occupied.

(e) "Origination period" means the period that loans financed with the proceeds of qualified mortgage revenue bonds are available for the purchase of single-family housing. The origination period begins when financing actually becomes available to the borrowers for loans.

(f) "Redevelopment area" means a compact and contiguous area within which the ~~agency~~ *city* finds *by resolution* that 70 percent of the parcels are occupied by buildings, streets, utilities, or other improvements and more than 25 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance.

(g) "Single-family housing" means dwelling units eligible to be financed from the proceeds of qualified mortgage revenue bonds under federal law.

(h) "Structurally substandard" means containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light, ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance.

Sec. 9. Minnesota Statutes 1990, section 469.015, subdivision 4, is amended to read:

Subd. 4. [EXCEPTIONS.] (a) An authority need not require competitive bidding in the following circumstances:

(1) in the case of a contract for the acquisition of a low-rent housing project:

(i) for which financial assistance is provided by the federal government;

(ii) which does not require any direct loan or grant of money from the municipality as a condition of the federal financial assistance; and

(iii) for which the contract provides for the construction of the project upon land ~~not~~ *that is either* owned by the authority *for redevelopment purposes or not owned by the authority* at the time of the contract~~, or owned by the authority for redevelopment purposes, and~~ *but the contract* provides for the conveyance or lease to the authority of the project or improvements upon completion of construction;

(2) with respect to a structured parking facility:

(i) constructed in conjunction with, and directly above or below, a development; and

(ii) financed with the proceeds of tax increment or parking ramp revenue bonds; and

(3) in the case of a housing development project if:

(i) the project is financed with the proceeds of bonds issued under section 469.034 *or from nongovernmental sources*;

(ii) the project is *either* located on land that is ~~not~~ owned *or is being acquired* by the authority ~~at the time the contract is entered into, or is owned~~

~~by the authority~~ only for development purposes, ~~and~~ *or is not owned by the authority at the time the contract is entered into but the contract* provides for conveyance or lease to the authority of the project or improvements upon completion of construction; and

(iii) the authority finds and determines that elimination of the public bidding requirements is necessary in order for the housing development project to be economical and feasible.

(b) An authority need not require a performance bond in the case of a contract described in paragraph (a), clause (1).

Sec. 10. Minnesota Statutes 1991 Supplement, section 469.155, subdivision 12, is amended to read:

Subd. 12. [REFUNDING.] It may issue revenue bonds to refund, in whole or in part, bonds previously issued by the municipality or redevelopment agency under authority of sections 469.152 to 469.165, and interest on them. The municipality or redevelopment agency may issue revenue bonds to refund, in whole or in part, bonds previously issued by any other municipality or redevelopment agency on behalf of an organization described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1990, under authority of sections 469.152 to 469.155, and interest on them, but only with the consent of the original issuer of such bonds. The municipality or redevelopment agency may issue and sell warrants which give to their holders the right to purchase refunding bonds issuable under this subdivision prior to a stipulated date. The warrants are not required to be sold at public sale and all or any agreed portion of the proceeds of the warrants may be paid to the contracting party under the revenue agreement required by subdivision 5 or to its designee under the conditions the municipality or redevelopment agency shall agree upon. Warrants shall not be issued which obligate a municipality or redevelopment agency to issue refunding bonds that are or will be subject to federal tax law as defined in section 474A.02, subdivision 8. The warrants may provide a stipulated exercise price or a price that depends on the tax exempt status of interest on the refunding bonds at the time of issuance. The average interest rate on refunding bonds issued upon the exercise of the warrants to refund fixed rate bonds shall not exceed the average interest rate on fixed rate bonds to be refunded. The municipality *or redevelopment agency* may appoint a bank or trust company to serve as agent for the warrant holders and enter into agreements deemed necessary or incidental to the issuance of the warrants.

Sec. 11. Minnesota Statutes 1991 Supplement, section 474A.03, subdivision 4, is amended to read:

Subd. 4. [APPLICATION FEE.] Every entitlement issuer and other issuer shall pay to the commissioner a nonrefundable application fee to offset the state cost of program administration. The application fee is ~~$100~~ *$20* for each ~~$500,000~~ *$100,000* of entitlement or allocation requested, with the request rounded to the nearest ~~$500,000~~ *$100,000*. The minimum fee is ~~$100~~ *$20*. Fees received by the commissioner must be credited to the general fund.

Sec. 12. Minnesota Statutes 1991 Supplement, section 474A.04, subdivision 1a, is amended to read:

Subd. 1a. [ENTITLEMENT RESERVATIONS; CARRYFORWARD; DEDUCTION.] Except as provided in Laws 1987, chapter 268, article 16,

section 41, subdivision 2, paragraph (a), any amount returned by an entitlement issuer before the last Monday in July shall be reallocated through the housing pool. Any amount returned on or after the last Monday in July shall be reallocated through the unified pool. An amount returned after the last Monday in November shall be reallocated to the Minnesota housing finance agency. ~~Beginning with entitlement allocations received in 1987 under Minnesota Statutes 1986, section 474A.08, subdivision 1, paragraphs (2) and (3), there shall be deducted from an entitlement issuer's allocation for the subsequent year an amount equal to the entitlement allocation under which bonds are not issued, returned on or before the last Monday in December, or carried forward under federal tax law.~~ Except for the Minnesota housing finance agency, any amount of bonding authority that an entitlement issuer carries forward under federal tax law that is not permanently issued by the end of the succeeding calendar year shall be deducted from the entitlement allocation for that entitlement issuer for the next succeeding calendar year. Any amount deducted from an entitlement issuer's allocation under this subdivision shall be divided equally for allocation through the manufacturing pool and the housing pool.

Sec. 13. Minnesota Statutes 1991 Supplement, section 474A.061, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] (a) An issuer may apply for an allocation under this section by submitting to the department an application on forms provided by the department, accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter, (3) the type of qualified bonds to be issued, (4) an application deposit in the amount of one percent of the requested allocation before the last Monday in July, or in the amount of two percent of the requested allocation on or after the last Monday in July, and (5) a public purpose scoring worksheet for manufacturing project applications. The issuer must pay the application deposit by a check made payable to the department of finance. The Minnesota housing finance agency ~~and~~, the Minnesota rural finance authority, *and the Minnesota higher education coordinating board* may apply for and receive an allocation under this section without submitting an application deposit.

(b) An entitlement issuer may not apply for an allocation from the housing pool or from the public facilities pool unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount of bonding authority carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6. *This paragraph does not apply to an application from the Minnesota housing finance agency for an allocation under subdivision 2a for cities who choose to have the agency issue bonds on their behalf.*

(c) If an application is rejected under this section, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted. The granting of an allocation of bonding authority under this section must be evidenced by a certificate of allocation.

Sec. 14. Minnesota Statutes 1991 Supplement, section 474A.061, subdivision 3, is amended to read:

Subd. 3. [ADDITIONAL DEPOSIT.] An issuer which has received an

allocation under this section may retain any unused portion of the allocation after the first Tuesday in August only if the issuer has submitted to the department before the first Tuesday in August a letter stating its intent to issue obligations pursuant to the allocation before the end of the calendar year or within the time period permitted by federal tax law and a deposit in addition to that provided under subdivision 1, equal to one percent of the amount of allocation to be retained. *Subdivision 4 applies to an allocation made under this section.* The Minnesota housing finance agency and the Minnesota rural finance authority may retain an unused portion of an allocation after the first Tuesday in August without submitting an additional deposit.

Sec. 15. Minnesota Statutes 1991 Supplement, section 474A.091, subdivision 2, is amended to read:

Subd. 2. [APPLICATION.] Issuers ~~other than the Minnesota rural finance authority~~ may apply for an allocation under this section by submitting to the department an application on forms provided by the department accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter, (3) the type of qualified bonds to be issued, (4) an application deposit in the amount of two percent of the requested allocation, and (5) a public purpose scoring worksheet for manufacturing applications. The issuer must pay the application deposit by check. An entitlement issuer may not apply for an allocation for public facility bonds, residential rental project bonds, or mortgage bonds under this section unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6.

The Minnesota housing finance agency may not apply for an allocation for mortgage bonds under this section until after the last Monday in August. Notwithstanding the restrictions imposed on unified pool allocations after September 1 under subdivision 3, paragraph (c)(2), the Minnesota housing finance agency may be awarded allocations for mortgage bonds from the unified pool after September 1. The Minnesota housing finance agency, *the Minnesota higher education coordinating board, and the Minnesota rural finance authority* may apply for and receive an allocation under this section without submitting an application deposit.

Sec. 16. Minnesota Statutes 1991 Supplement, section 474A.091, subdivision 3, is amended to read:

Subd. 3. [ALLOCATION PROCEDURE.] (a) The commissioner shall allocate available bonding authority under this section on the Monday of every other week beginning with the first Monday in August through and on the last Monday in November. Applications for allocations must be received by the department by the Monday preceding the Monday on which allocations are to be made. If a Monday falls on a holiday, the allocation will be made or the applications must be received by the next business day after the holiday.

(b) On or before September 1, allocations shall be awarded from the unified pool in the following order of priority:

(1) applications for small issue bonds;

(2) applications for residential rental project bonds;

(3) applications for public facility projects funded by public facility bonds;

(4) applications for redevelopment bonds;

(5) applications for mortgage bonds; and

(6) applications for governmental bonds.

Allocations for residential rental projects may only be made during the first allocation in August. The amount of allocation provided to an issuer for a specific manufacturing project will be based on the number of points received for the proposed project under the scoring system under section 474A.045. Proposed manufacturing projects that receive 50 points or more are eligible for all of the proposed allocation. Proposed manufacturing projects that receive less than 50 points under section 474A.045 are only eligible to receive a proportionally reduced share of the proposed authority, based upon the number of points received. If there are two or more applications for manufacturing projects from the unified pool and there is insufficient bonding authority to provide allocations for all manufacturing projects in any one allocation period, the available bonding authority shall be awarded based on the number of points awarded a project under section 474A.045 with those projects receiving the greatest number of points receiving allocation first.

(c)(1) On the first Monday in August, *$5,000,000 of bonding authority is reserved within the unified pool for agricultural development bond loan projects of the Minnesota rural finance authority and* $20,000,000 of bonding authority or an amount equal to the total annual amount of bonding authority allocated to the small issue pool under section 474A.03, subdivision 1, less the amount allocated to issuers from the small issue pool for that year, whichever is less, is reserved within the unified pool for small issue bonds. On the first Monday in September, $2,500,000 of bonding authority or an amount equal to the total annual amount of bonding authority allocated to the public facilities pool under section 474A.03, subdivision 1, less the amount allocated to issuers from the public facilities pool for that year, whichever is less, is reserved within the unified pool for public facility bonds. If sufficient bonding authority is not available to reserve the required amounts for ~~both small issue bonds~~ *manufacturing projects* and ~~public facility bonds~~ *agricultural development bond loan projects*, ~~seven-eighths of~~ the remaining available bonding authority ~~is reserved for small issue bonds and one-eighth of the remaining available bonding authority is reserved for public facility bonds~~ *must be distributed between the two reservations on a pro rata basis, based upon the amounts each would have received if sufficient authority was available.*

(2) The total amount of allocations for mortgage bonds from the housing pool and the unified pool may not exceed:

(i) $10,000,000 for any one city; or

(ii) $20,000,000 for any number of cities in any one county.

An allocation for mortgage bonds may be used for mortgage credit certificates.

After September 1, allocations shall be awarded from the unified pool only for the following types of qualified bonds: small issue bonds, public facility bonds *to finance publicly owned facility projects*, and residential

rental project bonds.

(d) If there is insufficient bonding authority to fund all projects within any qualified bond category, allocations shall be awarded by lot unless otherwise agreed to by the respective issuers. If an application is rejected, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted. The granting of an allocation of bonding authority under this section must be evidenced by issuance of a certificate of allocation.

Sec. 17. Minnesota Statutes 1991 Supplement, section 475.66, subdivision 3, is amended to read:

Subd. 3. Subject to the provisions of any resolutions or other instruments securing obligations payable from a debt service fund, any balance in the fund may be invested

(a) in governmental bonds, notes, bills, mortgages, and other securities, which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, or in certificates of deposit secured by letters of credit issued by federal home loan banks,

(b) in shares of an investment company (1) registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and (2) whose only investments are in (i) securities described in the preceding clause, (ii) general obligation tax-exempt securities rated A or better by a national bond rating service, and (iii) repurchase agreements or reverse repurchase agreements fully collateralized by those securities, if the repurchase agreements or reverse repurchase agreements are entered into only with those primary reporting dealers that report to the Federal Reserve Bank of New York and with the 100 largest United States commercial banks,

(c) in any security which is (1) a general obligation of the state of Minnesota or any of its municipalities, or *(2)* a general obligation of another state or local government with taxing powers which is rated A or better by a national bond rating service, or ~~(2)~~ *(3)* a general obligation of the Minnesota housing finance agency, or ~~(3)~~ *(4)* a general obligation of a housing finance agency of any state if it includes a moral obligation of the state, or ~~(4)~~ *(5)* a general or revenue obligation of any agency or authority of the state of Minnesota other than a general obligation of the Minnesota housing finance agency~~, provided that~~. Investments under clauses ~~(2)~~ *(3)* and ~~(3)~~ *(4)* must be in obligations that are rated A or better by a national bond rating service and ~~provided that~~ investments under clause ~~(4)~~ *(5)* must be in obligations that are rated AA or better by a national bond rating service,

(d) in bankers acceptances of United States banks eligible for purchase by the Federal Reserve System,

(e) in commercial paper issued by United States corporations or their Canadian subsidiaries that is of the highest quality and matures in 270 days or less, or

(f) in guaranteed investment contracts issued or guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies or their Canadian or United States subsidiaries; provided that the investment contracts rank on a parity with the senior

unsecured debt obligations of the issuer or guarantor and, (1) in the case of long-term investment contracts, either (i) the long-term senior unsecured debt of the issuer or guarantor is rated, or obligations backed by letters of credit of the issuer or guarantor if forming the primary basis of a rating of such obligations would be rated, in the highest or next highest rating category of Standard & Poor's Corporation, Moody's Investors Service, Inc., or a similar nationally recognized rating agency, or (ii) if the issuer is a bank with headquarters in Minnesota, the long-term senior unsecured debt of the issuer is rated, or obligations backed by letters of credit of the issuer if forming the primary basis of a rating of such obligations would be rated in one of the three highest rating categories of Standard & Poor's Corporation, Moody's Investors Service, Inc., or similar nationally recognized rating agency, or (2) in the case of short-term investment contracts, the short-term unsecured debt of the issuer or guarantor is rated, or obligations backed by letters of credit of the issuer or guarantor if forming the primary basis or a rating of such obligations would be rated, in the highest two rating categories of Standard and Poor's Corporation, Moody's Investors Service, Inc., or similar nationally recognized rating agency.

The fund may also be used to purchase any obligation, whether general or special, of an issue which is payable from the fund, at such price, which may include a premium, as shall be agreed to by the holder, or may be used to redeem any obligation of such an issue prior to maturity in accordance with its terms. The securities representing any such investment may be sold or hypothecated by the municipality at any time, but the money so received remains a part of the fund until used for the purpose for which the fund was created.

Sec. 18. [HIGHER EDUCATION COORDINATING BOARD.]

Subdivision 1. [1992 MANUFACTURING POOL RESERVATION.] *On the first Monday in May of 1992, $15,000,000 of bonding authority is reserved within the manufacturing pool and $5,000,000 of bonding authority is reserved within the public facilities pool for student loan bonds issued by the higher education coordinating board. On the day after the last Monday in July of 1992, any bonding authority remaining unallocated from the student loan bond reservations is transferred to the unified pool and must be reallocated as provided in Minnesota Statutes, section 474A.091.*

Subd. 2. [1992 CARRYFORWARD.] *Notwithstanding Minnesota Statutes, section 474A.091, subdivision 4, the commissioner of finance may allocate a portion of remaining available bonding authority to the higher education coordinating board for student loan bonds on December 1 of 1992.*

Subd. 3. [1993 UNIFIED POOL RESERVATION.] *On the first Monday in August of 1993, up to $10,000,000 of bonding authority is reserved within the unified pool for student loan bonds issued by the higher education coordinating board; provided that the total amount of the unified pool reservation authorized under this subdivision and the carryforward authorized under subdivision 2 may not exceed $20,000,000 of bonding authority.*

Sec. 19. [SUNSET OF QUALIFIED BONDS.]

Subdivision 1. [TRANSFER.] *If federal tax law is not amended by May 31, 1992, to permit the issuance of tax exempt mortgage bonds or small issue bonds after May 31, 1992, any bonding authority remaining in the small issue, housing, and public facilities pools is transferred on June 1, 1992, to a common pool and is available for allocation as provided in this*

section.

Subd. 2. [ALLOCATION.] *For the period from June 1, 1992, through November 30, 1992, the commissioner of finance may allocate any available bonding authority in the common pool for any purpose authorized under federal tax law. The application and allocation procedures established in Minnesota Statutes, section 474A.091, apply to allocations from the common pool. The reserve and priority requirements established under Minnesota Statutes, section 474A.091, do not apply to allocations from the common pool.*

Subd. 3. [CARRYFORWARD.] *Notwithstanding Minnesota Statutes, section 474A.091, on December 1, 1992, the commissioner may allocate any bonding authority remaining in the common pool to any issuer authorized by federal law to carry forward bonding authority.*

Sec. 20. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to bond allocation; providing conditions and requirements for issuance of debt and for the financial obligations of authorities; exempting certain securities from registration requirements; defining acceptable securities for use by self-insurers for workers' compensation; changing procedures for allocating bonding authority; amending Minnesota Statutes 1990, sections 80A.15, subdivision 1; 136A.29, subdivision 9; 176.181, subdivision 2, and by adding subdivisions; 429.091, subdivision 2; 469.015; subdivision 4; Minnesota Statutes 1991 Supplement, sections 462A.073, subdivision 1; 469.155, subdivision 12; 474A.03, subdivision 4; 474A.04, subdivision 1a; 474A.061, subdivisions 1 and 3; 474A.091, subdivisions 2 and 3; and 475.66, subdivision 3."

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 1965: A bill for an act relating to human services; directing the commissioner of human services to exempt intermediate care facilities for persons with mental retardation from Minnesota Rules, parts 9525.0215 to 9525.0430.

Reports the same back with the recommendation that the report from the Committee on Health and Human Services, shown in the Journal for March 27, 1992, be amended to read:

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 2378: A bill for an act relating to public safety; establishing the automatic fire-safety sprinkler system loan program for existing multifamily

residential properties; creating the automatic fire-safety sprinkler system fund; exempting newly installed automatic sprinklers from sales and property taxes; authorizing bonds to be issued to fund the program; appropriating money; amending Minnesota Statutes 1990, sections 273.11, by adding a subdivision; 297A.25, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 272.03, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 299F.

Reports the same back with the recommendation that the report from the Committee on Taxes and Tax Laws, shown in the Journal for April 6, 1992, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass". Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 2402: A bill for an act relating to state government; executive council; regulating depositories for state funds; 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.

Reports the same back with the recommendation that the report from the Committee on Governmental Operations, shown in the Journal for March 31, 1992, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass". Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 2323: A bill for an act providing for a study of the civic and cultural functions of downtown Saint Paul.

Reports the same back with the recommendation that the report from the Committee on Governmental Operations, shown in the Journal for March 24, 1992, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass". Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 897: A bill for an act relating to traffic regulations; providing misdemeanor penalties for persons who refuse to submit to a chemical test to determine if the person is under the influence of alcohol or a controlled substance; amending Minnesota Statutes 1990, sections 169.121, subdivisions 1a, 3, and 3b; and 169.123, subdivision 2.

Reports the same back with the recommendation that the report from the Committee on Judiciary, shown in the Journal for March 30, 1992, be adopted; that committee recommendation being:

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1910: 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.

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

Page 1, line 22, delete "*3.5 percent*" and insert "*the difference between the preretirement interest assumption and postretirement interest assumption in section 356.215, subdivision 4d, paragraph (a)*"

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

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

S.F. No. 2788: A bill for an act relating to the organization and operation of state government; providing for programs relating to higher education; environment and natural resources; agriculture, transportation, semi-state, and regulatory agencies; economic and state affairs; health and human services; providing for regulation of certain activities and practices; making fund and account transfers; providing for fees; making grants; appropriating money and reducing earlier appropriations with certain conditions; amending Minnesota Statutes 1990, sections 3.21; 3.736, subdivision 8; 5.09; 5.14; 15.0597, subdivision 4; 16A.15, subdivision 1; 16A.48, subdivision 1; 16B.85, subdivision 5; 17.03, by adding subdivisions; 85A.02, subdivision 17; 85A.04, subdivision 1; 115D.04, subdivision 2; 115D.08; 116J.9673, subdivision 4; 138.56, by adding a subdivision; 144.123, subdivision 2; 147.01, by adding a subdivision; 176.104, subdivision 2, and by adding subdivisions; 176.129, subdivisions 1 and 11; 176.183, subdivision 1; 182.666, subdivision 7; 204B.27, subdivision 2; 204D.11, subdivisions 1 and 2; 237.701, subdivision 1; 246A.12, subdivision 7; 253B.10, subdivision 1; 254B.06, subdivision 3; 256.9655; 256.9695, subdivision 3; 256B.02, by adding subdivisions; 256B.035; 256B.056, by adding a subdivision; 256B.057, by adding a subdivision; 256B.059, subdivision 5; 256B.0595, subdivision 1; 256B.0625, by adding subdivisions; 256B.092, by adding a subdivision; 256B.15, subdivision 2; 256B.19, by adding a subdivision; 256B.431, subdivision 2i, and by adding subdivisions; 256B.48, subdivision 1b, and by adding a subdivision; 256B.501, by adding subdivisions; 256D.02, by adding subdivisions; 256D.03, by adding a subdivision; 256D.05, by adding a subdivision; 256D.051, by adding subdivisions; 256D.06, subdivision 5; 256D.101, by adding a subdivision; 256D.54, subdivision 3; 256E.14; 256H.10, subdivision 1; 256I.04, as amended; 256I.05, subdivision 1; 270.71; 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; 349.161, subdivision 4; 349.163, subdivision 2; 353.27, subdivision 13; 356.65, subdivision 1; 363.071, by adding a subdivision; 363.14, subdivisions 2 and 3; 466.06;

477A.12; 477A.14; and 490.123, by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 16A.45, subdivision 1; 16A.723, subdivision 2; 84.0855; 89.37, subdivision 4; 144A.071, subdivision 3; 144A.46, subdivisions 1 and 2; 144A.49; 148.921, subdivision 2; 182.666, subdivision 2; 251.011, subdivision 3; 252.46, subdivision 3; 252.50, subdivision 2; 254B.04, subdivision 1; 256.9656; 256.9657, subdivisions 1, 2, 3, 4, 7, and by adding a subdivision; 256.969, subdivisions 1, 9, and 20; 256B.0625, subdivision 17; 256B.0627, subdivision 5; 256B.0913, subdivisions 4, 5, 12, and 14; 256B.0915, subdivision 3; 256B.0917, subdivision 8; 256B.431, subdivisions 2m 2o, and 3f; 256B.49, subdivision 4; 256B.74, subdivisions 1 and 3; 256D.03, subdivision 3; 256D.05, subdivision 1; 256D.051, subdivisions 1 and 1a; 256H.03, subdivisions 4 and 6; 256H.05, subdivision 1b, and by adding a subdivision; 256I.05, subdivisions 1a, 1b, 2, and 10; 340A.311; 340A.316; 340A.504, subdivision 3; 357.021, subdivision 2; 611.27, subdivision 7; and Laws 1991, chapter 233, section 2, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 84; 115B; 144; 144A; 178; 246; 256; 256B; 256I; 501B; and 514; repealing Minnesota Statutes 1990, sections 3.737; 3.7371; 41A.051; 85.012, subdivision 27a; 211A.04, subdivision 2; 256D.052, as amended; 256D.09, subdivision 3; 256I.05, subdivision 7; 270.185; Minnesota Statutes 1991 Supplement, sections 97A.485, subdivision 1a; 144A.071, subdivision 3a; 256.9657, subdivision 5; 256.969, subdivision 7; 256B.056, subdivision 3a; 256B.74, subdivisions 8 and 9; 256I.05, subdivision 7a; and Laws 1991, chapter 292, article 4, section 77.

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

Page 4, after line 13, insert:

"Subd. 3. Collegiate License Plate Proceeds

The appropriations in Laws 1991, chapter 233, section 5, subdivision 8, for costs relating to collegiate plates for the academic excellence scholarship are transferred for the same purpose to the state university board to be placed in the system-wide administrative fund. Any unexpended balance in the appropriation for fiscal year 1992 may be carried forward into fiscal year 1993."

Page 4, after line 34, insert:

"Sec. 9. 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. 10. 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.~~"

Renumber the sections of article 1 in sequence

Page 12, line 11, delete "*(a)*"

Page 12, lines 18 and 33, delete "*15*" and insert "*35*"

Page 12, delete lines 24 to 28

Page 13, line 2, delete "*15*" and insert "*35*"

Page 13, delete lines 8 to 24

Page 13, line 26, delete the first semicolon and insert ", *and*" and delete "*; and 3*"

Renumber the subdivisions in sequence

Page 68, line 26, delete "*must make an effort to*" and insert "*shall*"

Amend the title as follows:

Page 2, line 8, before "182.666" insert "168.129, subdivisions 1 and 2;"

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

SECOND READING OF SENATE BILLS

S.F. Nos. 2648, 2378, 2402, 2323, 1910 and 2788 were read the second time.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the proceedings on S.F. No. 2788. The Sergeant at Arms was instructed to bring in the absent members.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 2788 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 2788: A bill for an act relating to the organization and operation of state government; providing for programs relating to higher education; environment and natural resources; agriculture, transportation, semi-state, and regulatory agencies; economic and state affairs; health and human services; providing for regulation of certain activities and practices; making fund and account transfers; providing for fees; making grants; appropriating money and reducing earlier appropriations with certain conditions; amending Minnesota Statutes 1990, sections 3.21; 3.736, subdivision 8; 5.09; 5.14; 15.0597, subdivision 4; 16A.15, subdivision 1; 16A.48, subdivision 1; 16B.85, subdivision 5; 17.03, by adding subdivisions; 85A.02, subdivision 17; 85A.04, subdivision 1; 115D.04, subdivision 2; 115D.08; 116J.9673, subdivision 4; 138.56, by adding a subdivision; 144.123, subdivision 2; 147.01, by adding a subdivision; 176.104, subdivision 2, and by adding subdivisions; 176.129, subdivisions 1 and 11; 176.183, subdivision 1; 182.666, subdivision 7; 204B.27, subdivision 2; 204D.11, subdivisions 1 and 2; 237.701, subdivision 1; 246A.12, subdivision 7; 253B.10, subdivision 1; 254B.06, subdivision 3; 256.9655; 256.9695, subdivision 3; 256B.02, by adding subdivisions; 256B.035; 256B.056, by adding a subdivision; 256B.057, by adding a subdivision; 256B.059, subdivision 5; 256B.0595, subdivision 1; 256B.0625, by adding subdivisions; 256B.092, by adding a subdivision; 256B.15, subdivision 2; 256B.19, by adding a subdivision; 256B.431, subdivision 2i, and by adding subdivisions; 256B.48, subdivision 1b, and by adding a subdivision; 256B.501, by adding subdivisions; 256D.02, by adding subdivisions; 256D.03, by adding a subdivision; 256D.05, by adding a subdivision; 256D.051, by adding subdivisions; 256D.06, subdivision 5; 256D.101, by adding a subdivision; 256D.54, subdivision 3; 256E.14; 256H.10, subdivision 1; 256I.04, as amended; 256I.05, subdivision 1; 270.71; 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; 349.161, subdivision 4; 349.163, subdivision 2; 353.27, subdivision 13; 356.65, subdivision 1; 363.071, by adding a subdivision; 363.14, subdivisions 2 and 3; 466.06; 477A.12; 477A.14; and 490.123, by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 16A.45, subdivision 1; 16A.723, subdivision 2; 84.0855; 89.37, subdivision 4; 144A.071, subdivision 3; 144A.46, subdivisions 1 and 2; 144A.49; 148.921, subdivision 2; 168.129, subdivisions 1 and 2; 182.666, subdivision 2; 251.011, subdivision 3; 252.46, subdivision 3; 252.50, subdivision 2; 254B.04, subdivision 1; 256.9656; 256.9657, subdivisions 1, 2, 3, 4, 7, and by adding a subdivision; 256.969, subdivisions 1, 9, and 20; 256B.0625, subdivision 17; 256B.0627, subdivision 5; 256B.0913, subdivisions 4, 5, 12, and 14; 256B.0915, subdivision 3; 256B.0917, subdivision 8; 256B.431, subdivisions 2m 2o, and 3f; 256B.49, subdivision 4; 256B.74, subdivisions 1 and 3; 256D.03, subdivision 3; 256D.05, subdivision 1; 256D.051, subdivisions 1 and 1a; 256H.03, subdivisions 4 and 6; 256H.05, subdivision 1b, and by adding a subdivision; 256I.05, subdivisions 1a, 1b, 2, and 10; 340A.311; 340A.316;

340A.504, subdivision 3; 357.021, subdivision 2; 611.27, subdivision 7; and Laws 1991, chapter 233, section 2, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 84; 115B; 144; 144A; 178; 246; 256; 256B; 256I; 501B; and 514; repealing Minnesota Statutes 1990, sections 3.737; 3.7371; 41A.051; 85.012, subdivision 27a; 211A.04, subdivision 2; 256D.052, as amended; 256D.09, subdivision 3; 256I.05, subdivision 7; 270.185; Minnesota Statutes 1991 Supplement, sections 97A.485, subdivision 1a; 144A.071, subdivision 3a; 256.9657, subdivision 5; 256.969, subdivision 7; 256B.056, subdivision 3a; 256B.74, subdivisions 8 and 9; 256I.05, subdivision 7a; and Laws 1991, chapter 292, article 4, section 77.

Mr. Knaak moved to amend S.F. No. 2788 as follows:

Page 74, delete lines 28 to 37 and insert:

"The commissioner shall use the fiscal year 1993 appropriation for regional treatment center chemical dependency treatment programs to offset any unfunded liability in the consolidated chemical dependency treatment fund (CCDTF) for eligible persons for the purpose of ensuring appropriate community-based care for persons with chemical dependency."

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

Mr. Knaak then moved to amend S.F. No. 2788 as follows:

Page 184, delete lines 23 to 35 and insert:

"*The commissioner of human services is prohibited from closing any regional treatment center or state-operated nursing home or any program at any of the regional treatment centers or state-operated nursing homes, without specific legislative authorization; unless the costs of care at the state-operated facility exceed 120 percent of the cost for comparable, appropriate care in a private facility.*"

Pages 184 and 185, delete section 2

Renumber the sections of article 10 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 12 and nays 43, as follows:

Those who voted in the affirmative were:

Belanger	Brataas	Knaak	McGowan	Terwilliger
Benson, D.D.	Halberg	Laidig	Renneke	Traub
Benson, J.E.	Johnston			

Those who voted in the negative were:

Adkins	DeCramer	Johnson, D.J.	Merriam	Price
Beckman	Dicklich	Johnson, J.B.	Metzen	Ranum
Berg	Finn	Kelly	Moe, R.D.	Samuelson
Berglin	Flynn	Kroening	Mondale	Solon
Bernhagen	Frank	Langseth	Morse	Spear
Bertram	Frederickson, D.R.	Larson	Neuville	Stumpf
Cohen	Hottinger	Lessard	Pariseau	Vickerman
Davis	Hughes	Luther	Piper	
Day	Johnson, D.E.	Mehrkens	Pogemiller	

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

Mr. Terwilliger moved to amend S.F. No. 2788 as follows:

Page 95, line 34, after "*(1)*" insert "*exclude from the surcharge under subdivision 1 those nursing homes not participating in the medical assistance program; (2)*"

Renumber the clauses in sequence

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

Mr. Knaak moved to amend S.F. No. 2788 as follows:

Page 73, after line 61, insert:

"$30,000,000 shall be transferred from the regional treatment center account to the medical assistance account for services to persons with developmental disabilities. This transfer shall be used to fund community-based waiver and related services for the purpose of assisting counties in serving developmentally disabled persons, and to begin correcting the imbalance of financial allocations wherein eight percent of the identified developmentally disabled population consumes 39 percent of the allocated monies."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 8 and nays 43, as follows:

Those who voted in the affirmative were:

Belanger	Benson, J.E.	Knaak	Pariseau	Renneke
Benson, D.D.	Johnston	McGowan		

Those who voted in the negative were:

Adkins	Frank	Kelly	Mondale	Sams
Beckman	Frederickson, D.J.	Kroening	Morse	Samuelson
Berglin	Frederickson, D.R.	Laidig	Neuville	Solon
Bertram	Halberg	Larson	Pappas	Spear
Davis	Hottinger	Lessard	Piper	Stumpf
Day	Hughes	Luther	Pogemiller	Traub
DeCramer	Johnson, D.E.	Merriam	Price	Vickerman
Finn	Johnson, D.J.	Metzen	Ranum	
Flynn	Johnson, J.B.	Moe, R.D.	Riveness	

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

Mr. Johnson, D.E. moved to amend S.F. No. 2788 as follows:

Page 47, after line 19, insert:

"From the closing of filings for office in the respective body until the general election, no

legislative employee may engage in campaign activity during hours of employment. Campaign activity means mailings of campaign committees, fundraising, polling, and campaign material design and dissemination."

The motion prevailed. So the amendment was adopted.

Mr. Kelly moved to amend S.F. No. 2788 as follows:

Pages 78 and 79, delete section 2

Page 85, after line 23, insert:

"Sec. 9. [ALLOTMENT REDUCTION.]

The commissioner of finance, with the approval of the governor, shall reduce allotments to state agencies for the fiscal year ending June 30, 1993, by $3,000,000."

Renumber the sections of article 7 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Morse moved to amend the amendment placed on S.F. No. 2788 by the Committee on Taxes and Tax Laws, adopted by the Senate April 7, 1992, as follows:

Page 3, delete line 2 and insert:

"Page 12, lines 12, 30, and 35, delete "*1993*" and insert "*1994*""

Page 3, lines 3 and 5, delete "*35*" and insert "*20*"

Page 3, delete line 4

Page 3, delete lines 6 to 9 and insert:

"Page 13, lines 9 and 15, delete "*15*" and insert "*20*"

Page 13, line 17, delete "*1993*" and insert "*1994*""

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 41 and nays 21, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Moe, R.D.	Sams
Beckman	Day	Johnson, J.B.	Morse	Samuelson
Benson, D.D.	DeCramer	Langseth	Neuville	Spear
Benson, J.E.	Finn	Larson	Olson	Stumpf
Berg	Frederickson, D.J.	Lessard	Pappas	Vickerman
Bernhagen	Frederickson, D.R.	Luther	Pariseau	
Bertram	Halberg	Marty	Piper	
Brataas	Hottinger	McGowan	Reichgott	
Cohen	Johnson, D.E.	Merriam	Renneke	

Those who voted in the negative were:

Belanger	Hughes	Mehrkens	Price	Waldorf
Berglin	Johnston	Metzen	Ranum	
Dahl	Knaak	Mondale	Riveness	
Flynn	Kroening	Novak	Terwilliger	
Frank	Laidig	Pogemiller	Traub	

The motion prevailed. So the amendment was adopted.

Mr. Samuelson moved to amend S.F. No. 2788 as follows:

Page 80, line 10, delete "*(a)*"

Page 81, line 12, delete everything after the period

Page 81, delete lines 13 to 21

The motion prevailed. So the amendment was adopted.

Mr. Pogemiller moved to amend S.F. No. 2788 as follows:

Page 45, after line 29, insert:

"Sec. 52. [STONE ARCH BRIDGE.]

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 for a consideration of $1,001. The deed of conveyance shall provide for reversion of the property to the county in the event the county has need of the bridge for light rail transit."

Renumber the sections of article 3 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Kroening moved to amend S.F. No. 2788 as follows:

Page 27, after line 22, insert:

"Sec. 37. Minnesota Statutes 1990, section 138.763, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] There is a St. Anthony Falls heritage board consisting of ~~ten~~ *thirteen* members with the director of the Minnesota historical society as chair. The members include the mayor, *the chairman of the Hennepin county board of commissioners*, two members each from the city council, *the Hennepin county board*, and the park board, and one each from the preservation commission, the preservation office, Hennepin county historical society, and the society.

Sec. 38. Minnesota Statutes 1990, section 138.766, is amended to read:

138.766 [MATCH.]

The city of Minneapolis, *Hennepin county*, and the park board shall provide match in money or in kind for the project under sections 138.761 to 138.765 on a dollar for dollar basis."

Renumber the sections of article 3 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Luther moved to amend S.F. No. 2788 as follows:

Page 52, after line 10, insert:

"Money returned to the commissioner of trade

and economic development under contracts to host major events must be credited to a special account to be used, when directly appropriated, to attract and host additional major events."

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

Mr. Benson, D.D. moved to amend S.F. No. 2788 as follows:

Page 172, line 25, delete everything before "*occurrence*" and insert "*an*"

Page 172, line 28, delete the semicolon and insert "*or three months, whichever is longer.*"

Page 172, delete lines 29 to 36

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

Mr. Finn moved to amend S.F. No. 2788 as follows:

Page 7, after line 42, insert:

"Department of natural resources forestry area and district boundaries existing on January 1, 1992, may not be changed unless supported by a cost-benefit analysis. Proposed boundary changes may be implemented 90 days after the proposal and supporting cost-benefit analysis have been provided to the chairs of the senate finance committee division on environment and natural resources and the house of representatives appropriations committee division of environment and natural resources."

The motion prevailed. So the amendment was adopted.

Mr. Kroening moved to amend S.F. No. 2788 as follows:

Page 60, line 10, delete "*$3,500*" and insert "*$5,000*"

Page 60, line 15, delete "*$5,000*" and insert "*$10,000*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 7 and nays 52, as follows:

Those who voted in the affirmative were:

Berglin	Kroening	Merriam	Moe, R.D.	Piper
Flynn	McGowan			

Those who voted in the negative were:

Adkins	Dahl	Johnson, J.B.	Morse	Samuelson
Beckman	Davis	Johnston	Neuville	Solon
Belanger	Day	Knaak	Olson	Spear
Benson, D.D.	DeCramer	Laidig	Pariseau	Stumpf
Benson, J.E.	Dicklich	Langseth	Pogemiller	Terwilliger
Berg	Finn	Larson	Price	Traub
Bernhagen	Frank	Lessard	Ranum	Vickerman
Bertram	Frederickson, D.J.	Luther	Reichgott	Waldorf
Brataas	Frederickson, D.R.	Mehrkens	Renneke	
Chmielewski	Johnson, D.E.	Metzen	Riveness	
Cohen	Johnson, D.J.	Mondale	Sams	

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

Ms. Berglin moved to amend S.F. No. 2788 as follows:

Page 95, line 9, after the stricken "is" insert "*to be*" and reinstate the stricken "appropriated" and after the reinstated "appropriated" insert "*by the legislature*" and reinstate the stricken "to the"

Page 95, line 10, reinstate the stricken "commissioner of human services for the purposes of"

Page 95, line 11, before the period, insert "*medical care programs*"

Page 158, line 29, delete "*68,*"

Page 158, line 30, delete "*69,*"

Page 158, after line 33, insert:

"*Section 68 is effective October 1, 1992, but is not effective in the event that the health right program is not enacted into law prior to that date. Section 69 is effective October 1, 1992, but in the event the health right program is not enacted into law prior to that date the percentage increases in reimbursement rates provided for in that section are reduced to ten percent.*"

Renumber the sections of article 8 in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Benson, D.D. moved to amend S.F. No. 2788 as follows:

Page 59, after line 18, insert:

"Sec. 37. Minnesota Statutes 1990, section 138.40, subdivision 2, is amended to read:

Subd. 2. State and other governmental agencies shall comply with and aid in the enforcement of provisions of sections 138.31 to 138.42. Conservation officers and other enforcement officers of the department of natural resources shall enforce the provisions of sections 138.31 to 138.42 and report violations to the director of the society. When archaeological or historic sites are known or based on investigations or are suspected to exist on public lands or waters, the agency or department controlling said lands or waters shall use the professional services of archaeologists from the University of Minnesota, Minnesota historical society, or other qualified professional archaeologists, to preserve these sites. In the event that archaeological excavation is required to protect or preserve these sites, state and other governmental agencies may use their funds for such activities. *The historical society shall reimburse a county for any expenditures, not exceeding $2,000, incurred for the purpose of conducting a survey of any bridge replacement or improvement project site to determine the existence of archaeological or historic sites. The historical society shall reimburse a county for any expenditures, not exceeding $8,000, incurred for the purpose of compiling a historical documentation of any bridge replacement or improvement site or for the purpose of preserving any archaeological or historic site in connection with a bridge replacement or improvement project. The historical society shall not reimburse a county for any expenditures related to archaeological or historic site preservation purposes for which the county receives reimbursement from the federal government or any other state agency.*"

Renumber the sections of article 5 in sequence and correct the internal references

Amend the title accordingly

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

Mr. Neuville moved to amend S.F. No. 2788 as follows:

Page 50, after line 37, insert:

"With each passing year, this nation becomes deeply in debt as its expenditures grossly and repeatedly exceed available revenues so that the public debt now exceeds three trillion dollars.

Attempts to limit spending, including impoundment of funds by the President of the United States, have resulted in strenuous assertions that the responsibility for appropriations is the constitutional duty of the Congress.

The annual Federal budget repeatedly demonstrates the unwillingness or inability of both the legislative and executive branches of the Federal government to curtail spending to conform to available revenues.

The unified budget does not reflect actual spending because of the exclusion of special outlays which are not in the budget.

Knowledgeable planning and fiscal prudence require that the budget reflect all Federal spending and that the budget be in balance.

Believing that fiscal irresponsibility at the Federal level is one of the greatest economic threats which faces our nation, we firmly believe that constitutional restraint is necessary to bring the fiscal discipline needed to reverse this trend.

Under Article V of the Constitution of the United States, amendments to the Federal Constitution may be proposed by the Congress whenever two-thirds of both Houses deem it necessary or, on the application of the Legislatures of two-thirds of the several States, the Congress shall call a constitutional convention for the purposes of proposing amendments.

The Legislature of the State of Minnesota with a majority of all members of the two Houses, voting separately, concur that the Congress of the United States is petitioned to adopt an amendment to the Constitution of the United States, for submission to the States for ratification, requiring, with certain exceptions, that for each fiscal year, the President of the United States shall submit and the Congress of the

United States shall adopt a balanced federal budget; or, in the alternative, that pursuant to Article V of the Constitution of the United States, the Legislature of the State of Minnesota makes application to the Congress of the United States to call a convention for the specific and exclusive purpose of proposing an amendment to the Constitution of the United States, for submission to the States for ratification, requiring, with certain exceptions, that for each fiscal year, the President of the United States shall submit and the Congress of the United States shall adopt a balanced federal budget.

If Congress adopts, within 60 days after the Legislatures of two-thirds of the States have made application for such a convention, an amendment to the Constitution of the United States similar in subject matter to that contained in this resolution, then this application for a convention shall no longer be of any force or effect.

This application and request shall be deemed null and void, rescinded, and of no effect in the event that the convention is not limited to that specific and exclusive purpose.

This application by this Legislature constitutes a continuing application in accordance with Article V of the Constitution of the United States until at least two-thirds of the Legislatures of the several States have made application for a similar convention pursuant to Article V or the Congress has proposed an amendment to the Constitution of the United States similar in subject matter to that contained in this resolution.

The Secretary of State of the State of Minnesota is directed to prepare certified copies of this memorial and transmit them to the President and Secretary of the United States Senate, the Speaker and Chief Clerk of the United States House of Representatives, the Minnesota Senators and Representatives in Congress, and to the presiding officer of each House of each State legislature in the United States."

Mr. Luther questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Mr. Neuville appealed the decision of the President.

The question was taken on "Shall the decision of the President be the judgment of the Senate?"

The roll was called, and there were yeas 44 and nays 17, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, J.B.	Morse	Sams
Beckman	Davis	Kroening	Novak	Samuelson
Belanger	DeCramer	Langseth	Pappas	Solon
Berg	Dicklich	Lessard	Piper	Spear
Berglin	Finn	Luther	Pogemiller	Stumpf
Bertram	Flynn	Marty	Price	Traub
Brataas	Frank	Merriam	Ranum	Vickerman
Chmielewski	Hottinger	Moe, R.D.	Reichgott	Waldorf
Cohen	Johnson, D.J.	Mondale	Riveness	

Those who voted in the negative were:

Benson, D.D.	Halberg	Laidig	Neuville	Terwilliger
Benson, J.E.	Johnson, D.E.	Larson	Olson	
Bernhagen	Johnston	McGowan	Pariseau	
Day	Knaak	Mehrkens	Renneke	

The decision of the President was sustained.

Mr. McGowan moved to amend S.F. No. 2788 as follows:

Page 19, after line 7, insert:

"Subd. 6. Regional Transit Board

-0- 3,000,000

This appropriation is from the general fund for metro mobility, notwithstanding Laws 1991, chapter 233, section 3."

Correct the subdivision and section totals and the summaries by fund accordingly

Page 47, line 2, delete "*and*" and insert a comma and before "*are*" insert "*and Minnesota Statutes 1991 Supplement, section 290.06, subdivision 23,*"

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 32, as follows:

Those who voted in the affirmative were:

Beckman	Davis	Knaak	Olson	Terwilliger
Belanger	Day	Laidig	Pariseau	Vickerman
Benson, D.D.	Flynn	Larson	Ranum	Waldorf
Benson, J.E.	Frank	McGowan	Reichgott	
Bernhagen	Halberg	Mehrkens	Renneke	
Brataas	Johnston	Neuville	Riveness	

Those who voted in the negative were:

Adkins	Dicklich	Lessard	Morse	Solon
Berglin	Finn	Luther	Novak	Spear
Bertram	Hottinger	Marty	Pappas	Stumpf
Chmielewski	Johnson, D.J.	Merriam	Piper	Traub
Cohen	Johnson, J.B.	Metzen	Pogemiller	
Dahl	Kroening	Moe, R.D.	Price	
DeCramer	Langseth	Mondale	Samuelson	

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

Mr. Neuville moved to amend S.F. No. 2788 as follows:

Page 190, after line 14, insert:

"ARTICLE 11

HIGHER EDUCATION SAVINGS PLAN

Section 1. 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, the value of allocation units in the higher education savings incentive fund established in section 2 shall be excluded from determination of family assets, and the amount received upon redemption shall be excluded from income. Principal and 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. 2. [290.137] [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.] *Every individual who is eligible for either a refund of payments made for the Minnesota individual income tax or a property tax refund may elect to take all or a portion of the refund in the form of United States savings bonds. The commissioner of revenue is authorized to engage in transactions necessary to provide the refund of bonds authorized by this subdivision. The commissioner of revenue, in consultation with the higher education coordinating board, shall include in the instructions for filing income taxes and property tax refund claims 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.] *There shall be created in the state treasury a higher education savings incentive fund.*

Deposits to the fund may come from gifts from corporations, individuals, or foundations designated for the fund.

Assets of the fund shall be managed by the state board of investment. Assets of the fund shall be used only for providing savings incentive grants to taxpayers taking refunds in the form of United States savings bonds through the option established in subdivision 2, and to taxpayers providing evidence, at the time of tax payment or refund application, that they purchased United States savings bonds during the tax year for which the tax form or refund form applies.

The executive director of the higher education coordinating board shall manage the allocation of investment earnings of the fund, and manage disbursements from the fund. The executive director shall annually award allocation units to eligible purchasers of United States savings bonds based

on the following principles or constraints:

(1) one allocation unit shall be awarded for every $1 of face value of bonds purchased or taken as a refund, but no more than 4,000 allocation units per child may be awarded to an eligible purchaser in any cohort year;

(2) eligible purchasers of United States savings bonds within a given year shall comprise a cohort identifiable by the year;

(3) the savings incentive fund assets associated with any year's cohort shall be the smaller of:

(i) the accumulated assets not associated with any prior year's cohort; or

(ii) the number of allocation units for the cohort; and

(4) to be eligible for allocation units, the modified adjusted federal gross income of a filer purchasing United States savings bonds cannot exceed the modified adjusted gross income for which full exclusion of savings bond interest from federal taxation applies for the filer's filing status group.

Final allocation units applicable to returns due by April 15 will be announced as soon as possible after April 15.

The state board of investment may invest the assets of the fund in those securities it deems appropriate.

An individual who has been awarded allocation units for a yearly cohort may redeem the units for a savings incentive grant only upon submission of proof that United States savings bonds were cashed in for purposes of meeting the costs of higher education, and that the holder of the bonds was eligible for a full or partial exclusion of savings bond interest from federal taxation. The individual's savings incentive grant shall be calculated as the smaller of:

(i) the product of the total investment earnings for the cohort times the ratio of the individual's allocation units for the cohort to the total allocation units for the cohort; or

(ii) the amount of interest earned on the United States savings bonds for which the individual was awarded allocation units. Allocation units not redeemed within 25 years of award shall be cancelled.

An individual must certify that amounts received from the savings incentive fund will be used for post-secondary educational purposes.

The state pledges and agrees with all contributors to the higher education savings incentive fund to use the funds contributed solely for providing incentives to individuals for saving for the future costs of higher education.

The higher education coordinating board may adopt rules necessary to implement this subdivision.

Sec. 3. [EFFECTIVE DATES.]

(a) Section 1 is effective July 1, 1994, for grants awarded for the 1994-1995 academic year.

(b) Section 2, subdivisions 1 and 2, are effective on the day following final enactment. Provisions relating to income tax forms or property tax refund forms will be effective for the forms used to file for taxable years beginning after December 31, 1992.

(c) Section 2, subdivision 3, is effective no earlier than July 1, 1993, for share awards allocated after July 1, 1994, if the following conditions are met:

(1) the federal Internal Revenue Service has formally issued opinions, rulings, or determinations that:

(i) individual, corporate, or foundation contributions to the higher education savings incentive fund will be exempt from federal taxation under current rules relating to contributions to charitable organizations;

(ii) the board of investment will not be obligated to pay taxes on any income earned on contributions to the higher education savings incentive fund;

(iii) shares allocated to individuals under the conditions established in section 2, subdivision 3, will be exempt from taxation prior to the time the shares are cashed in; and

(iv) address the taxability of income derived by individuals at the time they cash in the shares that have been allocated to them; 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."

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 35, as follows:

Those who voted in the affirmative were:

Belanger	Brataas	Johnston	Mondale	Terwilliger
Benson, D.D.	Day	Knaak	Neuville	Traub
Benson, J.E.	Frederickson, D.R.	Laidig	Olson	
Berg	Halberg	Larson	Pariseau	
Bernhagen	Hottinger	McGowan	Renneke	
Bertram	Johnson, D.E.	Mehrkens	Riveness	

Those who voted in the negative were:

Adkins	Finn	Lessard	Novak	Sams
Beckman	Flynn	Luther	Pappas	Samuelson
Chmielewski	Frederickson, D.J.	Marty	Piper	Solon
Dahl	Johnson, D.J.	Merriam	Pogemiller	Spear
Davis	Johnson, J.B.	Metzen	Price	Stumpf
DeCramer	Kroening	Moe, R.D.	Ranum	Vickerman
Dicklich	Langseth	Morse	Reichgott	Waldorf

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

Mr. McGowan moved to amend S.F. No. 2788 as follows:

Page 64, after line 31, insert:

"Sec. 47. Minnesota Statutes 1990, section 477A.012, subdivision 3, is amended to read:

Subd. 3. [AID OFFSET FOR COURT COSTS.] (a) There shall be

deducted from the payment to a county under this section an amount representing the cost to the state for assumption of the cost (1) of district court administration and operation of the trial court information system in the county and, (2) ~~in the case of Hennepin and Ramsey counties, of public defense services in juvenile and misdemeanor cases in the county and (3)~~ in the case of a county that is located in the eighth judicial district, of the cost of operation of the trial courts in the county during calendar year 1991 less the amount of any special levy under Laws 1989, chapter 335, article 3, section 54, subdivision 8, as amended by Laws 1990, chapter 604, article 9, section 14. The amount of the deduction shall be computed as provided in this subdivision.

(b) ~~By October 15, 1989, the board of public defense shall determine and certify to the department of revenue the cost of the state financed public defense services in juvenile and misdemeanor cases for Hennepin and Ramsey counties during the fiscal year beginning the following July 1.~~ By October 15, 1989, the supreme court shall determine and certify to the department of revenue for each county, except counties located in the eighth judicial district, the pro rata estimated share for each county of district court administration and trial court information system costs during the fiscal year beginning on the following July 1.

(c) One-half of the amount computed under paragraph (b) for each county shall be deducted from each payment to the county under section 477A.015 in ~~1990~~ *1993* and each subsequent year. One-half of the sum of the amounts computed under paragraph (f) shall be deducted from each payment to a county located in the eighth judicial district under section 477A.015 in 1991 only; except that, if the legislature in its 1991 session does not appropriate funds for the operation of the trial courts in the eighth judicial district for the period July 1, 1991, through December 31, 1991, only 25 percent of the sum of the amounts computed under paragraph (f) shall be deducted from each payment to each county in the eighth judicial district.

(d) If the amount computed under paragraph (b) plus, if applicable, the amount deducted under paragraph (e), exceeds the amount payable to a county under subdivision 1, the excess shall be deducted from the aid payable to the county under section 273.1398, subdivision 2.

(e) By July 15, 1990, the board of public defense and the supreme court shall determine and certify to the department of revenue the final actual budgeted amounts for the activities described in paragraph (b). If the amount certified under paragraph (b) is greater than the amount certified under this paragraph, the excess shall be added to the aid payable to the county in 1991 and each subsequent year under this section. If the amount certified under paragraph (b) is less than the amount certified under this paragraph, the difference shall be subtracted from the aid payable to the county in 1991 and each subsequent year under this section.

(f) By August 15, 1990, the supreme court shall determine and certify to the department of revenue for each county located in the eighth judicial district, the county's pro rata estimated share of the operation of the trial courts in the county for calendar year 1991, less an amount equal to the fees and fines collected by the trial courts in the county during calendar year 1989. By August 15, 1990, the board of public defense shall determine and certify to the department of revenue for each of those counties, the county's pro rata estimated share of the base funding for the cost of court-appointed defense services other than those specified in section 275.51,

subdivision 3f, for calendar year 1991.

Sec. 48. Minnesota Statutes 1991 Supplement, section 477A.012, subdivision 6, is amended to read:

Subd. 6. [AID OFFSET FOR 1992 COURT ~~AND PUBLIC DEFENDER~~ COSTS.] (a) There shall be deducted from the payment to a county under this section an amount equal to the cost of jury fees ~~and, in the case of a county located in the third or sixth judicial district, of public defense services in juvenile and misdemeanor cases,~~ to the extent those costs are assumed by the state for the fiscal year beginning on July 1, 1992. The amount of the deduction is computed as provided in this subdivision.

(b) By June 30, 1991, the supreme court shall determine and certify to the department of revenue for each county, except counties located in the eighth judicial district, the cost for each county of jury fees during the fiscal year beginning on July 1, 1992.

(c) ~~By June 30, 1991, the board of public defense shall determine and certify to the department of revenue the pro rata share for each county in the third or sixth judicial district of the cost of the state-financed public defense services in juvenile and misdemeanor cases in the third or sixth judicial district during the fiscal year beginning on July 1, 1992.~~

~~(d)~~ One-half of the amount computed under ~~paragraphs~~ *paragraph* (b) ~~and (c)~~ for each county shall be deducted from each local government aid payment to the county under section 477A.015 in ~~1992~~ *1993* and each subsequent year. If the amount computed under paragraph (b) exceeds the amount payable to a county under subdivision 1, the excess shall be deducted from the aid payable to the county under section 273.1398, subdivision 2, and then, if necessary, from the disparity reduction aid under section 273.1398, subdivision 3."

Page 65, after line 16, insert:

"Sec. 50. Minnesota Statutes 1991 Supplement, section 611.23, is amended to read:

611.23 [OFFICE OF STATE PUBLIC DEFENDER; APPOINTMENT; SALARY.]

~~The state public defender is responsible to the state board of public defense.~~ The state public defender shall be appointed by the ~~state board of public defense~~ *supreme court* for a term of four years, except as otherwise provided in this section, and until a successor is appointed and qualified. The state public defender shall be a full-time qualified attorney, licensed to practice law in this state, serve in the unclassified service of the state, and be removed only for cause by the appointing authority. Vacancies in the office shall be filled by the appointing authority for the unexpired term. The salary of the state public defender shall be fixed by the ~~state board of public defense~~ *supreme court* but must not exceed the salary of the chief deputy attorney general. Terms of the state public defender shall commence on July 1. The state public defender shall devote full time to the performance of duties and shall not engage in the general practice of law.

Sec. 51. Minnesota Statutes 1991 Supplement, section 611.24, is amended to read:

611.24 [ORGANIZATION OF OFFICE; ASSISTANTS.]

~~The state public defender shall supervise the operation, activities, policies~~

~~and procedures of the state public defender system.~~ The state public defender shall employ or retain assistant state public defenders~~, a chief administrator, a deputy state public defender in charge of appellate services,~~ and other personnel as may be necessary to discharge the functions of the office. An assistant state public defender shall be a qualified attorney, licensed to practice law in this state, serve in the unclassified service of the state if employed, and serve at the pleasure of the appointing authority at a salary or retainer fee not to exceed reasonable compensation for comparable services performed for other governmental agencies or departments. Retained or part-time employed assistant state public defenders may engage in the general practice of law.

Sec. 52. Minnesota Statutes 1991 Supplement, section 611.25, subdivision 3, is amended to read:

Subd. 3. [DUTIES.] The state public defender shall prepare an annual report to the ~~board and a report to the~~ governor, the legislature, and the supreme court on the operation of the state public defender's office~~, district defender systems,~~ and public defense corporations. ~~The state public defender may require the reporting of statistical data, budget information, and other cost factors by the chief district public defenders and appointed counsel systems. The state public defender shall design and conduct programs for the training of all state and district public defenders, appointed counsel, and attorneys for public defense corporations funded under section 611.26. The state public defender shall establish policies and procedures to administer the district public defender system, consistent with standards adopted by the state board of public defense.~~

Sec. 53. Minnesota Statutes 1991 Supplement, section 611.26, subdivision 2, is amended to read:

Subd. 2. [APPOINTMENT; TERMS.] The ~~state~~ *local* board of public defense shall appoint a chief district public defender for each judicial district. ~~When appointing a chief district public defender,~~ *In judicial districts comprised of one county,* the ~~state~~ *local* board of public defense ~~membership shall be increased to include two residents of the district appointed by the chief judge of the district to reflect the characteristics of the population served by the public defender in that district. The additional members shall serve only in the capacity of selecting the district public defender~~ *consists of the county board. In other judicial districts, the local board of public defense is comprised of two county commissioners from each county.* The ~~ad hoc state~~ *local* board of public defense shall appoint a chief district public defender only after requesting and giving reasonable time to receive any recommendations from the public, the local bar association, the judges of the district, and the county commissioners within the district. Each chief district public defender shall be a qualified attorney, licensed to practice law in this state. The chief district public defender shall be appointed for a term of four years, beginning January 1, pursuant to the following staggered term schedule: (1) in 1992, the second and eighth districts; (2) in 1993, the first, third, fourth, and tenth districts; (3) in 1994, the fifth and ninth districts; and (4) in 1995, the sixth and seventh districts. The chief district public defenders shall serve for four-year terms and may be removed for cause ~~upon the order of the state board of public defense~~. Vacancies in the office shall be filled by the appointing authority for the unexpired term.

Sec. 54. Minnesota Statutes 1991 Supplement, section 611.26, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION.] (a) The compensation of the chief district public defender shall be set by the *local* board of public defense. The compensation of each assistant district public defender shall be set by the chief district public defender with the approval of the *local* board of public defense. The compensation for chief district public defenders may not exceed the prevailing compensation for county attorneys within the district, and the compensation for assistant district public defenders may not exceed the prevailing compensation for assistant county attorneys within the district. To assist the *local* board of public defense in determining prevailing compensation under this subdivision, counties shall provide to the *local* board information on the compensation of county attorneys, including salaries and benefits, rent, secretarial staff, and other pertinent budget data. For purposes of this subdivision, compensation means salaries, cash payments, and employee benefits including paid time off and group insurance benefits, and other direct and indirect items of compensation including the value of office space provided by the employer.

(b) This subdivision does not limit the rights of public defenders to collectively bargain with their employers.

Sec. 55. Minnesota Statutes 1991 Supplement, section 611.26, subdivision 3a, is amended to read:

Subd. 3a. ~~(a)~~ Notwithstanding subdivision 3 or any other law to the contrary, compensation and economic benefit increases for chief district public defenders and assistant district public defenders, who are full-time county employees, shall be paid out of the budget for that judicial district public defender's office.

~~(b) Those budgets for district public defender services under the jurisdiction of the state board of public defense shall be eligible for adjustments to their base budgets in the same manner as other state agencies. In making biennial budget base adjustments, the commissioner of finance shall consider the budgets for district public defender services, as allocated by the state board of public defense, in the same manner as other state agencies.~~

Sec. 56. Minnesota Statutes 1991 Supplement, section 611.26, subdivision 4, is amended to read:

Subd. 4. [ASSISTANT PUBLIC DEFENDERS.] A chief district public defender shall appoint assistants who are qualified attorneys licensed to practice law in this state and other staff as the chief district public defender finds prudent and necessary ~~subject to the standards adopted by the state public defender~~. Assistant district public defenders must be appointed to ensure broad geographic representation and caseload distribution within the district. Each assistant district public defender serves at the pleasure of the chief district public defender.

Sec. 57. Minnesota Statutes 1991 Supplement, section 611.26, subdivision 9, is amended to read:

Subd. 9. [INSURANCE.] Notwithstanding any other law to the contrary, district public defenders and assistant district public defenders, and their employees and their dependents, may elect to enroll in the appropriate life insurance, hospital, medical and dental benefits, and optional coverages of their respective host county, ~~as designated by the state board of public defense under section 611.27, subdivision 2,~~ at the time, in the manner, and under conditions of eligibility as established by the host county for its employees. The host county must provide for payroll deductions to be made in the same

manner and under the same conditions as provided for an eligible county employee and the employee's dependents. Nothing in this subdivision obligates the state or county to payments in the absence of an appropriation for those purposes.

Sec. 58. Minnesota Statutes 1991 Supplement, section 611.26, subdivision 10, is amended to read:

Subd. 10. [SERVICES.] The chief district public defender is responsible for the administration of public defender services in the district~~, consistent with standards adopted by the state board of public defense and the policies and procedures adopted by the state public defender~~.

Sec. 59. Minnesota Statutes 1991 Supplement, section 611.27, subdivision 1, is amended to read:

Subdivision 1. (a) The total compensation and expenses, including office equipment and supplies, of the district public defender are to be paid by the county or counties comprising the judicial district.

(b) ~~A district public defender shall annually submit a comprehensive budget to the state board of public defense. The budget shall be in compliance with standards and forms required by the board and must, at a minimum, include detailed substantiation as to all revenues and expenditures. The district public defender shall, at times and in the form required by the board, submit reports to the board concerning its operations, including the number of cases handled and funds expended for these services.~~

~~Within ten days after an assistant district public defender is appointed, the district public defender shall certify to the state board of public defense the compensation that has been recommended for the assistant.~~

~~(c) The state board of public defense shall transmit the proposed budget of each district public defender to the respective district court administrators and county budget officers for comment before the board's final approval of the budget. The board shall determine and certify to the respective county boards a final comprehensive budget for the office of the district public defender that includes all expenses. After the board determines the allocation of the state funds authorized pursuant to paragraph (e),~~

The ~~board shall apportion the~~ expenses of the district public defenders *shall be apportioned* among the several counties and each county shall pay its share in monthly installments. The county share is the proportion of the total expenses that the population in the county bears to the total population in the district as determined by the last federal census. If the district public defender or an assistant district public defender is temporarily transferred to a county not situated in that public defender's judicial district, said county shall pay the proportionate part of that public defender's expenses for the services performed in said county.

~~(d)~~ *(c)* Reimbursement for actual and necessary travel expenses in the conduct of the office of the district public defender shall be charged to either (1) the general expenses of the office, (2) the general expenses of the district for which the expenses were incurred if outside the district, or (3) the office of the state public defender if the services were rendered for that office.

~~(e) Money appropriated to the state board of public defense for the board's administration, for the state public defender, for the judicial district public~~

~~defenders, and for the public defense corporations shall be expended as determined by the board. In distributing funds to district public defenders, the board shall consider the geographic distribution of public defenders, the equity of compensation among the judicial districts, public defender case loads, and the results of the weighted case load study.~~

Sec. 60. Minnesota Statutes 1991 Supplement, section 611.27, subdivision 5, is amended to read:

Subd. 5. [DISTRICT PUBLIC DEFENDER BUDGETS.] ~~The board of public defense may only fund those items and services in district public defender budgets which were included in the original budgets of district public defender offices as of January 1, 1990.~~ All ~~other~~ public defense related costs ~~remain~~ *are* the responsibility of the counties unless the state specifically appropriates for these. ~~The cost of additional state funding of these items and services must be offset by reductions in local aids in the same manner as the original state takeover.~~"

Page 65, strike lines 20 and 21

Page 65, line 22, strike everything before the stricken "Services"

Page 69, line 6, after the period, insert "*Minnesota Statutes 1991, sections 611.215; 611.216; and 611.27, subdivisions 2, 4, and 6, are repealed effective July 1, 1993.*"

Page 69, line 10, after the period, insert "*Sections 47, 48, 50 to 60, and 62 are effective July 1, 1993.*"

Renumber the sections of article 5 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 17 and nays 39, as follows:

Those who voted in the affirmative were:

Belanger	Johnston	Metzen	Ranum	Traub
Benson, J.E.	Kroening	Mondale	Solon	
Dahl	Laidig	Olson	Stumpf	
Hottinger	McGowan	Pariseau	Terwilliger	

Those who voted in the negative were:

Adkins	Davis	Johnson, D.J.	Moe, R.D.	Reichgott
Benson, D.D.	DeCramer	Johnson, J.B.	Morse	Renneke
Berg	Dicklich	Knaak	Neuville	Sams
Bernhagen	Finn	Larson	Novak	Samuelson
Bertram	Flynn	Lessard	Pappas	Spear
Brataas	Frederickson, D.R.	Luther	Piper	Vickerman
Chmielewski	Halberg	Marty	Pogemiller	Waldorf
Cohen	Johnson, D.E.	Mehrkens	Price	

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

Mr. Lessard moved to amend S.F. No. 2788 as follows:

Page 47, line 2, delete "*sections 3.737 and 3.7371, are*" and insert "*section 3.7371, is*"

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Moe, R.D. moved that S.F. No. 2788 be laid on the table. The motion prevailed.

Mr. Moe, R.D. moved that H.F. No. 2694 be taken from the table. The motion prevailed.

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.

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 2694 and that the rules of the Senate be so far suspended as to give H.F. No. 2694 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 2694 was read the second time.

Mr. Merriam moved to amend H.F. No. 2694 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 2694, and insert the language after the enacting clause, and the title, of S.F. No. 2788, as introduced, and as amended by the Committee on Taxes and Tax Laws, and as amended by the Senate, April 7, 1992.

The motion prevailed. So the amendment was adopted.

Mrs. Pariseau moved to amend H.F. No. 2694, as amended by the Senate April 7, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2788.)

Page 68, after line 31, insert:

"Sec. 52. [ELECTED OFFICIALS: COMPENSATION; BENEFITS.]

Subdivision 1. [LEGISLATORS.] *No person who has served more than ten consecutive years in the legislature may receive any compensation, expense reimbursement, living expenses, per diem, or pension service credit for the period of continuation in office beyond ten years.*

Subd. 2. [CONSTITUTIONAL OFFICERS.] *No person who has served more than eight consecutive years as a constitutional officer in the executive branch may receive any compensation, expense reimbursement, living expenses, per diem, or pension service credit for the period of continuation in office beyond eight years.*"

Page 69, line 10, before the period, insert ", *and section 52 is effective the first Monday in January, 2003*"

Renumber the sections of article 5 in sequence and correct the internal references

Amend the title accordingly

Mr. Luther questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Mr. Benson, D.D. appealed the decision of the President.

The question was taken on "Shall the decision of the President be the judgment of the Senate?"

The roll was called, and there were yeas 42 and nays 17, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Langseth	Novak	Solon
Beckman	Dicklich	Lessard	Pappas	Spear
Berg	Finn	Luther	Piper	Stumpf
Berglin	Flynn	Marty	Pogemiller	Traub
Bertram	Frederickson, D.J.	Merriam	Price	Vickerman
Chmielewski	Hottinger	Metzen	Ranum	Waldorf
Cohen	Johnson, D.J.	Moe, R.D.	Reichgott	
Dahl	Johnson, J.B.	Mondale	Sams	
Davis	Kroening	Morse	Samuelson	

Those who voted in the negative were:

Benson, D.D.	Halberg	Laidig	Neuville	Terwilliger
Benson, J.E.	Johnson, D.E.	Larson	Olson	
Bernhagen	Johnston	McGowan	Pariseau	
Day	Knaak	Mehrkens	Renneke	

The decision of the President was sustained.

Ms. Olson moved to amend H.F. No. 2694, as amended by the Senate April 7, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2788.)

Page 63, after line 35, insert:

"Sec. 46. 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 of article 5 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 36 and nays 23, as follows:

Those who voted in the affirmative were:

Beckman	Davis	Knaak	Olson	Stumpf
Belanger	Day	Larson	Pariseau	Terwilliger
Benson, D.D.	DeCramer	Lessard	Ranum	Traub
Benson, J.E.	Flynn	Marty	Renneke	Vickerman
Berg	Frederickson, D.R.	McGowan	Sams	
Bernhagen	Halberg	Mehrkens	Samuelson	
Bertram	Johnson, D.E.	Neuville	Solon	
Cohen	Johnston	Novak	Spear	

Those who voted in the negative were:

Adkins	Hottinger	Langseth	Mondale	Price
Chmielewski	Johnson, D.J.	Luther	Morse	Reichgott
Dicklich	Johnson, J.B.	Merriam	Pappas	Waldorf
Finn	Kroening	Metzen	Piper	
Frederickson, D.J.	Laidig	Moe, R.D.	Pogemiller	

The motion prevailed. So the amendment was adopted.

Ms. Johnston moved to amend H.F. No. 2694, as amended by the Senate April 7, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2788.)

Page 25, after line 27, insert:

"Sec. 18. [CONSTITUTIONAL AMENDMENT PROPOSED.]

An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, a new article XIV, section 12, will read:

Sec. 12. The proceeds of a tax levied on the purchase price of a motor vehicle must be distributed according to the following schedule:

(1) for the fiscal biennium ending June 30, 1993: 37.5 percent to the highway user tax distribution fund, and 12.5 percent for use by public bodies for public transit purposes other than those described in sections 1 to 4;

(2) for the fiscal biennium ending June 30, 1995: 45 percent to the highway user tax distribution fund, and 15 percent for use by public bodies for public transit purposes other than those described in sections 1 to 4;

(3) for the fiscal biennium ending June 30, 1997: 52.5 percent to the highway user tax distribution fund, and 17.5 percent for use by public bodies for public transit purposes other than those described in sections 1 to 4;

(4) for the fiscal biennium ending June 30, 1999: 60 percent to the highway user tax distribution fund, and 20 percent for use by public bodies for public transit purposes other than those described in sections 1 to 4;

(5) for the fiscal biennium ending June 30, 2001: 67.5 percent to the highway user tax distribution fund, and 22.5 percent for use by public bodies for public transit purposes other than those described in sections 1 to 4; and

(6) after June 30, 2001: 75 percent to the highway user tax distribution fund, and 25 percent for use by public bodies for public transit purposes other than those described in sections 1 to 4.

Sec. 19. [SUBMISSION TO VOTERS.]

The proposed amendment must be submitted to the people at the 1992 general election. The question submitted must be:

"Shall the Minnesota Constitution be amended to dedicate proceeds of any tax on the purchase price of a motor vehicle, over a ten-year period, 75 percent to the highway user tax distribution fund and 25 percent for transit assistance purposes?

Yes . . . . . .
No . . . . . ."

Election procedures must be as provided by law."

Page 32, after line 6, insert:

"Sec. 37. Minnesota Statutes 1990, section 297B.09, as amended by Laws 1991, chapters 233, section 94; and 291, article 2, section 14, is amended to read:

297B.09 [ALLOCATION OF REVENUE.]

Subdivision 1. [GENERAL FUND SHARE.] (a) Money collected and received under this chapter must be deposited in the state treasury and credited to the general fund. The amounts collected and received shall be credited as provided in this subdivision, and transferred from the general fund on July 15 and February 15 of each fiscal year. The commissioner of finance must make each transfer based upon the actual receipts of the preceding six calendar months and include the interest earned during that six-month period. The commissioner of finance may establish a quarterly or other schedule providing for more frequent payments to the transit assistance fund if the commissioner determines it is necessary or desirable to provide for the cash flow needs of the recipients of money from the transit assistance fund. *Money transferred to the highway user tax distribution fund and the transit assistance fund under paragraphs (b) to (d) must be apportioned as follows: 75 percent must be transferred to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund, and the remaining 25 percent of the money must be transferred to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state and to the regional transit board.*

(b) ~~Twenty-five~~ *Fifty* percent of the money collected and received under this chapter after June 30, ~~1990~~ *1992*, and before July 1, ~~1991~~ *1993*, must be transferred to the highway user tax distribution fund and the transit assistance fund ~~for apportionment as follows: 75 percent must be transferred to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund, and the remaining 25 percent of the money must be transferred to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state and to the regional transit board~~.

(c) ~~The distributions under this subdivision to the highway user tax distribution fund until June 30, 1991, and to the trunk highway fund thereafter, must be reduced by the amount necessary to fund the appropriation under section 41A.09, subdivision 1. For the fiscal years ending June 30, 1988, and June 30, 1989, the commissioner of finance, before making the transfers required on July 15 and January 15 of each year, shall estimate the amount required to fund the appropriation under section 41A.09, subdivision 1, for the six-month period for which the transfer is being made. The commissioner shall then reduce the amount transferred to the highway user tax distribution fund by the amount of that estimate.~~ *Sixty percent of the money collected and received under this chapter after June 30, 1993, and before July 1, 1995, must be transferred to the highway user tax distribution fund and the transit assistance fund.*

(d) Seventy percent of the money collected and received under this chapter after June 30, 1995, and before July 1, 1997, must be transferred to the highway user tax distribution fund and the transit assistance fund.

(e) The commissioner shall reduce the estimate for any six-month period by the amount by which the estimate for the previous six-month period

exceeded the amount needed to fund the appropriation under section 41A.09, subdivision 1, for that previous six-month period. If at any time during a six-month period in those fiscal years the amount of reduction in the transfer to the highway user tax distribution fund is insufficient to fund the appropriation under section 41A.09, subdivision 1 for that period, the commissioner shall transfer to the general fund from the highway user tax distribution fund an additional amount sufficient to fund the appropriation for that period, but the additional amount so transferred to the general fund in a six-month period may not exceed the amount transferred to the highway user tax distribution fund for that six-month period."

Renumber the sections of article 3 in sequence and correct the internal references

Amend the title accordingly

Mr. Moe, R.D. questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

RECONSIDERATION

Having voted on the prevailing side, Mr. Novak moved that the vote whereby the Olson amendment to H.F. No. 2694 was adopted on April 7, 1992, be now reconsidered. The motion prevailed.

The question recurred on the adoption of the Olson amendment.

The roll was called, and there were yeas 16 and nays 42, as follows:

Those who voted in the affirmative were:

Belanger	Day	Johnston	McGowan	Olson
Benson, D.D.	Frederickson, D.R.	Knaak	Mehrkens	Pariseau
Benson, J.E.	Johnson, D.E.	Larson	Neuville	Renneke
Bernhagen				

Those who voted in the negative were:

Adkins	DeCramer	Laidig	Novak	Solon
Beckman	Dicklich	Langseth	Pappas	Spear
Berg	Finn	Lessard	Piper	Stumpf
Bertram	Frederickson, D.J.	Luther	Pogemiller	Terwilliger
Brataas	Halberg	Merriam	Price	Vickerman
Chmielewski	Hottinger	Metzen	Reichgott	Waldorf
Cohen	Johnson, D.J.	Moe, R.D.	Riveness	
Dahl	Johnson, J.B.	Mondale	Sams	
Davis	Kroening	Morse	Samuelson	

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

H.F. No. 2694 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 45 and nays 18, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, D.J.	Merriam	Ranum
Beckman	Dicklich	Johnson, J.B.	Metzen	Reichgott
Berg	Finn	Kroening	Moe, R.D.	Sams
Berglin	Flynn	Langseth	Morse	Samuelson
Bertram	Frederickson, D.J.	Larson	Novak	Solon
Chmielewski	Frederickson, D.R.	Lessard	Pappas	Spear
Cohen	Halberg	Luther	Piper	Stumpf
Dahl	Hottinger	Marty	Pogemiller	Vickerman
Davis	Johnson, D.E.	Mehrkens	Price	Waldorf

Those who voted in the negative were:

Belanger	Brataas	Laidig	Olson	Terwilliger
Benson, D.D.	Day	McGowan	Pariseau	Traub
Benson, J.E.	Johnston	Mondale	Renneke	
Bernhagen	Knaak	Neuville	Riveness	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Reports of Committees.

REPORTS OF COMMITTEES

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1687: A bill for an act relating to crime; increasing penalties for repeat and violent 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; allowing the extension of prison terms for disciplinary violations 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; providing for mediation programs for crime victims and offenders; requiring training of peace officers regarding crimes of violence; providing for automatic prosecution in adult court of previously certified juveniles; requiring city and county attorneys to adopt a domestic abuse prosecution plan; defining child abuse; increasing penalty for second degree assault resulting in substantial bodily harm; removing the limit on consecutive sentences for felonies; allowing telephone companies to offer caller identification service to subscribers; requiring a crime victimization survey; appropriating money; amending Minnesota Statutes 1990, sections 8.01; 135A.15; 241.67, subdivisions 3 and 6; 244.01, subdivision 8; 244.03; 244.04, subdivisions 1 and 3; 244.05, subdivisions 1, 3, 4, 5, and by adding subdivisions; 253B.18, subdivision 2; 259.11; 260.015, by adding a subdivision; 260.151, subdivision 1; 260.161, subdivision 1, and by adding a subdivision; 260.165, by adding a subdivision; 260.172, subdivision 1; 260.185, subdivisions 1, 4, and by adding a subdivision; 518B.01, subdivision 13, and by adding subdivisions; 526.10; 595.02, subdivision 4; 609.055; 609.135, subdivision 5; 609.1351; 609.1352, subdivisions 1 and 5; 609.15, subdivision 2; 609.152, subdivisions 2 and 3; 609.184, subdivisions 1 and 2; 609.185; 609.19; 609.21, subdivisions 1, 2, 2a, 3, and 4; 609.222; 609.2231, by adding a subdivision; 609.224, subdivision 2; 609.342, subdivision 2; 609.343, subdivision 2; 609.346, subdivisions 2, 2a, and by adding subdivisions; 609.605, by adding a subdivision; 609.713; 611A.0311, subdivisions 2 and 3; 611A.034;

611A.04, subdivisions 1 and 1a; 611A.52, subdivision 6; 624.713, subdivision 1, and by adding a subdivision; 624.7131, subdivisions 1 and 6; 624.7132, subdivision 1; 624.714, subdivisions 1, 3, and 7; 626.5531, subdivision 1; 626.843, subdivision 1; 626.8451; 626.8465, subdivision 1; 626.861, subdivision 3; 626A.02, subdivision 2; 630.36, subdivision 1; Minnesota Statutes 1991 Supplement, sections 8.15; 244.05, subdivision 6; 244.12, subdivision 3; 260.015, subdivision 2a; 518B.01, subdivisions 4, 6, and 14; 609.135, subdivision 2; 611A.32, subdivision 1; 624.712, subdivision 5; and 626.861, subdivisions 1 and 4; proposing coding for law in Minnesota Statutes, chapters 169; 237; 244; 299C; 480; 526; 611A; 624; 626; and 629; repealing Minnesota Statutes 1990, section 260.125, subdivision 3a.

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

Page 5, line 24, delete "*treatment*"

Pages 6 to 8, delete section 9 and insert:

"Sec. 9. 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. *Notwithstanding section 13.42, 13.85, 144.335, 260.161, or 626.556, the assessor has access to the following private or confidential data on the child if access is relevant and necessary for the assessment:*

(1) medical data under section 13.42;

(2) corrections and detention data under section 13.85;

(3) health records under section 144.335;

(4) juvenile court records under section 260.161; and

(5) local welfare agency records under section 626.556.

Data disclosed under this paragraph may be used only for purposes of the assessment and may not be further disclosed to any other person, except as authorized by law.

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."

Page 11, after line 34, insert:

"Sec. 16. [609.3452] [SEX OFFENDER ASSESSMENT.]

Subdivision 1. [ASSESSMENT REQUIRED.] *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. The court may waive the assessment if: (1) the sentencing guidelines provide a presumptive prison sentence for the offender, or (2) an adequate assessment was conducted prior to the conviction. An assessor providing an assessment for the court must be experienced in the evaluation and treatment of sex offenders.*

Subd. 2. [ACCESS TO DATA.] *Notwithstanding section 13.42, 13.85, 144.335, 260.161, or 626.556, the assessor has access to the following private or confidential data on the person if access is relevant and necessary for the assessment:*

(1) medical data under section 13.42;

(2) corrections and detention data under section 13.85;

(3) health records under section 144.335;

(4) juvenile court records under section 260.161; and

(5) local welfare agency records under section 626.556.

Data disclosed under this section may be used only for purposes of the assessment and may not be further disclosed to any other person, except as authorized by law.

Subd. 3. [TREATMENT ORDER.] *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, unless the court sentences the offender to prison.*"

Page 14, line 17, delete "*19*" and insert "*20*"

Page 14, line 21, delete "*18*" and insert "*19*"

Page 14, delete section 21

Page 15, after line 24, insert:

"Sec. 23. [INTERIM SLIDING FEE SCALE.]

By July 1, 1992, the commissioner of corrections shall adopt without regard to chapter 14, and provide to each judicial district court administrator, an interim sliding fee scale to determine the amount of money to be contributed by sex offenders toward the cost of the assessments required by section 16. The interim sliding fee scale is effective until the commissioner adopts a permanent sliding fee scale under article 10, section 4, subdivision 3."

Page 15, line 27, delete "*16, 17, 18, 19, and 20*" and insert "*and 17 to 21*"

Page 15, line 33, delete "*16, 17, 18, and 19*" and insert "*17 to 21*"

Renumber the sections of article 1 in sequence

Page 21, line 9, delete "*of a sex offense*"

Page 21, line 10, delete "*sex*" and delete ", *as defined in*" and insert "*under*"

Page 21, line 11, after the comma, insert "*and determined by the commissioner to be in a high risk category,*"

Page 24, line 17, delete "*chief judge of the panel*" and insert "*supreme court*"

Page 25, after line 7, insert:

"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 it to the commissioner of finance to be credited to the general fund. Any fine amount imposed in excess of the minimum fine shall be collected and distributed as otherwise provided by law."

Page 31, line 13, delete "*5*" and insert "*6*"

Page 32, line 20, delete "*13*" and insert "*14*"

Renumber the sections of article 4 in sequence

Page 32, line 35, after the period, insert "*The policy must apply to criminal incidents occurring on property owned by the post-secondary system or institution in which the victim is a student or employee of that system or institution.*"

Pages 39 and 40, delete section 9

Renumber the sections of article 5 in sequence

Page 48, after line 19, insert:

"Sec. 11. Minnesota Statutes 1990, section 609.746, subdivision 2, is amended to read:

Subd. 2. [INTRUSION ON PRIVACY.] A person who, with the intent to harass, abuse, or threaten another, repeatedly follows or pursues another, after being told not to do so by the person being followed or pursued, is guilty of a misdemeanor. *A person is guilty of a gross misdemeanor who:*

(1) violates this subdivision within two years after a previous conviction

under this subdivision or section 609.224; or

(2) violates this subdivision against the same victim within five years after a previous conviction under this subdivision or section 609.224."

Page 50, line 9, delete "*their*" and insert "*a*"

Page 50, line 28, after "*assignment*" insert "*district*"

Page 51, line 21, delete ", *8, and 9*" and insert "*and 8 to 11*"

Renumber the sections of article 6 in sequence

Page 56, line 10, delete the third "*the*"

Page 56, line 11, after "*school*" insert "*officials*"

Page 56, line 12, delete the first "*the*" and after "*school*" insert "*officials*"

Page 59, after line 2, insert:

"Sec. 12. [ADVISORY TASK FORCE ON THE JUVENILE JUSTICE SYSTEM.]

Subdivision 1. [MEMBERSHIP.] *The supreme court shall conduct a study of the juvenile justice system. To conduct the study, the court shall convene an advisory task force on the juvenile justice system, consisting of the following 18 members:*

(1) four judges appointed by the chief justice of the supreme court;

(2) two members of the house of representatives, one of whom must be a member of the minority party, appointed by the speaker, and two members of the senate, one of whom must be a member of the minority party, appointed by the subcommittee on committees of the senate committee on rules and administration;

(3) two professors of law appointed by the chief justice of the supreme court;

(4) the state public defender;

(5) one county attorney who is responsible for juvenile court matters, appointed by the chief justice of the supreme court on recommendation of the Minnesota county attorneys association;

(6) two corrections administrators appointed by the governor, one from a community corrections act county and one from a noncommunity corrections act county;

(7) the commissioner of human services;

(8) the commissioner of corrections; and

(9) two law enforcement officers who are responsible for juvenile delinquency matters, appointed by the governor.

Subd. 2. [SELECTION OF CHAIR.] *The task force shall select a chair from among its membership other than the members appointed under subdivision 1, clause (2).*

Subd. 3. [STAFF.] *The task force may employ necessary staff to provide legal counsel, research, and clerical assistance.*

Subd. 4. [DUTIES.] *The task force shall conduct a study of the juvenile*

justice system and make recommendations concerning the following:

(1) the juvenile certification process;

(2) the retention of juvenile delinquency adjudication records and their use in subsequent adult proceedings;

(3) the feasibility of a system of statewide juvenile guidelines;

(4) the effectiveness of various juvenile justice system approaches, including behavior modification and treatment; and

(5) the extension to juveniles of a nonwaivable right to counsel and a right to a jury trial.

Subd. 5. [REPORT.] *The task force shall submit a written report to the governor and the legislature by December 1, 1993, containing its findings and recommendations. The task force expires upon submission of its report.*"

Page 59, line 7, delete "*7, 9, and 11*" and insert "*3 to 11 and 13*"

Page 59, line 8, after the period, insert "*Section 12 is effective the day following final enactment.*"

Renumber the sections of article 7 in sequence

Page 64, delete lines 18 to 29 and insert:

"*Subd. 1a.* [TRAINING COURSE; CRIMES OF VIOLENCE.] *In consultation with the crime victim and witness advisory council and the school of law enforcement, the board shall prepare a training course to assist peace officers in responding to crimes of violence and to enhance peace officer sensitivity in interacting with and assisting crime victims. The course must include information about:*

(1) the needs of victims of these crimes and the most effective and sensitive way to meet those needs or arrange for them to be met;

(2) the extent and causes of crimes of violence, including physical and sexual abuse, physical violence, and neglect;

(3) the identification of crimes of violence and patterns of violent behavior; and

(4) culturally responsive approaches to dealing with victims and perpetrators of violence."

Page 64, line 33, delete "*may*" and insert "*is*" and delete "*be*"

Page 65, delete section 6

Pages 66 and 67, delete sections 9 and 10

Renumber the sections of article 8 in sequence

Page 73, line 17, delete "*10*" and insert "*11*"

Page 73, line 22, after the comma, insert "*pistol transferee permit,*"

Pages 77 and 78, delete article 10 and insert:

"ARTICLE 10

SEX OFFENDER TREATMENT

Section 1. 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 4.

Sec. 2. 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.

(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. 3. Minnesota Statutes 1990, section 241.67, is amended by adding a subdivision to read:

Subd. 7. [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. 4. [241.671] [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, 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 under the supervision of the commissioner of corrections, approving sex offender treatment vendors under subdivision 8, 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 duties required under this section. The commissioner of corrections and the commissioner of human services shall coordinate activities relating to the sex offender treatment fund with activities relating to the consolidated chemical dependency treatment fund.

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, subdivision 1; 609.79; or 617.23. 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.] *(a) 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.*

(b) 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 treatment 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.

(f) Money appropriated specifically for sex offender assessments must be allocated to counties based on the number of sex offender convictions and delinquency adjudications in the county in the previous year. The money must be used to pay for assessments conducted under subdivision 3.

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. Two or more counties may undertake any of the activities required under this section as a joint action under section 471.59. 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 subdivision 7.*

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. [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. 9. [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. 10. [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. 5. 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. 6. [SEX OFFENDER TREATMENT; PILOT PROGRAM.]

The commissioner of corrections, in consultation with the commissioner of 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. 7. [REPORT ON SEX OFFENDER TREATMENT FUNDING.]

By January 1, 1993, the commissioners of corrections and human services 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 7;

(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. 8. [EVALUATION OF SEX OFFENDER PROGRAMS.]

The legislative auditor shall prepare a design plan to implement a comprehensive, permanent system of ongoing, outcome-based evaluation and quality management for publicly funded adult and juvenile sex offender programs, operated both within and outside correctional facilities. The plan must provide for evaluation that is independent of the agency administering or operating the treatment program. The auditor shall present the design plan and make recommendations to the chairs of the judiciary committees in the senate and house of representatives by February 15, 1993. The plan must be designed to integrate an effective ongoing, outcome-based evaluation component into sex offender programs that will gather data and reach conclusions concerning:

(1) the effectiveness of sex offender programs in reducing recidivism and protecting public safety;

(2) the relative effectiveness of different treatment approaches;

(3) a meaningful, statistically valid comparison of offenders who receive programming with those who do not;

(4) the effectiveness of existing methods of selecting a program for a particular offender; and

(5) any other issues the legislative auditor determines should be included in this type of a program evaluation.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 7 are effective the day following final enactment.

ARTICLE 11

CORRECTIONS

Section 1. 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 9530.6500, for treatment programs operated by community-based residential treatment facilities.*

Sec. 2. [241.675] [CHEMICAL DEPENDENCY PROGRAM.]

A chemical dependency treatment program is established under the administration of the commissioner of corrections to provide a range of culturally appropriate chemical dependency treatment programs for adults and juveniles committed to the custody of the commissioner. On and after July 1, 1994, every adult and juvenile correctional facility must have a licensed chemical dependency treatment program.

All chemical dependency programs operated by the commissioner of corrections shall report on the drug and alcohol abuse normative evaluation system operated by the department of human services and shall participate in the department of human services treatment accountability plan.

Sec. 3. Minnesota Statutes 1990, section 243.53, is amended to read:

243.53 [SEPARATE CELLS; *MULTIPLE OCCUPANCY STANDARDS.*]

Subdivision 1. [SEPARATE CELLS.] When there are cells sufficient,

each convict shall be confined in a separate cell. *Each inmate shall be confined in a separate cell in close, maximum, and high security facilities, including St. Cloud, Stillwater, and Oak Park Heights, but not including geriatric or honor dormitory-type facilities.*

Subd. 2. [MULTIPLE OCCUPANCY STANDARDS.] *A medium security correctional facility that is built or remodeled after July 1, 1992, for the purpose of increasing 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. A minimum security correctional facility that is built or remodeled after July 1, 1992, must be designed and built to comply with minimum security multiple-occupancy standards.*

Sec. 4. [244.051] [EARLY REPORTS OF MISSING OFFENDERS.]

All programs serving inmates on supervised release following a prison sentence shall notify the appropriate probation officer, appropriate law enforcement agency, and the department of corrections within two hours after an inmate in the program fails to make a required report or after program officials receive information indicating that an inmate may have left the area in which the inmate is required to remain or may have otherwise violated conditions of the inmate's supervised release. The department of corrections and county corrections agencies shall ensure that probation offices are staffed on a 24-hour basis or make available a 24-hour telephone number to receive the reports.

Sec. 5. [COUNTY JUVENILE FACILITY NEEDS ASSESSMENT.]

The county correctional administrators of each judicial district shall jointly evaluate and provide a report on behalf of the entire judicial district to the chairs of the judiciary committees in the senate and house of representatives by November 1, 1992, concerning the needs of the counties in that judicial district for secure juvenile detention facilities, including the need for preadjudication facilities and, in conjunction with the commissioner of corrections, the need for post-adjudication facilities.

Sec. 6. [PROBATION STANDARDS TASK FORCE.]

The commissioner of corrections shall establish a probation standards task force of up to 12 members. Members of the task force must represent the department of corrections, probation officers, law enforcement, public defenders, county attorneys, county officials from community corrections act counties and other counties, and the sentencing guidelines commission. The task force shall choose co-chairs from among the county officials sitting on the task force. One co-chair must be a probation officer or county official from a community corrections act county, and the other co-chair must be a member of the Minnesota association of county probation officers. The commissioner shall report to the legislature by January 15, 1993, concerning the following:

(1) the number of offenders being supervised by individual probation officers across the state, including a statewide average, metropolitan and nonmetropolitan, a statewide metropolitan and nonmetropolitan range, and other relevant information about current caseloads;

(2) minimum caseload goals and an appropriate mix for types of offenders;

(3) the adequacy of current staffing levels to provide effective supervision of violent offenders on probation and supervised release;

(4) the need for increasing the number of probation officers and the cost of doing so; and

(5) any other relevant recommendations.

ARTICLE 12

CRIME PREVENTION PROGRAMS

Section 1. [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.] *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; and

(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.

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. 2. 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. 3. 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. 4. Minnesota Statutes 1990, section 254A.17, is amended by adding a subdivision to read:

Subd. 1a. [PROGRAM 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. 5. [256.486] [ASIAN JUVENILE CRIME PREVENTION GRANT PROGRAM.]

Subdivision 1. [GRANT PROGRAM.] *The commissioner of human services shall establish a grant program for coordinated, family-based crime prevention services for Asian youth. The commissioners of human services, education, and public safety shall work together to coordinate grant activities.*

Subd. 2. [GRANT RECIPIENTS.] *The 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. [USE OF GRANT MONEY TO MATCH FEDERAL FUNDS.] *Grant money awarded under this section may be used to satisfy any state or local match requirement that must be satisfied in order to receive federal funds.*

Subd. 5. [ANNUAL REPORT.] *Grant recipients must report to the 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. 6. [256F.10] [GRANTS FOR CHILDREN'S SAFETY CENTERS.]

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

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

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

(1) areas of the state where no children's safety center or similar facility exists;

(2) applicants who demonstrate that private funding for the center is available and will continue; and

(3) facilities that are adapted for use to care for children, such as day care centers, religious institutions, community centers, schools, technical colleges, parenting resource centers, and child care referral services.

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

Subd. 4. [REPORT.] *The commissioner shall evaluate the operation of the pilot children's safety centers and report to the legislature by February*

1, 1994, with recommendations.

Sec. 7. [260.152] [MENTAL HEALTH AND CHEMICAL DEPENDENCY SCREENING OF JUVENILES IN DETENTION.]

Subdivision 1. [ESTABLISHMENT.] *The commissioner of human services, in consultation with the commissioner of corrections, shall establish pilot projects in counties to reduce the recidivism rates of juvenile offenders by identifying and treating underlying mental health problems, or mental health and accompanying chemical dependency 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 commissioner of human services shall, in consultation with the commissioner of corrections, 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 juveniles admitted before adjudication to a secure detention facility as defined in section 260.015, subdivision 16, and juveniles alleged to be delinquent as that term is defined in section 260.015, subdivision 5, who are admitted to a shelter care facility, as defined in section 260.015, subdivision 17;

(2) screening for combined mental health and 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 juveniles for whom the screening indicates a need. This assessment is to be provided by the appropriate mental health or chemical dependency professional. If the juvenile is of a minority race or minority ethnic heritage, the mental health or chemical dependency professional must be skilled in culturally appropriate chemical dependency and mental health treatment issues and knowledgeable about matters related to the juvenile's racial and ethnic heritage, or must consult with a special mental health or chemical dependency consultant who has these skills and knowledge so that the assessment is relevant, culturally appropriate, and sensitive to the juvenile's cultural needs;

(4) upon completion of the assessment, access to or provision of nonresidential mental health or chemical dependency services identified as needed in the assessment; and

(5) coordination of the services under this section with chemical use assessments required under other provisions of chapter 260.

Subd. 3. [SCREENING TOOL.] *The commissioner of human services, in consultation with the commissioner of corrections, shall develop a model screening tool to screen youth held in juvenile detention to determine if a mental health or chemical dependency assessment is needed. The tool must contain specific questions to identify potential mental health or chemical dependency problems. In implementing a pilot project, counties must either use this model tool or use another tool approved by the commissioner of human services that 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, in consultation with the commissioner of corrections, shall 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 among 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 shall, in consultation with the commissioner of corrections, 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 commissioners must develop an interagency management information system to track juveniles who receive mental health and chemical dependency services under this section. 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 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. [RESTRICTION.] *Funds received by counties under this section cannot be used to supplant other chemical dependency or mental health*

funding for which the juvenile is eligible.

Subd. 8. [REPORT.] *By January 1, 1994, and annually after that, the commissioner of human services, in consultation with the commissioner of corrections, shall 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 or chemical dependency services, types of services provided, and costs;

(3) the number of juveniles subsequently adjudicated delinquent who received mental health or chemical dependency services under this program; and

(4) the estimated cost savings of the program and the impact on juvenile recidivism.

Sec. 8. Minnesota Statutes 1991 Supplement, section 268.914, is amended by adding a subdivision to read:

Subd. 3. [CRIME PREVENTION APPROPRIATIONS.] *A state appropriation for head start specifically designated as a juvenile crime prevention appropriation under this subdivision must be allocated to all existing federal and state head start grantees in proportion to the rate of juvenile delinquency adjudications in each grantee's service area during the previous year.*

Sec. 9. 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. 10. 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*, 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. 11. [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. 12. [EMPLOYMENT AND EDUCATION PILOT PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] *A pilot program is established to provide adolescents with opportunities to gain a high school diploma, explore occupations, evaluate vocational options, receive career and life skills counseling, develop and pursue personal goals, and participate in community-based projects. Two pilot projects shall be funded under the program and shall be targeted at young people, as defined in Laws 1990, chapter 562, article 4, section 12, between the ages of 14 and 18 who, because of a lack of personal resources and skills, need assistance to set and realize education and employment goals and to become contributing members of their community.*

Subd. 2. [ELIGIBILITY.] *(a) An applicant for a pilot project grant must be (1) a school district, (2) an education district, (3) a group of districts cooperating for a particular purpose, or (4) an eligible program under contract with a school district to provide educational services in the high school graduation incentives program under Minnesota Statutes, section 126.22. To meet the requirement in paragraph (b), clause (1), an applicant may apply jointly with a provider of an employment and training program administered through the department of jobs and training.*

(b) To be eligible for a pilot project grant, an applicant must:

(1) have operated or must be applying jointly with an entity that has operated a youth employment program serving targeted young people, administered through the department of jobs and training, for at least two years before applying for the grant;

(2) have operated a specialized or nontraditional education program designed to meet the needs of targeted young people, for at least two years before applying for the grant;

(3) develop a plan to identify and assess the knowledge, skills, and aptitudes of targeted young people under subdivision 1; and

(4) use the results of the assessment to provide appropriate education and employment opportunities to targeted young people to promote a sense of self-sufficiency, self-esteem, and community.

Subd. 3. [APPLICATION PROCESS.] *To obtain a pilot project grant*

under this section, an applicant must submit an application to the commissioner of jobs and training in the form and manner prescribed by the commissioner after consultation with the commissioner of education. The application must describe how the applicant will assist targeted young people to set useful education and employment goals, secure meaningful employment, and lead productive lives within the community. The applicant must also indicate what resources will be available to continue the program if it is found to be effective. The commissioner may require additional information from an applicant.

Subd. 4. [REVIEW OF APPLICATIONS.] *The commissioner shall review applications to determine whether all the requirements in subdivisions 2 and 3 are met. The commissioner, in consultation with the commissioner of education, shall, at a minimum, consider the following when reviewing applications:*

(1) the education and employment activities proposed for the program;

(2) the demonstrated effectiveness of the applicant or joint applicants as a provider of similar services to targeted young people;

(3) the attraction and use of other resources including federal and state education funding, federal and state employment training funding, local and private funding, and targeted jobs tax credits in funding the proposed programs;

(4) the availability of both the education and employment components of the program on a year-round basis; and

(5) the diversity in the geographic location and delivery mechanism of the proposed programs.

Subd. 5. [GRANT AWARDS.] *The commissioner may award up to two pilot project grants, one in the seven-county metropolitan area and one in greater Minnesota.*

Subd. 6. [PRELIMINARY REPORT.] *The commissioner shall provide a preliminary report on the employment and education projects to the education and judiciary committees of the legislature no later than February 1, 1993. The report shall describe the projects that have been funded and shall include any preliminary information on the implementation and results of the projects.*

ARTICLE 13

CRIMINAL JUSTICE DATA PRIVACY PROVISIONS

Section 1. Minnesota Statutes 1990, section 171.07, subdivision 1a, is amended to read:

Subd. 1a. [FILING PHOTOGRAPHS OR IMAGES; DATA CLASSIFICATION.] The department shall file, or contract to file, all photographs or electronically produced images obtained in the process of issuing driver licenses or Minnesota identification cards. The photographs or electronically produced images shall be private data pursuant to section 13.02, subdivision 12. Notwithstanding section 13.04, subdivision 3, the department shall not be required to provide copies of photographs or electronically produced images to data subjects. The use of the files is restricted:

(1) to the issuance and control of driver licenses;

(2) for law enforcement purposes in the investigation and prosecution of

felonies and violations of section 169.09; 169.121; 169.123; 169.129; 171.22; 171.24; 171.30; 609.41; 609.487, subdivision 3; 609.631, subdivision 4, clause (3); ~~or~~ 609.821, subdivision 3, clauses (1), item (iv), and (3); *or 617.23;* and

(3) for child support enforcement purposes under section 256.978.

Sec. 2. [241.301] [FINGERPRINTS OF INMATES, PAROLEES, AND PROBATIONERS FROM OTHER STATES.]

The commissioner of corrections shall establish procedures so that whenever this state receives an inmate, parolee, or probationer from another state under sections 241.28 to 241.30 or 243.16, fingerprints and thumbprints of the inmate, parolee, or probationer are obtained and forwarded to the bureau of criminal apprehension.

Sec. 3. Minnesota Statutes 1991 Supplement, section 260.161, subdivision 3, is amended to read:

Subd. 3. (a) Except for records relating to an offense where proceedings are public under section 260.155, subdivision 1, peace officers' records of children shall be kept separate from records of persons 18 years of age or older and shall not be open to public inspection or their contents disclosed to the public except (1) by order of the juvenile court, (2) as required by section 126.036, (3) as authorized under section 13.82, subdivision 2, (4) to the child's parent or guardian unless disclosure of a record would interfere with an ongoing investigation, or (5) as provided in paragraph (d). Except as provided in paragraph (c), no photographs of a child taken into custody may be taken without the consent of the juvenile court ~~unless the child is alleged to have violated section 169.121 or 169.129~~. Any person violating any of the provisions of this subdivision shall be guilty of a misdemeanor.

(b) Nothing in this subdivision prohibits the exchange of information by law enforcement agencies if the exchanged information is pertinent and necessary to the requesting agency in initiating, furthering, or completing a criminal investigation.

(c) *A photograph may be taken of a child taken into custody pursuant to section 260.165, subdivision 1, clause (b), provided that the photograph must be destroyed when the child reaches the age of 19 years.* The commissioner of corrections may photograph juveniles whose legal custody is transferred to the commissioner. Photographs of juveniles authorized by this paragraph may be used only for institution management purposes and to assist law enforcement agencies to apprehend juvenile offenders. The commissioner shall maintain photographs of juveniles in the same manner as juvenile court records and names under this section.

(d) Traffic investigation reports are open to inspection by a person who has sustained physical harm or economic loss as a result of the traffic accident. Identifying information on juveniles who are parties to traffic accidents may be disclosed as authorized under section 13.82, subdivision 4, unless the information would identify a juvenile who was taken into custody or who is suspected of committing an offense that would be a crime if committed by an adult, or would associate a juvenile with the offense, and the offense is not a minor traffic offense under section 260.193.

Sec. 4. [DATA PRACTICES RECOMMENDATIONS.]

The commissioners of administration, public safety, human services, health, corrections, and education shall make recommendations regarding

the exchange of data among law enforcement agencies, local social service agencies, schools, the courts, court service agencies, and correctional agencies. The commissioners shall develop their recommendations in consultation with local public social service agencies, police departments, sheriffs' offices, and court services departments. The commissioners shall review data practices laws and rules and shall determine whether there are changes in statute or rule required to enhance the functioning of the criminal justice system. The commissioners shall consider the impact of any proposed recommendations on individual privacy rights. The commissioners shall submit a written report to the governor and the legislature not later than February 1, 1993.

Sec. 5. [STUDY OF CRIMINAL AND JUVENILE JUSTICE INFORMATION.]

The chair of the sentencing guidelines commission, the commissioner of corrections, the commissioner of public safety, and the state court administrator shall study and make recommendations to the governor and the legislature:

(1) on a framework for integrated criminal justice information systems;

(2) on the responsibilities of each entity within the criminal and juvenile justice systems concerning the collection, maintenance, dissemination, and sharing of criminal justice information with one another;

(3) to ensure that information maintained in the criminal justice information systems is accurate and up-to-date;

(4) on an information system containing criminal justice information on felony-level juvenile offenders that is part of the integrated criminal justice information system framework;

(5) on an information system containing criminal justice information on misdemeanor arrests, prosecutions, and convictions that is part of the integrated criminal justice information system framework;

(6) on comprehensive training programs and requirements for all individuals in criminal justice agencies to ensure the quality and accuracy of information in those systems;

(7) on continuing education requirements for individuals in criminal justice agencies who are responsible for the collection, maintenance, dissemination, and sharing of criminal justice data;

(8) on a periodic audit process to ensure the quality and accuracy of information contained in the criminal justice information systems; and

(9) on the equipment, training, and funding needs of the state and local agencies that participate in the criminal justice information systems.

The chair, the commissioners, and the administrator shall file a report with the governor and the legislature by January 15, 1993. The report must make recommendations concerning any legislative changes or appropriations that are needed to ensure that the criminal justice information systems operate accurately and efficiently. To assist them in developing their recommendations, the chair, the commissioners, and the administrator shall appoint a task force consisting of the members of the commission on criminal and juvenile justice information or their designees and the following additional members:

(1) the director of the office of strategic and long-range planning;

(2) two sheriffs recommended by the Minnesota sheriffs association;

(3) two police chiefs recommended by the Minnesota chiefs of police association;

(4) two county attorneys recommended by the Minnesota county attorneys association;

(5) two city attorneys recommended by the Minnesota league of cities;

(6) two district judges appointed by the conference of chief judges, one of whom is currently assigned to the juvenile court;

(7) two community corrections administrators recommended by the Minnesota association of counties, one of whom represents a community corrections act county;

(8) two probation officers; and

(9) two citizens.

The task force expires upon submission of the report by the chair, the commissioners, and the administrator.

ARTICLE 14

APPROPRIATIONS

Section 1. [APPROPRIATIONS.]

Subdivision 1. The amounts specified in this section are appropriated from the general fund to the agencies and for the purposes indicated.

	Fiscal Year 1993
Subd. 2. Commissioner of Corrections	*$ 4,019,000*
(a) For grants for crime victim centers, with priority to those areas of the state with insufficient programs or services	*200,000*
(b) For services for victims of sexual assault	*500,000*
(c) For services for victims of domestic abuse	*1,000,000*
(d) For grants for domestic abuse programs required under article 6, section 14	*500,000*
(e) For a sex offender program for juveniles at the Sauk Centre correctional facility	*500,000*
(f) For a grant administered in consultation with the commissioner of human services to fund research to test the effectiveness of pharmacological agents in the treatment of sex offenders	*100,000*

(g) For reimbursement of local corrections officials for costs incurred in hiring professional investigators to locate absconded inmates on supervised release. To be eligible for the funds, the officials must have complied with the notice requirements of article 11, section 4	*50,000*
(h) For grants to counties on the basis of need for the purpose of providing or increasing juvenile sex offender treatment	*500,000*
(i) For adult sex offender assessments under article 10, section 4, subdivision 3, to be allocated to counties based on the number of sex offense convictions and delinquency adjudications in the county in the previous year	*600,000*
(j) For prison beds needed for increases in sentences	*57,000*
(k) For rulemaking for the sex offender treatment program under article 10, sections 2 and 4	*12,000*
Subd. 3. Commissioner of Human Services	*2,575,000*
(a) For high-risk youth programs under article 12, section 2	*400,000*
(b) For pregnant women and women with children under article 12, section 4	*500,000*
(c) For pilot chemical dependency treatment programs for children	*300,000*
(d) For statewide children's safety center demonstration projects	*200,000*
(e) For grants for the Asian juvenile crime prevention program	*500,000*
(f) To award a child abuse prevention grant under article 12, section 11	*75,000*
(g) For grants to counties for pilot projects to provide mental health and chemical dependency screening for juveniles in detention, not to be used for out-of-home placement or to replace current funding for programs presently in operation	*600,000*
Subd. 4. Commissioner of Jobs and Training	*2,325,000*
(a) For the youth employment and education pilot program described in article 12, section 12	*50,000*
(b) For juvenile crime prevention grants to head start grantees under article 12, section 8	*2,000,000*
(c) For additional funding for youth intervention programs under Minnesota Statutes, section 268.30	*275,000*

Subd. 5. Commissioner of Health	*500,000*
For grants to provide early intervention services for families at risk of child abuse and neglect, as described in article 12, section 1	
Subd. 6. Supreme Court	*225,000*
(a) For victim-offender mediation programs	*150,000*
(b) For the task force on the juvenile justice system	*75,000*
Subd. 7. Peace Officer Standards and Training Board	*27,000*
For training of peace officers relating to violence and sensitivity to crime victims	
Subd. 8. Commissioner of Public Safety	*92,000*
(a) For a 24-hour toll-free telephone line for crime victims	*30,000*
(b) For the bureau of criminal apprehension to collect and retain juvenile records	*62,000*
Subd. 9. Attorney General	*221,000*
For the cost of assuming duties of county attorneys relating to psychopathic personality commitments	
The appropriations for fiscal year 1993 for mental health and chemical dependency screening for juveniles in detention and for youth intervention programs are available January 1, 1993. For purposes of the 1994-1995 biennial budget, the base funding level for these programs is two times the fiscal year 1993 funding level."	

Amend the title as follows:

Page 1, line 14, after "violence" insert "and sensitivity to victims"

Page 1, line 18, delete everything before "increasing"

Page 1, line 22, delete everything after the semicolon

Page 1, line 23, delete everything before the first semicolon and insert "providing for the attorney general to assume the duties of county attorneys in psychopathic personality commitment proceedings; requiring courts to impose minimum fines; creating an advisory task force on the juvenile justice system; providing for retention of records of juvenile sex offense adjudications; creating a fund for community-based treatment of sex offenders; requiring ongoing evaluation of sex offender treatment programs; providing multiple-occupancy standards for correctional facilities; creating programs for the prevention of child abuse and neglect; providing for chemical dependency treatment for children, high-risk youth, and pregnant women, and women with children"

Page 1, line 25, after the first semicolon, insert "171.07, subdivision 1a; 241.021, by adding a subdivision;" and delete "3 and 6" and insert

"1, 2, 3, 6, and by adding a subdivision; 242.195, subdivision 1; 243.53"

Page 1, line 28, after the second semicolon, insert "254A.14, by adding a subdivision; 254A.17, subdivision 1, and by adding a subdivision;"

Page 1, line 34, after the fourth semicolon, insert "609.101, by adding a subdivision;"

Page 1, line 43, after "609.713;" insert "609.746, subdivision 2;"

Page 2, lines 3 and 4, delete "626.861, subdivision 3;"

Page 2, line 7, after the second semicolon, insert "260.161, subdivision 3; 268.914, by adding a subdivision; 299A.31, subdivision 1; 299A.32, subdivision 2a;"

Page 2, line 10, delete "subdivisions" and insert "subdivision" and delete "and 4"

Page 2, line 11, before "law" insert "new" and after "chapters" insert "145A;" and after "237;" insert "241;"

Page 2, line 12, before "299C;" insert "256; 256F; 260;" and after "526;" insert "609;" and delete "626;"

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that H. F. No. 2060 be withdrawn from the Committee on Rules and Administration and re-referred to the Committee on Governmental Operations. The motion prevailed.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Johnson, D.J.; Moe, R.D.; Benson, D.D.; Luther and Merriam introduced—

S.F. No. 2791: 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.

Referred to the Committee on Finance.

Mr. Merriam, for the Committee on Finance, introduced—

S.F. No. 2792: A bill for an act relating to higher education; making miscellaneous changes to higher education provisions; amending Minnesota Statutes 1990, section 136.60, by adding a subdivision; 136A.1354, subdivision 4; 136A.29, subdivision 9; 169.965, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 136A.101, subdivision 8;

136A.1353, subdivision 4; and Laws 1987, chapter 396, article 12, section 6, subdivision 2; repealing Minnesota Statutes 1991 Supplement, section 135A.50; and Laws 1991, chapter 356, article 3, section 14.

Under the Rules of the Senate, laid over one day.

MEMBERS EXCUSED

Mr. Hughes was excused from the Session of today from 12:00 noon to 1:30 p.m. and at 7:00 p.m. Ms. Reichgott was excused from the Session of today from 2:00 to 2:15 p.m. and from 4:30 to 5:30 p.m. Ms. Berglin was excused from the Session of today from 2:00 to 3:00 p.m. Mr. Dahl was excused from the Session of today from 3:00 to 5:00 p.m. Mr. Chmielewski was excused from the Session of today from 3:00 to 5:30 p.m. Mr. Lessard was excused from the Session of today from 3:15 to 3:45 p.m. Mr. Novak was excused from the Session of today from 3:15 to 5:15 p.m. Mr. Kelly was excused from the Session of today at 5:40 p.m. Mr. Frank was excused from the Session of today at 7:00 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Wednesday, April 8, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

NINETY-FOURTH DAY

St. Paul, Minnesota, Wednesday, April 8, 1992

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Peter Geisendorfer-Lindgren.

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

Adkins	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moe, R.D.	Riveness
Belanger	Dicklich	Kelly	Mondale	Sams
Benson, D.D.	Finn	Knaak	Morse	Samuelson
Benson, J.E.	Flynn	Kroening	Neuville	Solon
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Halberg	Luther	Piper	Vickerman
Chmielewski	Hottinger	Marty	Pogemiller	Waldorf
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committee indicated.

March 20, 1992

The Honorable Jerome Hughes
President of the Senate

Dear Sir:

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

MINNESOTA POLLUTION CONTROL AGENCY

Keith H. Langmo, 105 East Depot Street, Litchfield, Meeker County, Minnesota, has been appointed by me, effective March 24, 1992, for a term expiring on the first Monday in January, 1996.

(Referred to the Committee on Environment and Natural Resources.)

Warmest regards,
Arne H. Carlson, Governor

April 7, 1992

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
	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

April 7, 1992

The Honorable Jerome M. Hughes
President of the Senate

Dear President Hughes:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 1671, 1997, 2001, 2117, 2124, 2301 and 2421.

Warmest regards,
Arne H. Carlson, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2608:

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 House respectfully requests that a Conference Committee of 3 members be appointed thereon.

O'Connor, Sarna and Anderson, R. have been appointed as such committee on the part of the House.

House File No. 2608 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 7, 1992

Mr. Solon moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2608, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2121:

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 House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Nelson, K.; Bauerly; McEachern; Hausman and Weaver have been appointed as such committee on the part of the House.

House File No. 2121 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 7, 1992

Mr. Dicklich moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2121, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2031:

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 House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Olson, E.; Schreiber and Jacobs have been appointed as such committee on the part of the House.

House File No. 2031 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 7, 1992

Mr. Moe, R.D., for Ms. Reichgott, moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2031, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 1849.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 7, 1992

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

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.

Mr. Moe, R.D. moved that H.F. No. 1849 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2432: 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.

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

Page 13, line 19, delete "*$350*" and insert "*$275*"

Page 14, line 3, after the comma, insert "*$20 plus*"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 695: 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; 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, subdivisions 11 and 14; 174.30, subdivision 2; 221.011, subdivisions 20, 21, 25, and by adding a subdivision; 221.021; 221.031, subdivisions 1, 2, 2a, 3, 3a, 6, and by adding subdivisions; 221.033, subdivisions 1, 2, and by adding subdivisions; 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.

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2232: A bill for an act relating to courts; requiring the state to reimburse counties for certain extradition expenses from any forfeited bail of the defendant or probationer that had been forwarded to the state treasury as required by law; amending Minnesota Statutes 1990, section 485.018, subdivision 5.

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1615: A bill for an act relating to game and fish; reducing deer license fees for residents under age 16 and for licenses to take a second deer; amending Minnesota Statutes 1990, section 97B.301, subdivision 4; Minnesota Statutes 1991 Supplement, section 97A.475, subdivision 2.

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2103: A bill for an act relating to drivers' licenses; increasing fees; appropriating money; amending Minnesota Statutes 1990, section 171.06, subdivision 2.

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

Page 1, delete section 2 and insert:

"Sec. 2. [IMPROVED SECURITY.]

The commissioner of public safety shall develop new licenses and identification cards, to be issued beginning July 1, 1993, that are more difficult to alter."

Amend the title as follows:

Page 1, line 3, delete "appropriating money" and insert "requiring more secure cards"

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

Mr. Merriam from the Committee on Finance, to which was referred

H.F. No. 765: A bill for an act relating to certain state employees; establishing eligibility for state-paid insurance after retirement in certain circumstances.

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

Mr. Merriam from the Committee on Finance, to which was re-referred

H.F. No. 31: A bill for an act relating to public safety; creating the Minnesota advisory council on fire protection systems; requiring licensing and certifying of the fire protection industry; providing for rules and an exemption; providing for fees; imposing a penalty; appropriating money;

proposing coding for new law as Minnesota Statutes, chapter 299M.

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

Page 6, delete lines 3 to 13 and insert:

"*$147,000 is appropriated for the fiscal year ending June 30, 1993, from the general fund to the department of public safety for the purposes of sections 1 to 11.*

The complement of the department of public safety is increased by two positions for the 1993 fiscal year for the purposes of sections 1 to 11."

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 738: A bill for an act relating to public safety; requiring registration and payment of an annual fee to transport hazardous materials; authorizing the commissioner of transportation to adopt rules; requiring the commissioner of public safety to implement a state hazardous materials incident response plan; creating the hazardous materials incident response account and distributing money to the account; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 221; 299A; and 299K.

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

Page 1, line 27, delete "*8*" and insert "*7*"

Page 1, line 28, delete everything after "*fund*" and insert a period

Page 2, delete line 1

Page 2, lines 3 and 7, delete "*8*" and insert "*7*"

Page 5, line 1, delete "*8*" and insert "*7*"

Page 5, delete section 7

Page 6, line 3, delete everything after "*fund*" and insert a period

Page 6, delete line 4

Page 6, line 6, delete "*$ . . . . . .* " and insert "*$115,000*" and delete "*hazardous materials*" and insert "*general fund*"

Page 6, lines 7 and 10, delete "*incident response account*"

Page 6, line 8, after the period, insert "*The approved complement of the department of transportation is increased by two positions.*"

Page 6, line 9, delete "*$ . . . . . .* " and insert "*$1,128,000*" and delete "*hazardous materials*" and insert "*general fund*"

Page 6, line 11, delete "*8*" and insert "*7*" and after the period, insert "*The approved complement of the department of public safety is increased by three positions.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete "creating"

Page 1, delete line 8

Page 1, line 9, delete everything before "appropriating"

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 1687: A bill for an act relating to crime; increasing penalties for repeat and violent 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; allowing the extension of prison terms for disciplinary violations 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; providing for mediation programs for crime victims and offenders; requiring training of peace officers regarding crimes of violence; providing for automatic prosecution in adult court of previously certified juveniles; requiring city and county attorneys to adopt a domestic abuse prosecution plan; defining child abuse; increasing penalty for second degree assault resulting in substantial bodily harm; removing the limit on consecutive sentences for felonies; allowing telephone companies to offer caller identification service to subscribers; requiring a crime victimization survey; appropriating money; amending Minnesota Statutes 1990, sections 8.01; 135A.15; 241.67, subdivisions 3 and 6; 244.01, subdivision 8; 244.03; 244.04, subdivisions 1 and 3; 244.05, subdivisions 1, 3, 4, 5, and by adding subdivisions; 253B.18, subdivision 2; 259.11; 260.015, by adding a subdivision; 260.151, subdivision 1; 260.161, subdivision 1, and by adding a subdivision; 260.165, by adding a subdivision; 260.172, subdivision 1; 260.185, subdivisions 1, 4, and by adding a subdivision; 518B.01, subdivision 13, and by adding subdivisions; 526.10; 595.02, subdivision 4; 609.055; 609.135, subdivision 5; 609.1351; 609.1352, subdivisions 1 and 5; 609.15, subdivision 2; 609.152, subdivisions 2 and 3; 609.184, subdivisions 1 and 2; 609.185; 609.19; 609.21, subdivisions 1, 2, 2a, 3, and 4; 609.222; 609.2231, by adding a subdivision; 609.224, subdivision 2; 609.342, subdivision 2; 609.343, subdivision 2; 609.346, subdivisions 2, 2a, and by adding subdivisions; 609.605, by adding a subdivision; 609.713; 611A.0311, subdivisions 2 and 3; 611A.034; 611A.04, subdivisions 1 and 1a; 611A.52, subdivision 6; 624.713, subdivision 1, and by adding a subdivision; 624.7131, subdivisions 1 and 6; 624.7132, subdivision 1; 624.714, subdivisions 1, 3, and 7; 626.5531, subdivision 1; 626.843, subdivision 1; 626.8451; 626.8465, subdivision 1; 626.861, subdivision 3; 626A.02, subdivision 2; 630.36, subdivision 1; Minnesota Statutes 1991 Supplement, sections 8.15; 244.05, subdivision 6; 244.12, subdivision 3; 260.015, subdivision 2a; 518B.01, subdivisions 4, 6, and 14; 609.135, subdivision 2; 611A.32, subdivision 1; 624.712, subdivision 5; and 626.861, subdivisions 1 and 4; proposing coding for law in Minnesota Statutes, chapters 169; 237; 244; 299C; 480; 526; 611A; 624; 626; and 629; repealing Minnesota Statutes 1990, section 260.125, subdivision 3a.

Reports the same back with the recommendation that the report from the

Committee on Finance, shown in the Journal for April 7, 1992, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass". Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 2792, 2432, 695, 2232, 1615, 2103, 738 and 1687 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 765 and 31 were read the second time.

MOTIONS AND RESOLUTIONS

SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

CALENDAR

S.F. No. 2206: A resolution memorializing Congress to allow doctors of chiropractic status as commissioned officers in the military.

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

The question was taken on the passage of the resolution.

The roll was called, and there were yeas 52 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Mondale	Riveness
Beckman	Day	Johnson, D.J.	Morse	Sams
Belanger	Dicklich	Johnson, J.B.	Neuville	Samuelson
Benson, D.D.	Finn	Kelly	Novak	Solon
Benson, J.E.	Flynn	Knaak	Olson	Spear
Berg	Frank	Kroening	Pappas	Stumpf
Berglin	Frederickson, D.J.	Larson	Pariseau	Terwilliger
Bernhagen	Frederickson, D.R.	Lessard	Piper	Traub
Bertram	Gustafson	Luther	Pogemiller	
Brataas	Hottinger	McGowan	Price	
Cohen	Hughes	Moe, R.D.	Ranum	

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

So the resolution passed and its title was agreed to.

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; requiring drivers' licenses to be less susceptible to alteration; 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; 171.07, by adding a subdivision; 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 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.

Mr. Solon moved to amend S.F. No. 2213 as follows:

Amend the title as follows:

Page 1, lines 12 and 13, delete "requiring drivers' licenses to be less susceptible to alteration;"

The motion prevailed. So the amendment was adopted.

S.F. No. 2213 was read the third time, as amended, and placed on its final passage.

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

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

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Moe, R.D.	Riveness
Beckman	Day	Johnson, J.B.	Mondale	Sams
Belanger	Dicklich	Johnston	Morse	Samuelson
Benson, D.D.	Finn	Kelly	Novak	Solon
Benson, J.E.	Flynn	Knaak	Olson	Spear
Berg	Frank	Kroening	Pappas	Stumpf
Berglin	Frederickson, D.J.	Laidig	Pariseau	Terwilliger
Bernhagen	Frederickson, D.R.	Larson	Piper	Traub
Bertram	Gustafson	Lessard	Pogemiller	
Brataas	Hottinger	Luther	Price	
Chmielewski	Hughes	Marty	Ranum	
Cohen	Johnson, D.E.	McGowan	Reichgott	

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

S.F. No. 2314: A bill for an act relating to the city of Minneapolis; requiring an equitable participation by planning districts in neighborhood revitalization programs; amending Minnesota Statutes 1990, section 469.1831, by adding a subdivision.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Day	Johnson, D.J.	Merriam	Ranum
Beckman	Dicklich	Johnson, J.B.	Moe, R.D.	Reichgott
Belanger	Finn	Johnston	Mondale	Riveness
Benson, D.D.	Flynn	Kelly	Morse	Sams
Benson, J.E.	Frank	Knaak	Neuville	Samuelson
Berglin	Frederickson, D.J.	Kroening	Novak	Solon
Bernhagen	Frederickson, D.R.	Laidig	Olson	Spear
Bertram	Gustafson	Larson	Pappas	Terwilliger
Brataas	Halberg	Lessard	Pariseau	Traub
Chmielewski	Hottinger	Luther	Piper	
Cohen	Hughes	Marty	Pogemiller	
Dahl	Johnson, D.E.	McGowan	Price	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McGowan	Ranum
Beckman	Day	Johnson, D.J.	Moe, R.D.	Reichgott
Belanger	Dicklich	Johnston	Mondale	Riveness
Benson, D.D.	Finn	Kelly	Morse	Sams
Benson, J.E.	Flynn	Knaak	Neuville	Samuelson
Berglin	Frank	Kroening	Novak	Solon
Bernhagen	Frederickson, D.J.	Laidig	Olson	Spear
Bertram	Frederickson, D.R.	Larson	Pappas	Stumpf
Brataas	Gustafson	Lessard	Piper	Terwilliger
Chmielewski	Halberg	Luther	Pogemiller	Traub
Cohen	Hottinger	Marty	Price	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Day	Johnson, D.J.	Moe, R.D.	Reichgott
Beckman	Dicklich	Johnson, J.B.	Mondale	Riveness
Belanger	Finn	Johnston	Morse	Sams
Benson, D.D.	Flynn	Kelly	Neuville	Samuelson
Benson, J.E.	Frank	Knaak	Novak	Solon
Berglin	Frederickson, D.J.	Kroening	Olson	Spear
Bernhagen	Frederickson, D.R.	Laidig	Pappas	Stumpf
Bertram	Gustafson	Larson	Pariseau	Terwilliger
Brataas	Halberg	Lessard	Piper	Traub
Chmielewski	Hottinger	Luther	Pogemiller	
Cohen	Hughes	Marty	Price	
Dahl	Johnson, D.E.	McGowan	Ranum	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McGowan	Ranum
Beckman	Day	Johnson, D.J.	Moe, R.D.	Reichgott
Belanger	Dicklich	Johnson, J.B.	Mondale	Riveness
Benson, D.D.	Finn	Johnston	Morse	Sams
Benson, J.E.	Flynn	Kelly	Neuville	Samuelson
Berg	Frank	Knaak	Novak	Solon
Berglin	Frederickson, D.J.	Kroening	Olson	Spear
Bernhagen	Frederickson, D.R.	Laidig	Pappas	Stumpf
Bertram	Gustafson	Larson	Pariseau	Terwilliger
Brataas	Halberg	Lessard	Piper	Traub
Chmielewski	Hottinger	Luther	Pogemiller	
Cohen	Hughes	Marty	Price	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Hughes	Marty	Price
Beckman	Day	Johnson, D.E.	Metzen	Ranum
Belanger	DeCramer	Johnson, D.J.	Moe, R.D.	Reichgott
Benson, D.D.	Dicklich	Johnson, J.B.	Mondale	Riveness
Benson, J.E.	Finn	Johnston	Morse	Sams
Berg	Flynn	Kelly	Neuville	Samuelson
Berglin	Frank	Knaak	Novak	Solon
Bernhagen	Frederickson, D.J.	Kroening	Olson	Spear
Bertram	Frederickson, D.R.	Laidig	Pappas	Stumpf
Chmielewski	Gustafson	Larson	Pariseau	Traub
Cohen	Halberg	Lessard	Piper	
Dahl	Hottinger	Luther	Pogemiller	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

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

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

H.F. Nos. 2647, 2551, 2756 and 2211, which the committee recommends to pass.

S.F. No. 2191, which the committee recommends be returned to its author.

H.F. No. 2623, which the committee recommends to pass, subject to the following motions:

Mr. Lessard moved that the amendment made to H.F. No. 2623 by the Committee on Rules and Administration in the report adopted April 6, 1992, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

Mr. Solon moved to amend H.F. No. 2623 as follows:

Page 5, after line 13, insert:

"Sec. 13. Laws 1973, chapter 327, section 5, is amended by adding a subdivision to read:

Subd. 8. [OUTSIDE BUSINESS ACTIVITIES.] *Notwithstanding any contrary provision of sections 1 to 12, the authority may engage in business activities outside the geographic boundaries of the Spirit Mountain recreation area.*"

Page 5, line 19, after the period, insert "*Section 13 is effective on the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Duluth.*"

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 2709, which the committee recommends to pass with the following amendments offered by Messrs. Solon; Frederickson, D.J. and Chmielewski:

Mr. Solon moved to amend H.F. No. 2709, as amended pursuant to Rule 49, adopted by the Senate April 1, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2483.)

Page 4, line 27, reinstate the stricken "or"

Page 4, line 29, after "to" insert "*(i) a confection containing alcohol as defined in section 31.76, or (ii)*"

Page 5, lines 2 to 20, delete the new language

Page 5, after line 26, insert:

"Sec. 3. [31.76] [CONFECTIONS CONTAINING ALCOHOL.]

Subdivision 1. [DEFINITION.] *"Confection containing alcohol" is a confection that contains or bears not more than five percent alcohol by volume where the alcohol is in a non-liquid form by reason of being mixed with other substances in the manufacture of the confection. "Confection containing alcohol" does not include liqueur-filled candy as defined in section 340A.101, subdivision 15b.*

Subd. 2. [REGULATIONS.] *(a) A confection containing alcohol may not be sold to any person under the age of 21 years.*

(b) Each confection containing alcohol must bear a label that contains (i) a conspicuous, readily legible statement that reads "This product may not be sold to anyone under age 21 years of age," and (ii) a conspicuous, readily legible statement to the effect that the product contains less than five percent alcohol by volume.

(c) A confection containing alcohol may be sold only by (i) an exclusive liquor store licensed under chapter 340A, or (ii) a business establishment that derives more than 50 percent of its gross sales from the sale of confections."

Page 7, after line 23, insert:

"Sec. 5. Minnesota Statutes 1990, section 340A.101, subdivision 15, is amended to read:

Subd. 15. [LICENSED PREMISES.] "Licensed premises" is the premises described in the approved license application. *In the case of a restaurant, club, or exclusive liquor store licensed for on-sales of alcoholic beverages and located on a golf course, "licensed premises" means the entire golf course except for areas where motor vehicles are regularly parked or operated."*

Page 7, after line 29, insert:

"Sec. 7. Minnesota Statutes 1991 Supplement, section 340A.404, subdivision 2, is amended to read:

Subd. 2. [SPECIAL PROVISION; CITY OF MINNEAPOLIS.] (a) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Guthrie Theatre, the Cricket Theatre, the Orpheum Theatre, and the State Theatre, notwithstanding the limitations of law, or local ordinance, or charter provision relating to zoning or school or church distances. The licenses

authorize sales on all days of the week to holders of tickets for performances presented by the theatres and to members of the nonprofit corporations holding the licenses and to their guests.

(b) The city of Minneapolis may issue an intoxicating liquor license to 510 Groveland Associates, a Minnesota cooperative, for use by a restaurant on the premises owned by 510 Groveland Associates, notwithstanding limitations of law, or local ordinance, or charter provision.

(c) The city of Minneapolis may issue an on-sale intoxicating liquor license to Zuhrah Shrine Temple for use on the premises owned by Zuhrah Shrine Temple at 2540 Park Avenue South in Minneapolis, notwithstanding limitations of law, or local ordinances, or charter provision relating to zoning or school or church distances."

Page 8, after line 19, insert:

"Sec. 9. Minnesota Statutes 1990, section 340A.412, is amended by adding a subdivision to read:

Subd. 13. [FIRST CLASS CITIES; RENEWAL OF INACTIVE LICENSES PROHIBITED.] *A city of the first class may not renew an on-sale intoxicating liquor license if the holder of the license has not made on-sales authorized by the license at any time during the one-year period immediately prior to the date of renewal.*"

Page 9, delete section 7 and insert:

"Sec. 11. [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."

Page 9, delete section 9

Page 10, delete lines 1 to 14 and insert:

"*Notwithstanding any other provision of law: (1) the Roseau county board may issue an off-sale retail intoxicating liquor license to the town board of Lake township in the county, and may set the fee for the license, and (2) the town board of Lake township may by majority vote establish, own, and operate an exclusive liquor store within the township for the off-sale of intoxicating liquor if the exclusive liquor store is operated under a license issued by Roseau county. The authority granted under this section does not include the authority for the town board to issue retail alcoholic beverage licenses. All provisions of Minnesota Statutes, chapter 340A, that apply to the off-sale intoxicating liquor licenses, not inconsistent with this section, apply to the establishment, ownership, and operation of an exclusive liquor store under this section.*"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Frederickson, D.J. moved to amend H.F. No. 2709, as amended pursuant to Rule 49, adopted by the Senate April 1, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2483.)

Page 10, after line 14, insert:

"Sec. 11. [SWIFT COUNTY; OFF-SALE LICENSE.]

Notwithstanding Minnesota Statutes, section 340A.405, subdivision 2, paragraph (e), the Swift county board may issue an off-sale intoxicating liquor license to an establishment located less than one mile by the most direct route from the boundary of the city of Benson. All other provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section apply to the license authorized under this section."

Page 10, line 19, after the period, insert "*Section 11 takes effect upon approval by resolutions adopted by the governing bodies of Six Mile Grove township and the city of Benson.*"

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Chmielewski moved to amend H.F. No. 2709, as amended pursuant to Rule 49, adopted by the Senate April 1, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2483.)

Page 10, after line 14, insert:

"Sec. 11. [AITKIN COUNTY; OFF-SALE LICENSE.]

Notwithstanding Minnesota Statutes, section 340A.405, subdivision 2, the Aitkin county board may issue an off-sale intoxicating liquor license to an establishment located within Malmo township. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section apply to the license authorized under this section."

Page 10, line 16, after "*8*" insert "*and 11*"

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 2199, which the committee reports progress, subject to the following motions:

Mr. Merriam moved to amend S.F. No. 2199 as follows:

Page 10, line 29, after the semicolon, insert "*or*"

Page 10, delete lines 30 to 35

Page 10, line 36, delete "*(5)*" and insert "*(4)*"

The motion prevailed. So the amendment was adopted.

Mr. Merriam then moved to amend S.F. No. 2199 as follows:

Page 11, line 19, delete everything after "*(b)*"

Page 11, delete line 20

Page 11, line 21, delete everything before "*The*"

The motion prevailed. So the amendment was adopted.

Mr. Merriam then moved to amend S.F. No. 2199 as follows:

Page 16, line 24, 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*"

Page 16, line 25, delete from "*(2)*" through page 17, line 1, to the period 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 17, line 2, before "The" insert "*(d)*"

The motion prevailed. So the amendment was adopted.

Mr. Merriam then moved to amend S.F. No. 2199 as follows:

Page 22, delete lines 24 to 28 and insert:

"(b) Until January 1, 1995, the prohibition in paragraph (a) does not apply to residual waste from the processing of mixed municipal solid waste generated in the metropolitan area and processed at a mixed municipal solid waste processing facility outside the metropolitan area. For the purposes of this paragraph, "processing" has the meaning given in section 115A.03, subdivision 25, excluding storage, exchange, and transfer of waste."

The motion prevailed. So the amendment was adopted.

Mr. Dahl moved to amend S.F. No. 2199 as follows:

Page 9, line 6, delete everything after "*percentage*" and insert "*of postconsumer material:*

(1) by weight for a finished nonpaper product or package; and

(2) by fiber content for a finished paper product or package.

The percentage may be stated as a range of up to three percentage points."

Page 9, delete line 7

The motion prevailed. So the amendment was adopted.

Mr. Stumpf moved to amend S.F. No. 2199 as follows:

Page 17, after line 14, insert:

"Sec. 29. Minnesota Statutes 1991 Supplement, section 116.07, subdivision 4h, is amended to read:

Subd. 4h. [FINANCIAL RESPONSIBILITY RULES.] (a) The agency shall adopt rules requiring the operator or owner of a solid waste disposal facility to submit to the agency proof of the operator's or owner's financial capability to provide reasonable and necessary response during the operating life of the facility and for 20 years after closure, and to provide for the closure of the facility and postclosure care required under agency rules. Proof of financial responsibility is required of the operator or owner of a facility receiving an original permit or a permit for expansion after adoption of the rules. Within 180 days of the effective date of the rules or by July 1, 1987, whichever is later, proof of financial responsibility is required of an operator or owner of a facility with a remaining capacity of more than five years or 500,000 cubic yards that is in operation at the time the rules are adopted. Compliance with the rules *and the requirements of paragraph (b)* is a condition of obtaining or retaining a permit to operate the facility.

(b) ~~The agency shall amend the rules adopted under paragraph (a) to allow~~ A municipality, as defined in section 475.51, subdivision 2, including a sanitary district, that owns or operates a solid waste disposal facility that was in operation on May 15, 1989, ~~to~~ *may* meet its financial responsibility for all or a portion of the contingency action portion of the reasonable and necessary response costs at the facility ~~through its authority to issue bonds, provided that the method developed in the rules will ensure that when funds are needed for a contingency action, sufficient bonds can and will be issued by the municipality~~ *by pledging its full faith and credit* to meet its responsibility.

~~The rules must include at least~~ *The pledge must be made in accordance with the requirements in chapter 475 for issuing bonds of the municipality, and the following additional requirements:*

(1) ~~a requirement that~~ The governing body of the municipality *shall* enact an ordinance that clearly accepts responsibility for the costs of contingency action at the facility and that reserves, during the operating life of the facility and for 20 years after closure, a portion of the debt limit of the municipality, as established under section 475.53 or other law, that is equal to the total contingency action costs ~~calculated under the rules;~~.

(2) ~~a requirement that~~ The municipality ~~assure~~ *shall require* that all collectors that haul to the facility implement a plan for reducing solid waste by using volume-based pricing, recycling incentives, or other means~~;~~.

(3) ~~a requirement that~~ When a municipality opts ~~under the rules~~ to meet a portion of its financial responsibility by relying on its authority to issue bonds, it shall also begin setting aside ~~funds~~ *in a dedicated long-term care trust fund money* that will cover a portion of the potential contingency action costs at the facility, the amount to be determined by the agency for each facility based on at least the amount of waste deposited in the disposal facility each year, and the likelihood and potential timing of conditions arising at the facility that will necessitate response action~~; and~~. *The agency may not require a municipality to set aside more than five percent of the total cost in a single year.*

(4) ~~a requirement that~~ A municipality *shall* have and consistently maintain an investment grade bond rating as a condition of using bonding authority to meet financial responsibility under this section.

(5) The municipality shall file with the commissioner of revenue and the commissioner of transportation its consent to have the amount of its contingency action costs deducted from state aid payments otherwise due the municipality and paid instead to the environmental response, compensation, and compliance account created in section 115B.20, if the municipality fails to conduct the contingency action at the facility when ordered by the agency. If the agency notifies the commissioners that the municipality has failed to conduct contingency action when ordered by the agency, the commissioners shall deduct the amounts indicated by the agency from the state aids in accordance with the consent filed with the commissioners.

(6) The municipality shall file with the agency written proof that it has complied with the requirements of paragraph (b).

(c) ~~Counties shall comply with existing financial responsibility rules until those rules are amended under paragraph (b), and, after that time, counties shall comply with the amended rules.~~ The method for proving financial responsibility ~~developed~~ under paragraph (b) may not be applied to a new solid waste disposal facility or to expansion of an existing facility, unless the expansion is a vertical expansion. Vertical expansions of qualifying existing facilities cannot be permitted for a duration of longer than three years."

Page 26, line 5, delete "*35, and 36*" and insert "*31, 36, and 37*"

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 17, after "to" insert "financial responsibility requirements and"

Page 1, line 35, after "115A.931;" insert "116.07, subdivision 4h;"

The motion prevailed. So the amendment was adopted.

S.F. No. 2199 was then progressed.

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

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time and referred to the committee indicated.

Mr. Vickerman introduced—

S.F. No. 2793: A bill for an act relating to employment; modifying provisions relating to prevailing wage law; changing definitions; establishing procedures for investigation of complaints; providing penalties; amending Minnesota Statutes 1990, sections 177.42, subdivision 1, and by adding subdivisions; 177.43, subdivisions 4 and 5; and 177.44, subdivisions 4 and 6; proposing coding for new law in Minnesota Statutes, chapter 177; repealing Minnesota Statutes 1990, sections 177.43, subdivision 6; and 177.44, subdivision 7.

Referred to the Committee on Employment.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 2121: Messrs. Dicklich, Dahl, DeCramer, Ms. Pappas and Mr. Laidig.

H.F. No. 2608: Messrs. Solon, Metzen and Larson.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

CALL OF THE SENATE

Mr. Luther imposed a call of the Senate for the proceedings on H.F. No. 1849. The Sergeant at Arms was instructed to bring in the absent members.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that H.F. No. 1849 be taken from the table. The motion prevailed.

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.

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect

to H.F. No. 1849 and that the rules of the Senate be so far suspended as to give H.F. No. 1849 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1849 was read the second time.

Mr. Spear moved to amend H.F. No. 1849 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 1849, and insert the language after the enacting clause, and the title, of S.F. No. 1687, the second engrossment.

The motion prevailed. So the amendment was adopted.

Mr. Spear then moved to amend H.F. No. 1849, as amended by the Senate April 8, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 1687.)

Page 109, line 41, delete "*reimbursement of local*" and insert "*grants to county*"

Page 109, line 42, delete "*for costs incurred*"

Page 109, line 43, delete "*in hiring*" and insert "*to hire*"

Page 109, line 44, delete "*inmates on supervised*" and insert "*offenders*"

Page 109, line 45, delete "*release*" and delete everything after the period

Page 109, delete lines 46 and 47

Page 110, line 1, delete "*section 4*"

Page 111, line 25, after "*detention*" insert "*, for home visitation for at-risk families,*"

Pages 109 to 111, remove the underlining in article 14

The motion prevailed. So the amendment was adopted.

Mr. Stumpf moved to amend H.F. No. 1849, as amended by the Senate April 8, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 1687.)

Page 34, line 34, strike everything after the first "public" and insert "*technical college, community college, or state university shall, and the University of Minnesota and each private post-secondary institution are requested to,*"

Page 34, line 35, strike "institution shall"

Page 35, line 11, strike "public"

Page 35, line 12, strike everything before "provide" and insert "*technical college, community college, or state university shall, and the University of Minnesota and each private post-secondary institution are requested to,*"

Page 35, line 15, strike everything after the period

Page 35, strike line 16

Page 35, line 17, strike everything before "The"

The motion prevailed. So the amendment was adopted.

Mr. McGowan moved to amend H.F. No. 1849, as amended by the Senate

April 8, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 1687.)

Page 60, line 35, delete "*18*" and insert "*20*"

Page 61, line 18, delete "*and*" and insert:

"*(9) two crime victims appointed by the governor; and*"

Page 61, line 19, delete "*(9)*" and insert "*(10)*"

Page 90, line 31, after the comma, insert "*victims of crimes committed by offenders while on probation,*"

Page 107, line 11, after the second comma, insert "*crime victims,*"

Page 109, line 9, before the period, insert "*who have been victims of crime*"

The motion prevailed. So the amendment was adopted.

Mr. Kelly moved to amend H.F. No. 1849, as amended by the Senate April 8, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 1687.)

Page 69, after line 31, insert:

"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 officers training account in the special revenue fund*. The peace officers standards and training board ~~may~~ *shall* allocate from ~~funds~~ appropriated *funds, net of operating expenses,* as follows:

(a) ~~Up to~~ 30 percent ~~may be provided~~ for reimbursement to ~~board-approved~~ *board-approved* skills courses.

(b) ~~Up to~~ 15 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."

Renumber the sections of article 8 in sequence and correct the internal references

Page 111, line 7, delete "*27,000*"

Page 111, delete lines 8 to 10 and insert:

"General Fund		(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."

Correct the subdivision and section totals and the summaries by fund accordingly

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Bertram moved to amend H.F. No. 1849, as amended by the Senate April 8, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 1687.)

Page 111, after line 30, insert:

"ARTICLE 15

SEX OFFENDER REGISTRATION

Section 1. Minnesota Statutes 1991 Supplement, section 243.166, subdivision 1, is amended to read:

Subdivision 1. [REGISTRATION REQUIRED.] *(a)* A person shall comply with this section after being *discharged from probation or* released from *a local correctional, juvenile detention or treatment facility, or* prison if:

(1) the person was *placed on probation,* sentenced to imprisonment *in a state or local correctional facility, or committed to a juvenile detention or treatment facility* 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 *discharged from probation,* released from imprisonment, *or released from a juvenile detention or treatment facility.*

(b) A person who is under 18 years of age and is convicted for an offense listed under paragraph (a), clause (1), is subject to the registration requirements of this section.

(c) A person who was sentenced to imprisonment following a conviction for murder under section 609.185, 609.19, or 609.195 when a violation of section 609.25, 609.342, 609.343, 609.344, or 609.345 was joined and prosecuted as part of the same criminal conduct shall comply with this section if ten years have not yet elapsed since the person was released from

imprisonment.

(d) 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.

Sec. 2. Minnesota Statutes 1991 Supplement, section 243.166, is amended by adding a subdivision to read:

Subd. 1a. [DEFINITIONS.] *The terms defined in this subdivision apply to this section.*

(a) "Releasing authority" means:

(1) in the case of a person placed on probation, the probation officer assigned to that person;

(2) in the case of a person sentenced to imprisonment in a state correctional facility, the commissioner of corrections;

(3) in the case of a person sentenced to imprisonment in a local correctional facility, the local correctional authority;

(4) in the case of a person committed to a juvenile detention facility, the head of the facility; and

(5) in the case of a person committed to a treatment facility, the head of the facility.

(b) "Treatment facility" has the meaning assigned the term in section 253B.02, subdivision 19.

Sec. 3. Minnesota Statutes 1991 Supplement, section 243.166, subdivision 2, is amended to read:

Subd. 2. [NOTICE.] *(a)* When a person who is required to register under ~~this section~~ *subdivision 1, paragraph (a) or (b),* is ~~released~~ *convicted of a crime, adjudicated delinquent, or committed to a treatment facility,* the ~~commissioner of corrections~~ *court* shall tell the person of the duty to register under section 243.165 and this section. The ~~commissioner~~ *court* 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~~ *court* 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~~ *court* 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.

(b) The commissioner of public safety shall give a written notice of the registration requirement in subdivision 1, paragraph (d), 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 subdivisions 3 and 4.

Sec. 4. Minnesota Statutes 1991 Supplement, section 243.166, subdivision 3, is amended to read:

Subd. 3. [REGISTRATION PROCEDURE.] (a) ~~The~~ *A* person *who is required to register under subdivision 1, paragraph (a) or (b),* shall~~, within 14 days after the end of the term of supervised release,~~ register with the ~~probation officer assigned to the person at the end of that term~~ *releasing authority before being released from an institution.*

(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.

(c) The head of a juvenile detention or treatment facility shall notify the commissioner of corrections when a person required to register under this section is released from a facility and the commissioner shall assign a probation officer to that person.

(d) The commissioner of corrections shall assign a probation officer to perform the registration requirements under this section for a person discharged from probation.

(e) A person who is required to register under subdivision 1, paragraph (d), shall, within ten days after receiving notice of the registration requirement from the commissioner of public safety, register with the commissioner of corrections. If the person changes residence address, the person shall give the new address to the commissioner of corrections within ten days. The commissioner of corrections shall, within three days after receipt of this information, forward it to the bureau of criminal apprehension.

Sec. 5. Minnesota Statutes 1991 Supplement, section 243.166, subdivision 4, is amended to read:

Subd. 4. [CONTENTS OF REGISTRATION.] The registration provided to the ~~probation officer~~ *releasing authority or, where applicable, to the commissioner of corrections* must consist of a statement in writing signed by the person, giving information required by the bureau of criminal apprehension, and a fingerprint card and photograph of the person if these have not already been obtained in connection with the offense that triggers registration. Within three days, the ~~probation officer~~ *releasing authority or commissioner of corrections* shall forward the statement, fingerprint card, and photograph to the bureau of criminal apprehension.

Sec. 6. Minnesota Statutes 1991 Supplement, section 243.166, subdivision 6, is amended to read:

Subd. 6. [REGISTRATION PERIOD.] (a) Notwithstanding the provisions of section 609.165, subdivision 1, a person required to register under this section shall continue to comply with this section until ten years have elapsed since the person was *discharged from probation,* released from imprisonment *in a state or a local correctional facility or a juvenile detention or treatment facility, or was required to register under subdivision 1, paragraph (d).*

(b) If a person required to register under this section fails to register following a change in address, the commissioner of public safety may require the person to continue to register for an additional period of five years.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective August 1, 1992, and apply to persons discharged from probation, released from a local correctional facility or a juvenile detention or treatment facility, or entering this state on or after that date. However, if the application of section 1 to offenders for crimes committed before August 1, 1992, is held unconstitutional under the ex post facto provisions of the Minnesota or United States constitutions, section 1 applies to offenders under 18 years of age and offenders whose victims were minors only if they committed crimes listed in that section after August 1, 1992."

Amend the title accordingly

Mr. Kelly moved to amend the Bertram amendment to H.F. No. 1849 as follows:

Page 5, lines 4, 9, and 13, delete "*1992*" and insert "*1993*"

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Dicklich moved that the following members be excused for a Conference Committee on H.F. No. 2121 at 4:30 p.m.:

Messrs. Dahl, Dicklich, DeCramer, Laidig and Ms. Pappas. The motion prevailed.

The question recurred on the Bertram amendment, as amended.

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

Those who voted in the affirmative were:

Adkins	Dahl	Johnston	Olson	Stumpf
Beckman	Davis	Kelly	Pariseau	Vickerman
Benson, J.E.	Day	Kroening	Price	Waldorf
Berg	Finn	Larson	Ranum	
Bernhagen	Frank	Lessard	Riveness	
Bertram	Johnson, D.E.	Metzen	Sams	
Chmielewski	Johnson, J.B.	Morse	Solon	

Those who voted in the negative were:

Belanger	Flynn	Johnson, D.J.	Merriam	Pogemiller
Benson, D.D.	Frederickson, D.J.	Knaak	Moe, R.D.	Reichgott
Berglin	Frederickson, D.R.	Langseth	Mondale	Renneke
Brataas	Gustafson	Luther	Neuville	Samuelson
Cohen	Halberg	Marty	Novak	Spear
DeCramer	Hottinger	McGowan	Pappas	Terwilliger
Dicklich	Hughes	Mehrkens	Piper	Traub

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

Mr. McGowan moved to amend H.F. No. 1849, as amended by the Senate April 8, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 1687.)

Page 109, after line 11, insert:

"ARTICLE 14

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.*"

Renumber the articles in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Waldorf moved to amend H.F. No. 1849, as amended by the Senate April 8, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 1687.)

Page 41, line 29, after "ABUSE" insert "AND HARASSMENT"

Page 50, after line 9, insert:

"Sec. 12. Minnesota Statutes 1991 Supplement, section 609.748, subdivision 3, is amended to read:

Subd. 3. [CONTENTS OF PETITION; *HEARING; NOTICE.*] *(a)* A petition for relief must allege facts sufficient to show the following:

(1) the name of the alleged harassment victim;

(2) the name of the respondent; and

(3) that the respondent has engaged in harassment.

The petition shall be accompanied by an affidavit made under oath stating the specific facts and circumstances from which relief is sought. The court shall provide simplified forms and clerical assistance to help with the writing and filing of a petition under this section and shall advise the petitioner of the right to sue in forma pauperis under section 563.01. *Upon receipt of the petition, the court shall order a hearing, which must be held not later than 14 days from the date of the order. Personal service must be made upon the respondent not less than five days before the hearing. If personal service cannot be completed in time to give the respondent the minimum*

notice required under this paragraph, the court may set a new hearing date.

(b) Notwithstanding paragraph (a), the order for a hearing and a temporary order issued under subdivision 4 may be served on the respondent by means of a one-week published notice under section 645.11, if:

(1) the petitioner files an affidavit with the court stating that an attempt at personal service made by a sheriff was unsuccessful because the respondent is avoiding service by concealment or otherwise; and

(2) a copy of the petition and order for hearing and any temporary restraining order has been mailed to the respondent at the respondent's residence or the respondent's residence is not known to the petitioner.

Sec. 13. Minnesota Statutes 1991 Supplement, section 609.748, subdivision 4, is amended to read:

Subd. 4. [TEMPORARY RESTRAINING ORDER.] (a) The court may issue a temporary restraining order ordering the respondent to cease or avoid the harassment of another person or to have no contact with that person if the petitioner files a petition in compliance with subdivision 3 and if the court finds reasonable grounds to believe that the respondent has engaged in harassment.

(b) Notice need not be given to the respondent before the court issues a temporary restraining order under this subdivision. *A copy of the restraining order must be served on the respondent along with the order for hearing and petition, as provided in subdivision 3.* A temporary restraining order may be entered only against the respondent named in the petition.

(c) The temporary restraining order is in effect until a hearing is held on the issuance of a restraining order under subdivision 5. The court shall hold the hearing on the issuance of a restraining order within 14 days after the temporary restraining order is issued unless (1) the time period is extended upon written consent of the parties; or (2) the time period is extended by the court for one additional 14-day period upon a showing that the respondent has not been served with a copy of the temporary restraining order despite the exercise of due diligence *or if service is made by published notice under subdivision 3 and the petitioner files the affidavit required under that subdivision.*

Sec. 14. Minnesota Statutes 1990, section 609.748, subdivision 5, is amended to read:

Subd. 5. [RESTRAINING ORDER.] (a) The court may grant a restraining order ordering the respondent to cease or avoid the harassment of another person or to have no contact with that person if all of the following occur:

(1) the petitioner has filed a petition under subdivision 3;

(2) the sheriff has served respondent with a copy of the temporary restraining order obtained under subdivision 4, and with notice of the time and place of the hearing, or service has been made by publication under *subdivision 3*, paragraph (b); and

(3) the court finds at the hearing that there are reasonable grounds to believe that the respondent has engaged in harassment.

A restraining order may be issued only against the respondent named in the petition. Relief granted by the restraining order must be for a fixed

period of not more than two years.

(b) ~~The order may be served on the respondent by means of a one-week published notice under section 645.11, if:~~

~~(1) the petitioner files an affidavit with the court stating that an attempt at personal service made by a sheriff was unsuccessful because the respondent is avoiding service by concealment or otherwise; and~~

~~(2) a copy of the order is mailed to the respondent at the respondent's residence or the respondent is not known to the petitioner.~~

~~Service under this paragraph is complete seven days after publication~~ *An order issued under this subdivision must be personally served upon the respondent.*"

Renumber the sections of article 6 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend H.F. No. 1849, as amended by the Senate April 8, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 1687.)

Page 109, after line 11, insert:

"ARTICLE 14

PROCEDURAL PROVISIONS

Section 1. Minnesota Statutes 1990, section 631.07, is amended to read:

631.07 [ORDER OF FINAL ARGUMENT.]

When the giving of evidence is concluded in a criminal trial, unless the case is submitted on both sides without argument, the prosecution may make a closing argument to the jury. The defense may then make its closing argument to the jury. ~~On the motion of the prosecution, the court may permit~~ The prosecution *shall then be permitted* to reply in rebuttal ~~if the court determines that the defense has made in its closing argument a misstatement of law or fact or a statement that is inflammatory or prejudicial. The rebuttal must be~~, limited to ~~a direct response to the misstatement of law or fact or the inflammatory or prejudicial statement~~ *argument which is responsive to the defendant's closing argument.*"

Renumber the articles in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 37 and nays 21, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Mehrkens	Riveness
Belanger	Davis	Johnson, J.B.	Mondale	Sams
Benson, D.D.	Day	Johnston	Novak	Samuelson
Benson, J.E.	Dicklich	Kelly	Olson	Traub
Berg	Flynn	Knaak	Pariseau	Vickerman
Bernhagen	Frederickson, D.R.	Kroening	Price	
Brataas	Gustafson	Larson	Ranum	
Chmielewski	Johnson, D.E.	McGowan	Renneke	

Those who voted in the negative were:

Beckman	Frederickson, D.J.	Luther	Morse	Waldorf
Bertram	Hottinger	Marty	Piper	
Cohen	Hughes	Merriam	Reichgott	
Finn	Langseth	Metzen	Spear	
Frank	Lessard	Moe, R.D.	Stumpf	

The motion prevailed. So the amendment was adopted.

Ms. Ranum moved to amend H.F. No. 1849, as amended by the Senate April 8, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 1687.)

Page 53, after line 10, insert:

"*Subd. 4.* [IMMUNITY.] *Unless a peace officer has committed a willful or malicious wrong, 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.*"

The motion prevailed. So the amendment was adopted.

Mr. McGowan moved to amend H.F. No. 1849, as amended by the Senate April 8, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 1687.)

Page 35, delete lines 21 to 36

Page 36, delete lines 1 to 6 and insert:

"*Subd. 2.* [VICTIMS' RIGHTS.] *The policy required under subdivision 1 shall, at a minimum, require that students and employees be informed of the policy, and shall include provisions for:*

(1) the prompt assistance of campus authorities in notifying the appropriate prosecutorial and disciplinary authorities of a sexual assault incident;

(2) an investigation and resolution of a sexual assault complaint by the appropriate prosecutor and campus disciplinary authorities;

(3) a sexual assault victim's participation in and the presence of the victim's attorney or other support person at any campus disciplinary proceeding concerning a sexual assault complaint;

(4) notice to a sexual assault victim of the outcome of any campus disciplinary proceeding concerning a sexual assault complaint, consistent with laws relating to data practices;

(5) the complete and prompt assistance of campus authorities, at the request of law enforcement authorities, in obtaining, securing, and maintaining evidence;

(6) the assistance of campus authorities in preserving for a complainant or victim materials relevant for a campus disciplinary proceeding; and

(7) the assistance of campus personnel, in cooperation with the appropriate law enforcement authorities, at a sexual assault victim's request, in shielding the victim from unwanted contact with the alleged assailant, including transfer of the victim to alternative classes or to alternative college-owned housing, if alternative classes or housing are available."

Mr. Waldorf moved to amend the McGowan amendment to H.F. No. 1849 as follows:

Page 1, after line 10, insert:

"*(1) filing criminal charges with local law enforcement officials;*"

Page 1, line 11, after "*authorities*" insert ", *at the request of the victim,*"

Page 1, line 12, delete "*prosecutorial*" and insert "*law enforcement officials*"

Page 1, line 15, delete "*the appropriate prosecutor and*"

Page 1, line 23, after the semicolon, insert "*and*"

Page 1, delete lines 24 to 29

Page 1, line 35, after "*available*" insert "*and feasible*"

Renumber the clauses in sequence

Mr. McGowan requested division of the Waldorf amendment to the McGowan amendment, as follows:

First portion:

Page 1, line 23, after the semicolon, insert "*and*"

Page 1, delete lines 24 to 29

Renumber the clauses in sequence

Second portion:

Page 1, after line 10, insert:

"*(1) filing criminal charges with local law enforcement officials;*"

Page 1, line 11, after "*authorities*" insert ", *at the request of the victim,*"

Page 1, line 12, delete "*prosecutorial*" and insert "*law enforcement officials*"

Page 1, line 15, delete "*the appropriate prosecutor and*"

Page 1, line 35, after "*available*" insert "*and feasible*"

Renumber the clauses in sequence

The question was taken on the adoption of the first portion of the Waldorf amendment to the McGowan amendment.

The roll was called, and there were yeas 25 and nays 34, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Frank	Larson	Pogemiller
Beckman	Davis	Frederickson, D.J.	Lessard	Sams
Berglin	DeCramer	Frederickson, D.R.	Metzen	Stumpf
Bertram	Finn	Hughes	Moe, R.D.	Vickerman
Brataas	Flynn	Johnson, D.J.	Neuville	Waldorf

Those who voted in the negative were:

Belanger	Hottinger	Langseth	Olson	Renneke
Benson, J.E.	Johnson, D.E.	Luther	Pappas	Samuelson
Cohen	Johnston	McGowan	Pariseau	Solon
Dahl	Kelly	Merriam	Piper	Spear
Day	Knaak	Mondale	Price	Terwilliger
Dicklich	Kroening	Morse	Ranum	Traub
Halberg	Laidig	Novak	Reichgott	

The motion did not prevail. So the first portion of the amendment to the amendment was not adopted.

The question was taken on the second portion of the Waldorf amendment to the McGowan amendment. The motion prevailed. So the second portion of the amendment to the amendment was adopted.

Mr. McGowan moved to amend the McGowan amendment, as amended, to H.F. No. 1849 as follows:

Page 1, line 25, delete "*request*" and insert "*direction*"

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

The question recurred on the McGowan amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Mr. Neuville moved to amend H.F. No. 1849, as amended by the Senate April 8, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 1687.)

Page 36, after line 6, insert:

"*Subd. 3.* [NO PRIVATE RIGHT OF ACTION.] *Nothing in this section shall be construed to confer a private right of action upon any person to enforce the provisions of this section.*"

The motion prevailed. So the amendment was adopted.

Mr. Finn moved to amend H.F. No. 1849, as amended by the Senate April 8, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 1687.)

Page 76, line 6, before "FIREARMS" insert "METROPOLITAN AREA"

Page 76, line 12, after "*location*" insert "*in the seven-county metropolitan area*"

Page 79, line 22, after "*including*" insert "*metropolitan area*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 31, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Frederickson, D.R.	Larson	Renneke
Beckman	Day	Hottinger	Lessard	Sams
Benson, J.E.	Dicklich	Johnson, D.E.	Moe, R.D.	Samuelson
Bertram	Finn	Johnson, D.J.	Morse	Solon
Chmielewski	Frank	Johnson, J.B.	Neuville	Stumpf
Dahl	Frederickson, D.J.	Langseth	Reichgott	Vickerman

Those who voted in the negative were:

Belanger	Hughes	McGowan	Pappas	Terwilliger
Berglin	Johnston	Mehrkens	Pariseau	Traub
Brataas	Kelly	Merriam	Piper	Waldorf
Cohen	Knaak	Metzen	Pogemiller	
DeCramer	Kroening	Mondale	Price	
Flynn	Laidig	Novak	Ranum	
Halberg	Luther	Olson	Spear	

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

Ms. Reichgott moved to amend H.F. No. 1849, as amended by the Senate April 8, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 1687.)

Page 43, line 20, after the period, insert "*Except for cases in which custody is contested, findings under section 257.025, 518.17, or 518.175 are not required.*"

Page 43, line 25, strike "deliberation under"

Page 43, line 26, strike "this subdivision" and insert "*decision on custody and visitation*"

Page 43, line 27, strike "Laws 1985,"

Page 43, line 28, strike "chapter 195" and insert "*this section*"

Page 45, after line 5, insert:

"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)~~ *(d)*. 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."

Page 53, after line 11, insert:

"*Sections 3, paragraph (a), clause (3); and 4 are effective the day following final enactment.*"

Renumber the sections of article 6 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Finn moved to amend H.F. No. 1849, as amended by the Senate April 8, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 1687.)

Page 52, line 25, before "*Each*" insert "*(a)*"

Page 52, after line 33, insert:

"*(b) The bureau of criminal apprehension, the board of peace officer standards and training, and the battered women's advisory council appointed by the commissioner of corrections under section 611A.34, in consultation with the Minnesota chiefs of police association, the Minnesota sheriffs association, and the Minnesota police and peace officers association, shall develop a written model policy regarding arrest procedures for domestic abuse incidents for use by local law enforcement agencies. Each law enforcement agency may adopt the model policy in lieu of developing its own policy under the provisions of paragraph (a).*

(c) Local law enforcement agencies that have already developed a written policy regarding arrest procedures for domestic abuse incidents before the effective date of this subdivision are not required to develop a new policy but must review their policies and consider the written model policy developed under paragraph (b)."

The motion prevailed. So the amendment was adopted.

Ms. Ranum moved to amend H.F. No. 1849, as amended by the Senate April 8, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 1687.)

Page 111, after line 30, insert:

"ARTICLE 15

CAMPUS SAFETY AND SECURITY

Section 1. [135A.36] [SAFETY AND SECURITY.]

Each public post-secondary institution must and each private post-secondary institution is requested to establish a security escort service plan for the institution by January 1, 1993. For the purpose of this section, "institution" means an eligible institution as defined in section 136A.101, subdivision 4.

Sec. 2. [CURRICULUM AND TRAINING ABOUT VIOLENCE AND ABUSE.]

Subdivision 1. [SURVEY OF RELEVANCY OF INSTRUCTION.] *The*

higher education coordinating board shall conduct a random survey of recent Minnesota graduates of an "eligible institution," focusing on teachers, school district administrators, school district professional support staff, child protection workers, law enforcement officers, probation officers, parole officers, lawyers, physicians, nurses, mental health professionals, social workers, guidance counselors, and all other mental health and health care professionals who work with adult and child victims and perpetrators of violence and abuse. The survey shall be designed to ascertain whether the instructional programs they completed provided adequate instruction about:

(1) the extent and causes of violence, which includes sexual abuse, physical violence, and neglect;

(2) identification of violence, which includes physical or sexual abuse or neglect or racial/cultural violence; and

(3) culturally responsive approaches to dealing with victims and perpetrators of violence.

For the purpose of this section, "eligible institution" has the meaning given it in Minnesota Statutes, section 136A.101, subdivision 4.

Subd. 2. [CURRENT COURSE OFFERINGS.] *Each public eligible institution must report, and each private eligible institution is requested to report, to the higher education coordinating board, current course offerings and special programs relating to the issues described in subdivision 1, clauses (1), (2), and (3). At a minimum, the reports must be filed for those departments offering majors for students entering the professions described in subdivision 1.*

Subd. 3. [IMPLEMENTATION PLAN.] *The higher education coordinating board shall convene and staff meetings of the boards that license occupations listed in subdivision 1, the governing boards of the University of Minnesota, the technical college, community college, and state university systems, and the Minnesota private college council. Those boards and the council shall develop a plan indicating how eligible institutions can strengthen curricula and special programs in the areas described in subdivision 1, clauses (1), (2), and (3). The plan shall consider the results of the random survey required by subdivision 1, and the review of current programs required in subdivision 2.*

Subd. 4. [REPORT TO LEGISLATURE.] *By February 15, 1993, the higher education coordinating board shall report to the legislature the results of the survey, required by subdivision 1, the review of current programs, required by subdivision 2, and the implementation plan, required by subdivision 3.*

Sec. 3. [STAFF DEVELOPMENT USING TECHNOLOGY.]

The departments of education, health, human services, and administration shall develop recommendations about improved uses of interactive television and the statewide telecommunications access routing system (STARS) to efficiently and effectively provide staff development for school district licensed and nonlicensed staff and training programs for child protection workers, law enforcement officers, probation officers, parole officers, lawyers, physicians, nurses, mental health professionals, social workers, guidance counselors, and all other mental health and health care professionals who work with adult and child victims and perpetrators of violence and

abuse. The higher education coordinating board shall convene meetings of the departments and coordinate efforts to develop those recommendations. The recommendations shall be reported by the higher education coordinating board to the legislature by February 15, 1993.

Sec. 4. [MULTIDISCIPLINARY PROGRAM GRANTS.]

The higher education coordinating board may award grants to "eligible institutions" as defined in Minnesota Statutes, section 136A.101, to provide multidisciplinary training programs that provide training about:

(1) the extent and causes of violence, which includes sexual abuse, physical violence, neglect, and racial/cultural violence;

(2) identification of violence, which includes physical or sexual abuse or neglect or racial/cultural violence; and

(3) culturally responsive approaches to dealing with victims and perpetrators of violence.

The programs shall be multidisciplinary and include teachers, child protection workers, law enforcement officers, probation officers, parole officers, lawyers, physicians, nurses, mental health professionals, social workers, guidance counselors, and all other mental health and health care professionals who work with adult and child victims and perpetrators of violence and abuse.

Sec. 5. [APPROPRIATIONS.]

$35,000 is appropriated from the general fund to the higher education coordinating board for fiscal year 1993 to perform its duties under section 2, subdivisions 1 and 3, and $150,000 for fiscal year 1993 to make at least three multidisciplinary program grants under section 4."

Amend the title accordingly

Mr. Stumpf moved to amend the Ranum amendment to H.F. No. 1849 as follows:

Page 1, line 9, after "*must*" insert a comma and after "*and*" insert "*the University of Minnesota and*"

Page 1, line 10, delete "*is*" and insert "*are*" and after "*to*" insert a comma

Page 2, line 3, after "*and*" insert "*the University of Minnesota and*"

Page 2, line 4, delete "*is*" and insert "*are*"

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

The question recurred on the Ranum amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Ms. Ranum moved to amend H.F. No. 1849, as amended by the Senate April 8, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 1687.)

Page 111, after line 30, insert:

"ARTICLE 15

VIOLENCE TRAINING

Section 1. [135A.35] [VIOLENCE PREVENTION TRAINING.]

By the beginning of the 1994-1995 academic year, all public post-secondary institutions must and all private post-secondary institutions are requested to offer a brief noncredit orientation on violence prevention. For the purpose of this section, "institution" means an eligible institution as defined in section 136A.101, subdivision 4. All faculty, staff, and students attending half-time or more must attend the orientation. For the purpose of this section, "half-time" means enrollment for a minimum of six credits per quarter or semester, or the equivalent. The higher education coordinating board shall assist the institutions in developing the orientation. If possible, students shall attend the orientation in their first term of attendance at the institution."

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 34 and nays 26, as follows:

Those who voted in the affirmative were:

Beckman	Flynn	Laidig	Morse	Riveness
Belanger	Frank	Luther	Novak	Sams
Berglin	Frederickson, D.R.	Marty	Pappas	Spear
Bertram	Hottinger	McGowan	Piper	Terwilliger
Brataas	Johnson, D.E.	Merriam	Pogemiller	Traub
Cohen	Johnson, J.B.	Moe, R.D.	Ranum	Vickerman
Dahl	Kelly	Mondale	Reichgott	

Those who voted in the negative were:

Adkins	Frederickson, D.J.	Langseth	Olson	Stumpf
Benson, J.E.	Halberg	Larson	Pariseau	Waldorf
Chmielewski	Johnson, D.J.	Lessard	Price	
Davis	Johnston	Mehrkens	Renneke	
Day	Knaak	Metzen	Samuelson	
DeCramer	Kroening	Neuville	Solon	

The motion prevailed. So the amendment was adopted.

Mr. Neuville moved to amend H.F. No. 1849, as amended by the Senate April 8, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 1687.)

Page 64, after line 14, insert:

"Sec. 3. Minnesota Statutes 1990, section 357.32, is amended to read:

357.32 [WITNESS; WHEN AND HOW PAID.]

When it appears that any witness subpoenaed or required to appear on behalf of the state has come from another state or country or is indigent, the court may, by order upon the minutes, direct the county treasurer to pay the witness a reasonable sum for expenses. ~~When a prosecution in the name of the state fails, or the defendant proves insolvent, escapes, or is unable to pay~~ The fees ~~when convicted, they~~ shall be paid out of the county treasury~~, unless otherwise ordered by the court~~. The court administrator of court upon request of the county attorney or the attorney general may issue subpoenas and compel the attendance of witnesses in behalf of the state or county without payment of fees in advance; and, in criminal cases, the witnesses

for the defendant shall also be compelled to attend without payment of fees in advance, and failure to attend after being served with a subpoena shall subject any witness to be proceeded against in the same manner as provided by law in other cases where payment of fees is required to be paid in advance. *When a defendant is represented by a public defender, neither the defendant nor the public defender may be charged for any witness fees or expenses or any subpoena fees.* The court administrator of any court in which a witness has attended on behalf of the state in a civil action shall give the witness a certificate of attendance and travel, which entitles the witness to receive the amount from the county treasurer.

Sec. 4. Minnesota Statutes 1991 Supplement, section 481.10, is amended to read:

481.10 [CONSULTATION WITH PERSONS RESTRAINED.]

All officers or persons having in their custody a person restrained of liberty ~~upon any charge or cause alleged~~, except in cases where imminent danger of escape exists, shall admit any ~~resident~~ attorney retained by or in behalf of the person restrained, or whom the restrained person may desire to consult, to a private interview at the place of custody. Such custodians, upon request of the person restrained, as soon as practicable, and before other proceedings shall be had, shall notify ~~any~~ *the* attorney ~~residing in the county~~ of the request for a consultation with the attorney. *At all times through the period of custody, whether or not the person restrained has been charged, tried, convicted, or is serving an executed sentence,* reasonable telephone access to the attorney shall be provided to the person restrained at no charge to the attorney or to the person restrained. Every officer or person who shall violate any provision of this section shall be guilty of a misdemeanor and, in addition to the punishment prescribed therefor shall forfeit $100 to the person aggrieved, to be recovered in a civil action.

Sec. 5. Minnesota Statutes 1990, section 611.271, is amended to read:

611.271 [COPIES OF DOCUMENTS; FEES.]

The court administrators of ~~all~~ courts, *the prosecuting attorneys of counties and municipalities, and the law enforcement agencies of the state and its political subdivisions* shall furnish, upon the request of the district public defender or the state public defender, copies of any documents, *including police reports*, in their possession at no charge to the public defender."

Page 69, line 33, delete "*3*" and insert "*6*"

Renumber the sections of article 8 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Finn moved to amend H.F. No. 1849, as amended by the Senate April 8, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 1687.)

Page 76, line 22, after "*safe*" insert "*or otherwise secured under lock and key*"

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

Mr. McGowan moved to amend the Stumpf amendment to H.F. No. 1849,

adopted by the Senate April 8, 1992, as follows:

Page 1, lines 7 and 13, delete "*and each*"

Page 1, lines 8 and 14, delete "*private post-secondary institution are*" and insert "*is*"

Page 1, delete lines 15 to 17

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

H.F. No. 1849 was read the third time, as amended, and placed on its final passage.

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

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

Those who voted in the affirmative were:

Adkins	Dicklich	Kelly	Mondale	Riveness
Beckman	Finn	Knaak	Morse	Sams
Belanger	Flynn	Kroening	Neuville	Samuelson
Benson, J.E.	Frank	Laidig	Novak	Solon
Berglin	Frederickson, D.J.	Larson	Olson	Spear
Bertram	Frederickson, D.R.	Lessard	Pappas	Stumpf
Brataas	Halberg	Luther	Pariseau	Terwilliger
Chmielewski	Hottinger	Marty	Piper	Traub
Cohen	Hughes	McGowan	Pogemiller	Vickerman
Dahl	Johnson, D.E.	Mehrkens	Price	Waldorf
Davis	Johnson, D.J.	Merriam	Ranum	
Day	Johnson, J.B.	Metzen	Reichgott	
DeCramer	Johnston	Moe, R.D.	Renneke	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Spear moved that S.F. No. 1687, on General Orders, be stricken and laid on the table. The motion prevailed.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From The House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the following change in the membership of the Conference Committee on House File No. 1903:

Delete the name of Rice and add the name of Kalis.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 8, 1992

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2694:

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 House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Kahn, Battaglia, Greenfield, Carlson and Rice have been appointed as such committee on the part of the House.

House File No. 2694 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 8, 1992

Mr. Merriam moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2694, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees

on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2940:

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 House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Ogren; Olson, E.; Rest; Jacobs and Schreiber have been appointed as such committee on the part of the House.

House File No. 2940 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 8, 1992

Mr. Johnson, D.J. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2940, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

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

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1978: A bill for an act relating to education; requiring faculty, staff, and students in post-secondary institutions to participate in violence prevention and sexual harassment training programs; requiring campus escort services; requiring recommendations from the higher education coordinating board about curricula, based upon a survey of graduates and current course offerings; authorizing grants for multidisciplinary training programs; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 135A.

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

Page 1, delete section 1

Page 1, line 26, delete "CAMPUS"

Page 1, line 27, delete "*(a)*"

Page 1, line 28, delete "*an*" and insert "*a security*"

Page 2, line 1, delete "*on the campus of*" and insert "*plan for*" and after "*institution*" insert "*by January 1, 1993*"

Page 2, delete lines 4 to 7

Page 2, lines 8 and 9, delete ", SEXUAL HARASSMENT,"

Page 3, line 5, delete ", *in consultation with*" and insert " *shall convene and staff meetings of*"

Page 3, line 9, after "*council*" insert ". *Those boards and the council*"

Page 3, line 22, delete ", *and the higher education coordinating board*"

Page 3, line 32, after the period, insert "*The higher education coordinating board shall convene meetings of the departments and coordinate efforts to develop those recommendations.*"

Page 3, line 33, after "*reported*" insert "*by the higher education coordinating board*"

Page 4, delete lines 18 to 31 and insert:

"*$35,000 is appropriated from the general fund to the higher education coordinating board for fiscal year 1993 to perform its duties under section 2, subdivisions 1 and 3, and $150,000 for fiscal year 1993 to make at least three multidisciplinary program grants under section 4.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, delete lines 3 and 4

Page 1, line 5, delete "programs;" and delete "campus"

Page 1, lines 6 and 7, delete "from the higher education coordinating board"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1750: 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; providing for resolution of local disapproval of certain county state-aid highway actions; providing that part of county state-aid highway fund be apportioned on basis of lane-miles; changing composition of county state-aid screening board; increasing municipal state-aid system mileage; revising the basis for determining population; changing composition of municipal screening board; amending the definition of highway and defining highway purpose; giving priority to certain metropolitan highway projects; requiring a statewide transit plan and system; creating Minnesota mobility trust fund and surface transportation fund;

increasing gasoline tax; making technical changes; amending Minnesota Statutes 1990, sections 160.02, subdivision 7, and by adding a subdivision; 162.02, subdivisions 8 and 10, and by adding a subdivision; 162.07, subdivisions 1, 5, and 6; 162.09, subdivisions 1 and 4; 162.13, subdivision 3; 162.155; 174.03, by adding a subdivision; 174.23, by adding a subdivision; 174.32, subdivision 2; and 296.02, subdivision 1b; Minnesota Statutes 1991 Supplement, section 16A.711, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 161; 174; and 297B; repealing Minnesota Statutes 1991 Supplement, sections 161.041; and 297B.09.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. Minnesota Statutes 1990, section 160.02, subdivision 7, is amended to read:

Subd. 7. [ROAD OR HIGHWAY.] "Road" or "highway" *is a corridor designed primarily for the efficient transportation of people and goods and* includes, unless otherwise specified, the several kinds of highways as defined in this section, including roads designated as minimum-maintenance roads, and also cartways, together with all bridges or other structures thereon which form a part of the same.

Sec. 2. Minnesota Statutes 1990, section 160.02, is amended by adding a subdivision to read:

Subd. 16. [CITY.] *Notwithstanding section 410.015, "city" includes both statutory and home rule charter cities.*

Sec. 3. [161.087] [HIGHWAY PURPOSES.]

(a) Revenues derived from the taxes imposed under chapters 168 and 296 and deposited in the highway user tax distribution fund may be used for highway projects, including public transit projects in highway corridors, that are designed to:

(1) maximize federal matching funds available under the federal Intermodal Surface Transportation Efficiency Act of 1991;

(2) contribute to attaining the congestion mitigation and ambient air quality standards of the federal Clean Air Act;

(3) relieve congestion and expedite travel;

(4) conserve energy; and

(5) reduce highway damage and other costs of highway use.

The uses in clauses (1) to (5) are deemed to be for highway purposes.

(b) "Public transit" means transit facilities available to the general public and includes the real property, equipment, and improvements used, constructed, operated, or maintained to provide transit facilities.

Sec. 4. Minnesota Statutes 1990, section 162.02, subdivision 8, is amended to read:

Subd. 8. [APPROVAL BY CITY.] No portion of the county state-aid highway system lying within the corporate limits of any city shall be constructed, reconstructed, or improved nor the grade thereof changed ~~without~~

~~the prior approval of the plans by the governing body of such city and the approval shall be in the manner and form required by the commissioner~~ *unless (1) the action has been approved by the city council of the city in which the portion lies, in the manner and form prescribed by the commissioner, or (2) the action has been authorized by the commissioner as provided in subdivision 8a.*

Sec. 5. Minnesota Statutes 1990, section 162.02, is amended by adding a subdivision to read:

Subd. 8a. [REVIEW COMMITTEE.] *(a) If a county proposes to abandon, change, revoke, construct, reconstruct, improve, or change the grade of a portion of a county state-aid highway lying within a city, and the city has refused to approve the action as provided in subdivision 8 or 10, the county may refer the dispute to the commissioner for resolution. A county may not refer a dispute for resolution under this section until one year after the date the action was submitted to the city council for approval. On receiving a request for dispute resolution, the commissioner shall establish a review committee consisting of the following five members:*

(1) one county commissioner and one county engineer, both appointed by the commissioner from the membership of the county state-aid advisory committee established in subdivision 2;

(2) one city council member and one city engineer, both appointed by the commissioner from the membership of the municipal state-aid rules advisory committee established in section 162.09, subdivision 2; and

(3) the department of transportation state-aid engineer or the state-aid engineer's designee.

(b) Within 30 days after its establishment and after notice to the affected city and county and to the commissioner, the review committee shall hold at least one public hearing on the disputed action. At the completion of its hearings, the review committee shall make a recommendation to the commissioner. Within ten days of receiving the review committee's recommendation, the commissioner shall issue an order (1) authorizing the action, (2) authorizing the action as modified by the commissioner, or (3) refusing to authorize the action. A county may not proceed with an action referred to the commissioner under this subdivision except in accordance with the commissioner's order.

Sec. 6. Minnesota Statutes 1990, section 162.02, subdivision 10, is amended to read:

Subd. 10. [ABANDONMENT OR REVOCATION.] County state-aid highways may be abandoned, changed, or revoked by joint action of the county board and the commissioner. If a county state-aid highway is established or located within the limits of a city, it shall not be abandoned, changed, or revoked without the concurrence of the governing body of such city; provided, that ~~any county state-aid highway established or located within a city may be abandoned, or revoked without concurrence if the city refuses or neglects for a period of one year after submittal to approve plans for the construction of such highway which plans conform to the construction standards provided in the commissioner's rules~~ *a county may refer a city's refusal to approve of an abandonment, change, or revocation to the commissioner for resolution as provided in subdivision 8a.*

Sec. 7. Minnesota Statutes 1991 Supplement, section 162.021, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] (a) The commissioner shall establish a natural preservation routes category within the county state-aid highway system.

(b) Natural preservation routes include *(1)* those routes ~~that possess~~ *designated by the commissioner under subdivision 5 as possessing* particular scenic, environmental, or historical characteristics, such as routes along lakes or through forests, wetlands, or flood plains, that would be harmed by construction or reconstruction meeting the engineering standards under section 162.07 or the rules adopted under that section*; and (2) any county state-aid highway any segment of which passes through or adjacent to and serves as a corridor to a federal wild and scenic river district established under chapter 103F*.

(c) The commissioner shall adopt rules establishing minimum construction and reconstruction standards that address public safety and reflect the function, lower traffic volume, and slower speed on natural preservation routes. The rules may not establish standards for natural preservation routes that are higher than the standards for national forest highways within national forests and state park access roads within state parks. Design standards specifying *slopes, construction limits, and* the width of vehicle recovery areas on forest highways, forest and park roads, and on natural preservation routes must minimize harmful environmental impact.

Sec. 8. Minnesota Statutes 1990, section 162.07, subdivision 1, is amended to read:

Subdivision 1. [FORMULA.] After deducting for administrative costs and for the disaster account and research account and state park roads as heretofore provided, the remainder of the total sum provided for in section 162.06, subdivision 1, shall be identified as the apportionment sum and shall be apportioned by the commissioner to the several counties on the basis of the needs of the counties as determined in accordance with the following formula:

(1) An amount equal to ten percent of the apportionment sum shall be apportioned equally among the 87 counties.

(2) An amount equal to ten percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its motor vehicle registration for the calendar year preceding the one last past, determined by residence of registrants, bears to the total statewide motor vehicle registration.

(3) An amount equal to 30 percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its total ~~miles~~ *existing lane-miles* of approved county state-aid highways bears to the total ~~miles~~ *existing lane-miles* of approved statewide county state-aid highways.

(4) An amount equal to 50 percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its money needs bears to the sum of the money needs of all of the individual counties; provided, that the percentage of such amount that each county is to receive shall be adjusted so that each county shall receive in 1958 a total apportionment at least ten

percent greater than its total 1956 apportionments from the state road and bridge fund; and provided further that those counties whose money needs are thus adjusted shall never receive a percentage of the apportionment sum less than the percentage that such county received in 1958.

Sec. 9. Minnesota Statutes 1990, section 162.07, subdivision 5, is amended to read:

Subd. 5. [SCREENING BOARD.] On or before September 1 of each year the county engineer of each county shall forward to the commissioner, on forms prepared by the commissioner, all information relating to the mileage *in lane-miles* of the county state-aid highway system in the county, and the money needs of the county that the commissioner deems necessary in order to apportion the county state-aid highway fund in accordance with the formula heretofore set forth. Upon receipt of the information the commissioner shall appoint a board consisting of ~~nine county engineers. The board shall be so selected that each~~ *one* county engineer ~~appointed shall be from a different~~ *from each* state highway construction district *and one county engineer as a permanent representative from each urban county, as defined in section 162.07, subdivision 4*. No county engineer *appointed to represent a state highway construction district* shall be appointed so as to serve consecutively for more than two years. The board shall investigate and review the information submitted by each county and shall on or before the first day of November of each year submit its findings and recommendations in writing as to each county's *lane* mileage and money needs to the commissioner on a form prepared by the commissioner. Final determination of the *lane* mileage of each system and the money needs of each county shall be made by the commissioner.

Sec. 10. Minnesota Statutes 1990, section 162.07, subdivision 6, is amended to read:

Subd. 6. [ESTIMATES TO BE MADE IF INFORMATION NOT PROVIDED.] In the event that any county shall fail to submit the information provided for herein, the commissioner shall estimate the *lane* mileage and the money needs of the county. The estimate shall be used in determining the apportionment formula. The commissioner may withhold payment of the amount apportioned to the county until the information is submitted.

Sec. 11. Minnesota Statutes 1990, section 162.09, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] There is created a municipal state-aid street system within cities having a population of 5,000 or more. The extent of the municipal state-aid street system shall not exceed ~~2,500~~ *3,000* miles, plus the mileage of all trunk highways reverted or turned back to the jurisdiction of cities pursuant to law on and after July 1, 1965. The system shall be established, located, constructed, reconstructed, improved, and maintained as public highways within such cities under rules, not inconsistent with this section, made and promulgated by the commissioner as hereinafter provided.

Sec. 12. Minnesota Statutes 1990, section 162.09, subdivision 4, is amended to read:

Subd. 4. [~~FEDERAL CENSUS TO BE CONCLUSIVE~~ *POPULATION DETERMINATION*.] (a) In determining whether any city has a population of 5,000 or more, the ~~last federal census~~ *population established by the most recent federal census, by a special census conducted under contract with*

the United States Bureau of the Census, by a population estimate made by the metropolitan council, or by a population estimate of the state demographer made under section 4A.02, whichever is the most recent as to the stated date of the count or estimate for the preceding calendar year, shall be conclusive.

(b) A city that has previously been classified as having a population of 5,000 or more for the purposes of chapter 162 and whose population decreases by less than 15 percent from the census figure that last qualified the city for inclusion shall ~~receive the following percentages of its 1981 apportionment for the years indicated: 1982, 66 percent and 1983~~, *for the two years following the last year the city qualified for inclusion, receive the following percentages of its last apportionment: in the first year, 66 percent and in the second year,* 33 percent. Thereafter the city shall not receive any apportionment from the municipal state-aid street fund unless its population is determined to be 5,000 or over by a ~~federal~~ census *in paragraph (a)*. ~~The governing body of the city may contract with the United States Bureau of the Census to take one special census before January 1, 1986.~~ A certified copy of the results of the census shall be filed with the appropriate state authorities by the city. The result of the census shall be the population of the city for the purposes of any law providing that population is a required qualification for distribution of highway aids under chapter 162. ~~The special census shall remain in effect until the 1990 federal census is completed and filed. The expense of taking the special census shall be paid by the city.~~

(c) If an entire area not heretofore incorporated as a city is incorporated as such during the interval between federal censuses, its population shall be determined by its incorporation census. The incorporation census shall be determinative of the population of the city only until the next ~~federal~~ census.

Sec. 13. Minnesota Statutes 1990, section 162.13, subdivision 3, is amended to read:

Subd. 3. [SCREENING COMMITTEE.] On or before September 1 of each year, the engineer of each city having a population of 5,000 or more shall forward to the commissioner on forms prepared by the commissioner, all information relating to the money needs of the city that the commissioner deems necessary in order to apportion the municipal state-aid street fund in accordance with the apportionment formula heretofore set forth. Upon receipt of the information the commissioner shall appoint a board of city engineers. The board shall be composed of *two engineers from the state highway construction district in the metropolitan area, as defined in section 473.121, subdivision 2,* one engineer from each state highway construction district *outside the metropolitan area*, and in addition thereto, one engineer from each city of the first class. The board shall investigate and review the information submitted by each city. On or before November 1 of each year, the board shall submit its findings and recommendations in writing as to each city's money needs to the commissioner on a form prepared by the commissioner. Final determination of the money needs of each city shall be made by the commissioner. In the event that any city shall fail to submit the information provided for herein, the commissioner shall estimate the money needs of the city. The estimate shall be used in solving the apportionment formula. The commissioner may withhold payment of the amount apportioned to the city until the information is submitted.

Sec. 14. Minnesota Statutes 1990, section 162.155, is amended to read:

162.155 [RULES.]

The commissioner shall adopt rules~~, no later than January 1, 1980,~~ in accordance with ~~sections 15.041 to 15.052,~~ *chapter 14* setting forth the criteria to be considered by the commissioner in evaluating requests for variances under sections 162.02, subdivision 3a and 162.09, subdivision 3a. The rules shall include, but are not limited to, economic, engineering and safety guidelines. ~~The engineering standards adopted pursuant to section 162.07, subdivision 2, or 162.13, subdivision 2, shall be adopted pursuant to the requirements of chapter 15 by July 1, 1980.~~

Sec. 15. Minnesota Statutes 1991 Supplement, section 168C.04, subdivision 2, is amended to read:

Subd. 2. [BICYCLE TRANSPORTATION ACCOUNT; MONEY ALLOCATED.] A bicycle transportation account is created in the special revenue fund. ~~All~~ *Subject to appropriation by the legislature,* funds in the account~~, up to a maximum of $160,000 in a fiscal year, are annually appropriated as follows:~~

~~(1) one-half to the commissioner of transportation for the~~ *shall be used by the commissioners of transportation, public safety, and natural resources for the following purposes: for the* development of bicycle transportation and recreational facilities on public highways, including but not limited to bicycle lanes and ways on highways, off-road bicycle trails, and bicycle mapping; ~~and~~

~~(2) one-half to the commissioner of public safety for~~ bicycle safety programs~~,~~; administration of the bicycle registration program~~,~~; and public information and education designed to encourage participation in the program.

Sec. 16. Minnesota Statutes 1990, section 174.03, is amended by adding a subdivision to read:

Subd. 9. [METROPOLITAN PROJECT PRIORITY.] *The commissioner and the metropolitan planning organization established by section 473.123 shall give priority to projects in highway corridors in the metropolitan area defined in section 473.121, subdivision 2, that are for the highway purposes under section 3, and that maximize the following goals of the state transportation system: a reasonable travel time for commuters; increased high-occupancy vehicle use; and increased public transit use in the urban areas by giving highest priority to the transportation modes projected to move the greatest number of people.*

Sec. 17. Minnesota Statutes 1990, section 174.23, is amended by adding a subdivision to read:

Subd. 9. [STATE TRANSIT SYSTEM AND PLAN.] *By January 1, 1996, the commissioner shall provide a comprehensive, coordinated public transit system serving every county of the state. By January 1, 1993, the commissioner shall submit a plan to the legislature to implement coordinated statewide public transit service.*

Sec. 18. Minnesota Statutes 1990, section 174.32, subdivision 2, is amended to read:

Subd. 2. [TRANSIT ASSISTANCE FUND; DISTRIBUTION.] (a) The transit assistance fund receives money distributed ~~under section 297B.09.~~

~~Eighty~~ ~~percent~~ ~~of~~ *from the Minnesota mobility trust fund as provided in section 19. As appropriated from time to time by law,* 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.

Sec. 19. [174.60] [MINNESOTA MOBILITY TRUST FUND.]

Subdivision 1. [ESTABLISHMENT.] *The Minnesota mobility trust fund is created, consisting of all proceeds of the tax imposed on motor vehicle repair services; money received from the federal government or any other public or private source; and any other money otherwise allotted, appropriated, or legislated to the fund.*

Subd. 2. [MOTOR VEHICLE REPAIR TAX RECEIPTS.] *On July 14 and January 14 each year, the commissioner of finance shall transfer from the general fund to the Minnesota mobility trust fund the amounts estimated by the commissioner of revenue to have been received during the preceding six calendar months from the sales tax on motor vehicle repair services under section 24, including interest earned on the receipts.*

Subd. 3. [APPORTIONMENT.] *Money in the fund must be transferred to the transit assistance fund and to the surface transportation fund for apportionment as follows: 80 percent to the transit assistance fund and 20 percent to the surface transportation fund. Money credited to the Minnesota mobility trust fund must be transferred from the Minnesota mobility trust fund on July 15 and January 15 of each fiscal year. The commissioner of finance must make each transfer based upon the actual receipts of the preceding six calendar months and include the interest earned during that six-month period. The commissioner of finance may establish a quarterly or other schedule providing for more frequent payments to the transit assistance fund if the commissioner determines it is necessary or desirable to provide for the cash flow needs of the recipients of money from the transit assistance fund.*

Subd. 4. [INVESTMENT OF THE MINNESOTA MOBILITY TRUST FUND.] *Upon the request of the commissioner, money in the Minnesota mobility trust fund shall be invested by the state board of investment in those securities authorized for that purpose in section 11A.21. All interest and profits from the investments shall be credited to the Minnesota mobility*

trust fund. The state treasurer shall be the custodian of all securities purchased under this section.

Sec. 20. [174.65] [SURFACE TRANSPORTATION FUND.]

Subdivision 1. [ESTABLISHMENT.] *The surface transportation fund is created in the state treasury consisting of money from the Minnesota mobility trust fund as provided in section 19.*

Subd. 2. [USES OF FUND.] *Money in the surface transportation fund may be expended by appropriation for:*

(1) activities of the commissioner of public safety relating to (i) driver licensing, (ii) motor vehicle registration and licensing, (iii) bicycle registration and related activities under section 168C.04, (iv) the accident reporting system, and (v) the state patrol;

(2) activities of the commissioner of transportation relating to oversize and overweight permits, including the cost of necessary highway maintenance and preservation related to granting those permits;

(3) activities of the commissioner of transportation related to junkyard screening and control of outdoor advertising devices;

(4) activities of the transportation regulation board related to motor carrier regulation;

(5) repayment of money borrowed for new buildings, and improvements to existing buildings, of the department of transportation;

(6) railroad grade crossing protection studies, grade crossing inventories, and grade crossing public education;

(7) activities of the transportation study board;

(8) improvements and maintenance of trunk highways;

(9) improvements and maintenance of county state-aid highways;

(10) improvements and maintenance of municipal state-aid streets;

(11) construction and reconstruction of key bridges on the state transportation system;

(12) programs to improve highway safety;

(13) planning and engineering design for transit services and facilities;

(14) capital assistance to purchase or refurbish transit vehicles, and other capital expenditures necessary to transit service; and

(15) other assistance for public transit services that furthers the purposes of section 174.21.

Subd. 3. [DISTRIBUTION.] *The amount remaining in the surface transportation fund after the legislature has made appropriations for the purposes in subdivision 2, clauses (1) to (7), must be allocated on the basis of the population of each state highway construction district, as determined by the last federal decennial census. Of the money allocated within a district, 38 percent shall be available for eligible projects proposed by counties and cities having a population greater than 5,000 in the district.*

Subd. 4. [INVESTMENT OF SURFACE TRANSPORTATION FUND.] *Upon the request of the commissioner, money in the surface transportation fund shall be invested by the state board of investment in those securities*

authorized for that purpose in section 11A.21. All interest and profits from the investments shall be credited to the surface transportation fund. The state treasurer shall be the custodian of all securities purchased under this section.

Sec. 21. 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~~ *June* 1, ~~1988~~ *1992*, gasoline is taxed at the rate of ~~20~~ *25* cents per gallon.

Sec. 22. 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. 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; *and*

(x) motor vehicle repair services described in section 24.

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. 23. Minnesota Statutes 1991 Supplement, section 297A.44, subdivision 1, is amended to read:

Subdivision 1. (a) Except as provided in paragraphs (b), (c), ~~and~~ (d), *and (e)*, and subdivision 4, all revenues, including interest and penalties, derived from the excise and use taxes imposed by sections 297A.01 to 297A.44 shall be deposited by the commissioner in the state treasury and credited to the general fund.

(b) All excise and use taxes derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project, from and after the date on which a conditional commitment for a loan guaranty for the project is made pursuant to section 41A.04, subdivision 3, shall be deposited in the Minnesota agricultural and economic account in the special revenue fund. The commissioner of finance shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account shall be reduced by any refunds and by the costs incurred by the department of revenue to administer and enforce the assessment and collection of the taxes.

(c) All revenues, including interest and penalties, derived from the excise and use taxes imposed on sales and purchases included in section 297A.01, subdivision 3, paragraphs (d) and (l), clauses (1) and (2), must be deposited by the commissioner in the state treasury, and credited as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance must be credited to the general fund.

(d) The revenues, including interest and penalties, derived from the taxes imposed on solid waste collection services as described in section 297A.45, except for the tax imposed under section 297A.021, shall be deposited by the commissioner in the state treasury and credited to the general fund to be used for funding solid waste reduction and recycling programs.

(e) Notwithstanding subdivision 4, all revenues, including interest and penalties, derived from the tax imposed on motor vehicle repair services as described in section 24 must be deposited by the commissioner in the state treasury and credited to the general fund to be used for the purposes of the Minnesota mobility trust fund as described in section 19.

Sec. 24. [297A.46] [MOTOR VEHICLE REPAIR SERVICES.]

Subdivision 1. [APPLICATION.] *The tax imposed by sections 297A.02 and 297A.021 applies to all motor vehicle repair services performed for a fee, including: (1) performance of vehicle maintenance; (2) repairs of defects or damages; (3) vehicle painting or repainting; (4) replacement or installation of parts; and (5) motor vehicle inspections other than those required under section 116.61.*

Subd. 2. [EXEMPTIONS.] *Motor vehicle repair services do not include: (1) any service described in section 297A.01, subdivision 3, paragraph (j), clause (ii); or (2) any motor vehicle customizing or similar service which does not involve performance of a service described in subdivision 1.*

Sec. 25. [473.372] [TRANSIT ROADWAY PLAN.]

By January 15, 1993, and each biennium thereafter, the commissioner of transportation shall, after review and approval by the metropolitan council, present to the legislature a plan to establish transit roadways as provided in the regional transit facilities plan prepared by the metropolitan council. The plan must include a five-year development program and a report on federal and other funds potentially available for the development of transit roadways.

For purposes of this section, "transit roadway" means an exclusive right-of-way for use by multi-occupant vehicles that is intended to reduce congestion on highways and freeways within the metropolitan area.

Sec. 26. [METROPOLITAN TRANSIT; REPORT.]

By January 15, 1993, the commissioner of transportation shall submit a report to the legislature on transit planning, governance, and operations in the metropolitan area. The commissioner shall consult the metropolitan council, the regional transit board, the metropolitan transit commission, and the replacement service programs in preparing the report. The report shall include recommendations on transferring functions of the regional transit board and on statutory changes needed to implement the recommendations.

Sec. 27. [NONSEVERABILITY.]

Sections 3 and 21 are not severable. If any provision of section 3 or 21 is held invalid, sections 3 and 21 are without effect.

Sec. 28. [APPROPRIATIONS.]

Subdivision 1. (a) Effective January 1, 1993, $25,000,000 is appropriated from the transit assistance fund to the metropolitan account and to the greater Minnesota assistance account. Of this amount, $19,325,000 is appropriated to the regional transit board and $5,675,000 is appropriated for greater Minnesota transit assistance. Of the amount appropriated to the regional transit board, no more than $9,025,000 may be used for metro mobility.

(b) $75,000 is appropriated from the transit assistance fund to the commissioner of transportation for the transit roadway plan in section 25. The approved complement of the department of transportation is increased by one position.

(c) $50,000 is appropriated from the transit assistance fund to the commissioner of transportation for the metropolitan transit report in section 26.

Subd. 2. $67,254,000 is appropriated from the trunk highway fund to the commissioner of transportation, in addition to the appropriation in Laws 1991, chapter 233, section 2, to be used as follows:

(1) state road operations, $7,000,000;

(2) state road construction, $48,254,000; and

(3) design engineering, $12,000,000.

Subd. 3. $70,000 is appropriated from the surface transportation fund to the commissioner of transportation to be used as follows:

(1) inventory railroad grade crossings, $50,000; and

(2) develop public education program, $20,000.

Subd. 4. (a) The appropriation in Laws 1991, chapter 233, section 2, subdivision 3, paragraph (a), for greater Minnesota transit assistance in fiscal year 1993 is reduced by $3,405,000.

(b) The appropriation in Laws 1991, chapter 233, section 3, for the regional transit board in fiscal year 1993 is reduced by $11,595,000.

(c) The appropriations in Laws 1991, chapter 298, article 5, section 7, subdivision 2, for fiscal year 1993 are canceled.

Sec. 29. [REPEALER.]

Minnesota Statutes 1991 Supplement, section 161.041, is repealed.

Sec. 30. [EFFECTIVE DATE.]

Sections 21 to 24 are effective for sales on or after June 1, 1992.

ARTICLE 2

Section 1. [ISSUANCE OF STATE TRANSPORTATION BONDS.]

On the request of the commissioner of transportation, the commissioner of finance shall issue and sell Minnesota state transportation bonds for the purposes provided in Minnesota Statutes, section 174.51, subdivision 1, in the aggregate principal amount of $5,410,000 in the manner and on the conditions prescribed in Minnesota Statutes, section 174.51, and in article XI of the Minnesota Constitution. The proceeds of the bonds, except as provided in Minnesota Statutes, section 174.51, subdivision 5, must be deposited in the Minnesota state transportation fund for expenditure in accordance with section 2 and with Minnesota Statutes, section 174.50.

Sec. 2. [APPROPRIATION AND DISTRIBUTION OF PROCEEDS.]

Subdivision 1. [APPROPRIATION.] *$5,410,000, or as much of that sum as the commissioner of transportation determines is needed, is appropriated from the Minnesota state transportation fund to the commissioner of transportation. 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.*

Subd. 2. [ALLOCATION.] *The commissioner shall not spend more than $5,410,000 of this appropriation in any fiscal year. Total grants in any fiscal year may not exceed the following limits:*

(1) to counties, $3,246,000;

(2) to cities, $1,082,000; and

(3) to towns, $1,082,000.

Subd. 3. [USES.] *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.

ARTICLE 3

Section 1. [ISSUANCE OF STATE TRANSPORTATION BONDS.]

On the request of the commissioner of transportation, the commissioner of finance shall issue and sell Minnesota state transportation bonds for the purposes provided in Minnesota Statutes, section 174.51, subdivision 1, in the aggregate principal amount of $16,250,000 in the manner and on the conditions prescribed in Minnesota Statutes, section 174.51, and in article XI of the Minnesota Constitution. The proceeds of the bonds, except as provided in Minnesota Statutes, section 174.51, subdivision 5, must be deposited in the Minnesota state transportation fund for expenditure in accordance with section 2 and with Minnesota Statutes, section 174.50.

Sec. 2. [APPROPRIATION AND DISTRIBUTION OF PROCEEDS.]

Subdivision 1. [APPROPRIATION.] *$16,250,000, or as much of that sum as the commissioner of transportation determines is needed, is appropriated from the Minnesota state transportation fund to the commissioner of transportation. The commissioner shall spend this sum to take advantage of federal aid appropriated for special projects in the federal Intermodal Surface Transportation Efficiency Act of 1991 and the Fiscal Year 1992 Department of Transportation and Related Agencies Act. This appropriation is available until spent.*

Subd. 2. [ALLOCATION.] *The commissioner shall allocate this appropriation as follows:*

(1) for construction and reconstruction of Forest highway 11 connecting Aurora-Hoyt Lakes and Silver Bay, $2,375,000;

(2) Mankato south route improvements, Mankato, $2,500,000;

(3) trunk highway 37 and Hughes road, $125,000;

(4) Nicollet county state-aid highway 41 for roadway stabilization and rockfall control, North Mankato, $750,000;

(5) Bloomington ferry bridge replacement, Shakopee, $10,000,000; and

(6) University of Minnesota center for transportation studies, institute for intelligent vehicle-highway concepts, $500,000."

Delete the title and insert:

"A bill for an act relating to transportation; providing for resolution of local disapproval of certain county state-aid highway actions; authorizing additional natural preservation routes; providing that part of county state-aid highway fund be apportioned on basis of lane-miles; changing composition of county state-aid screening board; increasing municipal state-aid system mileage; revising the basis for determining population; changing composition of municipal screening board; amending the definition of highway and defining highway purpose; giving priority to certain metropolitan highway projects; requiring a statewide transit plan and system; creating Minnesota mobility trust fund and surface transportation fund; increasing gasoline tax; imposing a tax on motor vehicle repair service and allocating tax proceeds to highway and transit purposes; requiring transit roadway plans; requiring a report; making technical changes; appropriating money; amending Minnesota Statutes 1990, sections 160.02, subdivision 7, and 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; 162.155; 174.03, by adding a subdivision; 174.23, by adding a subdivision; 174.32, subdivision 2; and 296.02, subdivision 1b; Minnesota Statutes 1991 Supplement, sections 162.021, subdivision 1; 168C.04, subdivision 2; 297A.01, subdivision 3; and 297A.44, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 161; 174; 297A; and 473; repealing Minnesota Statutes 1991 Supplement, section 161.041."

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

SECOND READING OF SENATE BILLS

S.F. No. 1978 was read the second time.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 2031: Mses. Reichgott, Flynn and Mr. Price.

H.F. No. 2694: Messrs. Luther, Kroening, Samuelson, Langseth and Frederickson, D.R.

H.F. No. 2940: Messrs. Johnson, D.J.; Pogemiller; Frederickson, D.J.; Mrs. Brataas and Ms. Reichgott.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Mr. Benson, D.D. was excused from the Session of today at 6:15 p.m. Mr. Berg was excused from the Session of today at 6:00 p.m. Messrs. Davis, DeCramer, Langseth, Mehrkens, Metzen, Renneke and Vickerman were excused from the Session of today from 12:00 noon to 1:45 p.m.

Mr. Johnson, D.J. was excused from the Session of today for brief periods of time and at 5:15 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 1:00 p.m., Thursday, April 9, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

NINETY-FIFTH DAY

St. Paul, Minnesota, Thursday, April 9, 1992

The Senate met at 1:00 p.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Gary Gilbertson.

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

Adkins	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moe, R.D.	Riveness
Belanger	Dicklich	Kelly	Mondale	Sams
Benson, D.D.	Finn	Knaak	Morse	Samuelson
Benson, J.E.	Flynn	Kroening	Neuville	Solon
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Halberg	Luther	Piper	Vickerman
Chmielewski	Hottinger	Marty	Pogemiller	Waldorf
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committee indicated.

March 30, 1992

The Honorable Jerome Hughes
President of the Senate

Dear Sir:

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

COMMISSIONER, PUBLIC UTILITIES COMMISSION

Thomas A. Burton, 822 Sierra Lane Northeast, Rochester, Olmsted County, Minnesota, has been appointed by me, effective April 3, 1992, for a term expiring on the first Monday in January, 1993.

(Referred to the Committee on Energy and Public Utilities.)

Warmest regards,
Arne H. Carlson, Governor

April 9, 1992

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 1252, 1558, 2311, 2383, 1985, 2177, 2382, 2392, 2299 and 2352.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 8, 1992

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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.

Senate File No. 1722 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 8, 1992

Mr. Kroening moved that the Senate do not concur in the amendments by the House to S.F. No. 1722, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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.

Senate File No. 1856 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 8, 1992

Mr. Moe, R.D. moved that S.F. No. 1856 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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.

Senate File No. 2037 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 8, 1992

CONCURRENCE AND REPASSAGE

Mr. Price moved that the Senate concur in the amendments by the House to S.F. No. 2037 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2037 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Beckman	DeCramer	Johnson, D.J.	McGowan	Price
Belanger	Dicklich	Johnson, J.B.	Mehrkens	Ranum
Benson, D.D.	Finn	Johnston	Merriam	Reichgott
Benson, J.E.	Flynn	Kelly	Metzen	Renneke
Berg	Frank	Knaak	Moe, R.D.	Sams
Bernhagen	Frederickson, D.J.	Kroening	Morse	Samuelson
Bertram	Frederickson, D.R.	Laidig	Neuville	Spear
Brataas	Gustafson	Langseth	Novak	Stumpf
Cohen	Halberg	Larson	Pappas	Terwilliger
Dahl	Hottinger	Lessard	Pariseau	Traub
Davis	Hughes	Luther	Piper	Vickerman
Day	Johnson, D.E.	Marty	Pogemiller	Waldorf

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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.

Senate File No. 2247 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 8, 1992

CONCURRENCE AND REPASSAGE

Mr. Kroening moved that the Senate concur in the amendments by the House to S.F. No. 2247 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2247: 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.

Was read the third time, as amended by the House, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Beckman	Dicklich	Kelly	Moe, R.D.	Renneke
Belanger	Flynn	Knaak	Mondale	Sams
Benson, D.D.	Frank	Kroening	Morse	Samuelson
Benson, J.E.	Frederickson, D.J.	Laidig	Neuville	Spear
Berg	Frederickson, D.R.	Langseth	Novak	Stumpf
Bernhagen	Gustafson	Larson	Olson	Terwilliger
Bertram	Halberg	Lessard	Pappas	Traub
Brataas	Hottinger	Luther	Pariseau	Vickerman
Cohen	Hughes	Marty	Piper	Waldorf
Dahl	Johnson, D.E.	McGowan	Pogemiller	
Davis	Johnson, D.J.	Mehrkens	Price	
Day	Johnson, J.B.	Merriam	Ranum	
DeCramer	Johnston	Metzen	Reichgott	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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.

Senate File No. 2136 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 8, 1992

Mr. Mondale moved that the Senate do not concur in the amendments by the House to S.F. No. 2136, and that a Conference Committee of 3 members

be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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.

Senate File No. 2257 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 8, 1992

Mr. Sams moved that the Senate do not concur in the amendments by the House to S.F. No. 2257, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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.

Senate File No. 2234 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 8, 1992

CONCURRENCE AND REPASSAGE

Mr. Finn moved that the Senate concur in the amendments by the House to S.F. No. 2234 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2234 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, D.J.	Metzen	Reichgott
Beckman	DeCramer	Johnson, J.B.	Moe, R.D.	Renneke
Belanger	Dicklich	Johnston	Mondale	Riveness
Benson, D.D.	Finn	Knaak	Morse	Sams
Benson, J.E.	Flynn	Kroening	Neuville	Samuelson
Berg	Frank	Langseth	Novak	Solon
Bernhagen	Frederickson, D.J.	Larson	Olson	Spear
Bertram	Frederickson, D.R.	Lessard	Pappas	Stumpf
Brataas	Gustafson	Luther	Pariseau	Terwilliger
Chmielewski	Halberg	Marty	Piper	Traub
Cohen	Hottinger	McGowan	Pogemiller	Vickerman
Dahl	Hughes	Mehrkens	Price	Waldorf
Davis	Johnson, D.E.	Merriam	Ranum	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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.

Senate File No. 2368 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 8, 1992

CONCURRENCE AND REPASSAGE

Mr. Finn moved that the Senate concur in the amendments by the House to S.F. No. 2368 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2368 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moe, R.D.	Riveness
Belanger	Finn	Kelly	Mondale	Sams
Benson, D.D.	Flynn	Knaak	Morse	Samuelson
Benson, J.E.	Frank	Kroening	Neuville	Solon
Berg	Frederickson, D.J.	Langseth	Novak	Spear
Bernhagen	Frederickson, D.R.	Larson	Olson	Stumpf
Bertram	Gustafson	Lessard	Pappas	Terwilliger
Brataas	Halberg	Luther	Pariseau	Traub
Chmielewski	Hottinger	Marty	Piper	Vickerman
Cohen	Hughes	McGowan	Price	Waldorf
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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.

Senate File No. 2389 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 8, 1992

CONCURRENCE AND REPASSAGE

Mr. Merriam moved that the Senate concur in the amendments by the House to S.F. No. 2389 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2389 was read the third time, as amended by the House, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Adkins	DeCramer	Johnston	Mondale	Sams
Beckman	Finn	Kelly	Morse	Samuelson
Belanger	Flynn	Knaak	Neuville	Solon
Benson, D.D.	Frank	Kroening	Novak	Spear
Benson, J.E.	Frederickson, D.J.	Langseth	Olson	Stumpf
Berg	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bernhagen	Gustafson	Lessard	Pariseau	Traub
Bertram	Halberg	Luther	Piper	Vickerman
Brataas	Hottinger	Marty	Price	Waldorf
Cohen	Hughes	McGowan	Ranum	
Dahl	Johnson, D.E.	Merriam	Reichgott	
Davis	Johnson, D.J.	Metzen	Renneke	
Day	Johnson, J.B.	Moe, R.D.	Riveness	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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.

Senate File No. 2728 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 8, 1992

Mr. Sams moved that the Senate concur in the amendments by the House to S.F. No. 2728 and that the bill be placed on its repassage as amended.

Mr. Knaak moved that the Senate do not concur in the amendments by the House to S.F. No. 2728, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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.

Senate File No. 2430 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 8, 1992

Mr. Sams moved that the Senate do not concur in the amendments by the House to S.F. No. 2430, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 2768, 2159, 2884, 699, 2269, 1960, 2280 and 2586.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 8, 1992

FIRST READING OF HOUSE BILLS

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

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.

Referred to the Committee on Education.

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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2702, now on General Orders.

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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2648, now on General Orders.

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.

Referred to the Committee on Finance.

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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2271, now on General Orders.

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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1910, now on General Orders.

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 sale of certain land in the Chisago county.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2193, now on General Orders.

H.F. No. 2586: A bill for an act providing for a study of the civic and cultural functions of downtown Saint Paul.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2323, now on General Orders.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1292: 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; expanding the authority of the public facilities authority to set and collect fees; amending Minnesota Statutes 1990, sections 115.03, subdivision 1; and 446A.04, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 116; and 446A.

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

Page 8, line 27, after "[FEES.]" insert "*(a)*"

Page 8, line 28, delete the new language and insert "*for audits, arbitrage accounting, and payment of fees charged by the state board of investment. The authority may also set and collect fees for costs incurred by the commissioner and the*"

Page 8, line 35, after the period, insert "*The disposition of fees collected for costs incurred by the authority is governed by section 446A.11, subdivision 13.*" and before "*must*" insert "*for costs incurred by the commissioner or the pollution control agency*"

Page 8, line 36, delete "*deposited in the state treasury and*"

Page 9, after line 1, insert:

"*(b) The authority shall annually report to the chairs of the finance and appropriations committees of the legislature on:*

(1) the amount of fees collected under this subdivision for costs incurred by the authority;

(2) the purposes for which the fee proceeds have been spent; and

(3) the amount of any remaining balance of fee proceeds.

Sec. 4. Minnesota Statutes 1990, section 446A.07, subdivision 8, is amended to read:

Subd. 8. [OTHER USES OF REVOLVING FUND.] The water pollution control revolving fund may be used as provided in title VI of the Federal Water Pollution Control Act, including the following uses:

(1) to buy or refinance the debt obligation of governmental units for treatment works where debt was incurred and construction begun after March 7, 1985, at or below market rates;

(2) to guarantee or purchase insurance for local obligations to improve credit market access or reduce interest rates;

(3) to provide a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the authority if the bond proceeds are deposited in the fund;

(4) to provide loan guarantees for similar revolving funds established by a governmental unit other than state agencies;

(5) to earn interest on fund accounts; and

(6) to pay the reasonable costs incurred by the authority and the agency of administering the fund and conducting activities required under the Federal Water Pollution Control Act, including water quality management planning under section 205(j) of the act and water quality standards continuing planning under section 303(e) of the act.

Amounts spent under clause (6) may not exceed the amount allowed under the Federal Water Pollution Control Act. ~~The authority may assess a service fee of up to five percent of revolving loan fund repayments for use by the agency and the authority for the purposes listed in clause (6).~~"

Page 9, lines 31 and 33, before "*agency*" insert "*pollution control*"

Page 10, lines 5, 25, and 28, before "*agency*" insert "*pollution control*"

Page 10, line 24, after "*the*" insert "*commissioner of the pollution control*"

Page 10, line 27, delete "*2*" and insert "*116.182*"

Page 11, delete section 5 and insert:

"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~~ *January 1, 1993*. ~~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.~~ *The council shall present its policy recommendations to the legislature by July 1, 1993.*

Sec. 7. [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, must 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 (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. [REPORT 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 report by January 4, 1993.*

Sec. 8. [APPROPRIATION ALLOCATION.]

(a) $100,000 remaining from the appropriation in Laws 1991, chapter 254, article 1, section 2, subdivision 2, is for grants to municipalities for the individual on-site treatment systems program under Minnesota Statutes, section 116.18, subdivision 3c. This amount must be transferred by the pollution control agency to the public facilities authority. Any unencumbered balance remaining in the first year does not cancel and is available for the second year of the biennium.

(b) Up to $50,000 of the amount in paragraph (a) may be awarded to a municipality or sanitary district for advanced alternative on-site treatment system demonstration projects in sensitive groundwater areas. An amount awarded under this paragraph must be matched by an equal amount of local funds from the municipality or sanitary district.

Sec. 9. [EFFECTIVE DATE.]

Sections 6 and 7 are effective the day following final enactment and apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Section 8 is effective the day following final enactment."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after the semicolon, insert "requiring a study and report; allocating appropriations;"

Page 1, line 9, delete "and"

Page 1, line 10, after the semicolon, insert "and 446A.07, subdivision 8; Laws 1991, chapter 183, section 1;"

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

Mr. Merriam from the Committee on Finance, to which was referred

S.F. No. 2781: A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

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

Page 4, delete section 3

Renumber the sections in sequence

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2655: A bill for an act relating to agriculture; making certain political subdivisions of the state eligible for reimbursement from the agricultural chemical response and reimbursement account; amending Minnesota Statutes 1990, section 18E.02, subdivision 5.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 18E.02, subdivision 5, is amended to read:

Subd. 5. [ELIGIBLE PERSON.] "Eligible person" means:

(1) a responsible party or an owner of real property, but does not include the state, a state agency, a political subdivision of the state, *except as provided in clause (2),* the federal government, or an agency of the federal government; *or*

(2) a political subdivision of the state when the political subdivision is the owner of an airport at which an incident occurs and a licensed aerial pesticide applicator has conducted storage, handling, or distribution operations for agricultural chemicals if (i) the commissioner determines that corrective action is necessary and (ii) the commissioner determines, and the agricultural chemical response compensation board concurs, that based on an affirmative showing made by the political subdivision, a responsible party cannot be identified or the identified responsible party is unable to comply with an order for corrective action."

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2012: A bill for an act relating to crimes; enforcing mandatory insurance requirement for vehicles; providing for penalties; providing for loss of driver's license and motor vehicle registration; amending Minnesota Statutes 1990, sections 169.791; 169.792; 169.793; 169.796; and 171.19; Minnesota Statutes 1991 Supplement, sections 168.041, subdivision 4; 169.795; 171.29, subdivision 1; and 171.30, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 169; repealing Minnesota Statutes 1990, section 169.792, subdivision 9; and Minnesota Statutes 1991 Supplement, section 168.041, subdivision 1a.

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

Page 2, line 35, delete "*169.7991*" and insert "*169.799*"

Page 19, after line 36, insert:

"Sec. 15. [APPROPRIATION.]

$66,000 is appropriated from the trunk highway fund to the commissioner of public safety to cover the additional expenditures required by this act, to be added to the appropriation in Laws 1991, chapter 233, section 5, subdivision 8, for fiscal year 1993.

The approved complement of the department of public safety is increased by one position."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "appropriating money;"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2662: 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; and 82.34, subdivisions 3, 4, 7, 9, 11, 13, and 14; repealing Minnesota Statutes 1990, section 82.34, subdivision 20.

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

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 compensation in addition to the brokerage commission or fee and represents the seller, buyer, lessor, or lessee in the sale, lease, or exchange of the subject property.

Sec. 2. Minnesota Statutes 1990, section 82.19, is amended by adding a subdivision to read:

Subd. 7. [SECURITIES SOLD BY BUSINESSES OUTSIDE SCOPE OF LICENSING.] *A license issued under this chapter does not allow a licensee to engage in the business of buying, selling, negotiating, brokering, or otherwise dealing in contracts for deed, mortgages, or other evidence of indebtedness regarding real estate, except that a licensee may, if there is no compensation in addition to the brokerage commission or fee, and if the licensee represents the seller, buyer, lessor, or lessee in the sale, lease, or exchange of real estate, arrange for the sale of a contract, mortgage, or similar evidence of indebtedness for the subject property.*"

Page 3, lines 25 and 27, reinstate the stricken "$150,000" and delete "*$75,000*"

Page 3, line 33, reinstate the stricken "$250,000" and delete "*$150,000*" and strike "per year"

Page 7, after line 10, insert:

"Sec. 11. [PENDING CLAIMS.]

The change in the per year limit contained in section 5 does not apply to a cause of action that was commenced before the effective date of this act."

Page 7, line 15, delete "*10*" and insert "*12*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 4 and 5, delete "80A.14, subdivision 4" and insert "82.19, by adding a subdivision"

Page 1, line 5, after "14;" insert "proposing coding for new law in Minnesota Statutes, chapter 80A;"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2505: 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.

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

Page 4, after line 33, insert:

"Section 1. Minnesota Statutes 1990, section 15A.083, subdivision 4, is amended to read:

Subd. 4. [RANGES FOR OTHER JUDICIAL POSITIONS.] Salaries or salary ranges are provided for the following positions in the judicial branch of government. The appointing authority of any position for which a salary range has been provided shall fix the individual salary within the prescribed range, considering the qualifications and overall performance of the employee. The supreme court shall set the salary of the state court administrator and the salaries of district court administrators. The salary of the state court administrator or a district court administrator may not exceed the salary of a district court judge. If district court administrators die, the amounts of their unpaid salaries for the months in which their deaths occur must be paid to their estates. The salaries of the district administrators of the second, fourth, and sixth judicial districts may be supplemented by the appropriate county board in an amount not to exceed $10,000 per year. The salary supplement may be made effective only until January 1, 1988. The salary of the state public defender shall be 95 percent of the salary of the attorney general.

	Salary or Range Effective July 1, ~~1987~~ *1992*
Board on judicial standards executive director	~~$34,000-$48,000~~ *$44,000-$60,000*"

Page 9, delete line 3

Page 9, after line 29, insert:

"Sec. 9. [APPROPRIATION.]

$10,000 is appropriated from the general fund to the board of judicial standards, to be added to the appropriation in Laws 1991, chapter 345, article 1, section 6, for fiscal year 1993."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "raising the salary range for the executive director of the board on judicial standards; appropriating money;" and delete "section" and insert "sections 15A.083, subdivision 4;"

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1292, 2781, 2655, 2012, 2662 and 2505 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Vickerman moved that the name of Mr. Frederickson, D.R. be added as a co-author to S.F. No. 2793. The motion prevailed.

Messrs. Solon and Metzen introduced—

Senate Resolution No. 142: A Senate resolution proclaiming the week of September 28 through October 4, 1992, as "Wine Appreciation Week" in the State of Minnesota and proclaiming the first week that encompasses the first full weekend in October of each year as "Minnesota Wine Appreciation Week."

Referred to the Committee on Rules and Administration.

Mr. Finn moved that S.F. No. 1856 be taken from the table. 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.

CONCURRENCE AND REPASSAGE

Mr. Finn moved that the Senate concur in the amendments by the House to S.F. No. 1856 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1856 was read the third time, as amended by the House, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Adkins	Day	Johnson, D.J.	Mehrkens	Ranum
Beckman	DeCramer	Johnson, J.B.	Merriam	Reichgott
Belanger	Dicklich	Johnston	Metzen	Renneke
Benson, D.D.	Finn	Kelly	Moe, R.D.	Riveness
Benson, J.E.	Flynn	Knaak	Mondale	Sams
Berglin	Frank	Kroening	Morse	Samuelson
Bernhagen	Frederickson, D.J.	Laidig	Neuville	Solon
Bertram	Frederickson, D.R.	Langseth	Novak	Spear
Brataas	Gustafson	Larson	Olson	Stumpf
Chmielewski	Halberg	Lessard	Pappas	Terwilliger
Cohen	Hottinger	Luther	Pariseau	Traub
Dahl	Hughes	Marty	Piper	Vickerman
Davis	Johnson, D.E.	McGowan	Price	Waldorf

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

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time and referred to the committee indicated.

Mr. Samuelson introduced—

S.F. No. 2794: 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.

Referred to the Committee on Governmental Operations.

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

CALENDAR

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnston	Moe, R.D.	Riveness
Beckman	DeCramer	Kelly	Mondale	Sams
Belanger	Dicklich	Knaak	Morse	Samuelson
Benson, D.D.	Finn	Kroening	Neuville	Solon
Benson, J.E.	Flynn	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Stumpf
Berglin	Frederickson, D.J.	Larson	Pappas	Terwilliger
Bernhagen	Frederickson, D.R.	Lessard	Pariseau	Traub
Bertram	Gustafson	Luther	Piper	Vickerman
Brataas	Hottinger	Marty	Pogemiller	Waldorf
Chmielewski	Hughes	McGowan	Price	
Cohen	Johnson, D.E.	Mehrkens	Ranum	
Dahl	Johnson, D.J.	Merriam	Reichgott	
Davis	Johnson, J.B.	Metzen	Renneke	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Metzen	Reichgott
Beckman	DeCramer	Johnston	Moe, R.D.	Renneke
Belanger	Dicklich	Kelly	Mondale	Riveness
Benson, D.D.	Finn	Knaak	Morse	Sams
Benson, J.E.	Flynn	Kroening	Neuville	Samuelson
Berg	Frank	Laidig	Novak	Solon
Berglin	Frederickson, D.J.	Langseth	Olson	Spear
Bernhagen	Frederickson, D.R.	Larson	Pappas	Stumpf
Brataas	Gustafson	Lessard	Pariseau	Terwilliger
Chmielewski	Halberg	Luther	Piper	Traub
Cohen	Hottinger	Marty	Pogemiller	Vickerman
Dahl	Hughes	McGowan	Price	Waldorf
Davis	Johnson, D.J.	Mehrkens	Ranum	

So the bill passed and its title was 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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Merriam	Ranum
Beckman	Day	Johnson, J.B.	Metzen	Reichgott
Belanger	DeCramer	Johnston	Moe, R.D.	Renneke
Benson, D.D.	Dicklich	Kelly	Mondale	Riveness
Benson, J.E.	Finn	Kroening	Morse	Sams
Berg	Flynn	Laidig	Neuville	Samuelson
Berglin	Frank	Langseth	Novak	Solon
Bernhagen	Frederickson, D.J.	Larson	Olson	Spear
Bertram	Frederickson, D.R.	Lessard	Pappas	Stumpf
Brataas	Gustafson	Luther	Pariseau	Terwilliger
Chmielewski	Halberg	Marty	Piper	Traub
Cohen	Hottinger	McGowan	Pogemiller	Vickerman
Dahl	Hughes	Mehrkens	Price	Waldorf

So the bill passed and its title was agreed to.

H.F. No. 2551: A bill for an act relating to corporations; regulating registrations of domestic corporations with the secretary of state; amending Minnesota Statutes 1990, section 302A.821, as amended.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, J.B.	Metzen	Renneke
Beckman	Day	Johnston	Moe, R.D.	Riveness
Belanger	DeCramer	Kelly	Mondale	Sams
Benson, D.D.	Dicklich	Knaak	Morse	Samuelson
Benson, J.E.	Finn	Kroening	Neuville	Solon
Berg	Flynn	Laidig	Novak	Spear
Berglin	Frank	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Pappas	Terwilliger
Bertram	Frederickson, D.R.	Lessard	Piper	Traub
Brataas	Halberg	Luther	Pogemiller	Vickerman
Chmielewski	Hottinger	Marty	Price	Waldorf
Cohen	Hughes	McGowan	Ranum	
Dahl	Johnson, D.J.	Mehrkens	Reichgott	

So the bill passed and its title was 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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Ranum
Beckman	Day	Johnson, J.B.	Metzen	Reichgott
Belanger	DeCramer	Johnston	Moe, R.D.	Renneke
Benson, D.D.	Dicklich	Kelly	Mondale	Riveness
Benson, J.E.	Finn	Knaak	Morse	Sams
Berg	Flynn	Kroening	Neuville	Samuelson
Berglin	Frank	Laidig	Novak	Solon
Bernhagen	Frederickson, D.J.	Langseth	Olson	Spear
Bertram	Frederickson, D.R.	Larson	Pappas	Stumpf
Brataas	Gustafson	Lessard	Pariseau	Terwilliger
Chmielewski	Halberg	Luther	Piper	Traub
Cohen	Hottinger	Marty	Pogemiller	Vickerman
Dahl	Hughes	McGowan	Price	Waldorf

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Day	Johnson, D.J.	Mehrkens	Ranum
Beckman	DeCramer	Johnson, J.B.	Metzen	Reichgott
Belanger	Dicklich	Johnston	Moe, R.D.	Renneke
Benson, D.D.	Finn	Kelly	Mondale	Riveness
Benson, J.E.	Flynn	Knaak	Morse	Sams
Berglin	Frank	Kroening	Neuville	Samuelson
Bernhagen	Frederickson, D.J.	Laidig	Novak	Solon
Bertram	Frederickson, D.R.	Langseth	Olson	Spear
Brataas	Gustafson	Larson	Pappas	Stumpf
Chmielewski	Halberg	Lessard	Pariseau	Terwilliger
Cohen	Hottinger	Luther	Piper	Traub
Dahl	Hughes	Marty	Pogemiller	Vickerman
Davis	Johnson, D.E.	McGowan	Price	Waldorf

So the bill passed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Dicklich moved that the following members be excused for a Conference Committee on H.F. No. 2121 at 3:00 p.m.:

Messrs. Dahl, Decramer, Dicklich, Laidig and Ms. Pappas. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

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

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

S.F. Nos. 1934, 2699 and 2565, which the committee recommends to pass.

S.F. No. 2199, which the committee recommends to pass, subject to the following motions:

Mr. Stumpf moved to amend S.F. No. 2199 as follows:

Page 18, line 12, after "fuel" insert "*is manufactured and sold in compliance with permits issued by the agency and*"

Page 18, line 30, after "*by*" insert "*state*" and after "*statute*" insert "*or federal law*"

Page 18, line 32, delete ", *if any*"

The motion prevailed. So the amendment was adopted.

Mr. Morse moved to amend S.F. No. 2199 as follows:

Page 25, after line 14, insert:

"Sec. 46. [ASSESSMENT OF LAND DISPOSAL FACILITIES.]

(a) For the purposes of this section, "facility" means a permitted mixed municipal solid waste disposal facility, as defined in Minnesota Statutes, section 115A.03.

(b) By October 9, 1994, the commissioner of the pollution control agency shall inspect all facilities and portions of facilities that have stopped accepting waste by October 9, 1993, to determine the status of closure activities and to evaluate the environmental and public health threats posed by the facility. The commissioner may undertake activities necessary to:

(1) evaluate the adequacy of final cover, slopes, vegetation, and erosion control;

(2) determine the presence and concentration of hazardous substances, pollutants or contaminants, and decomposition gases; and

(3) determine the boundaries of the fill areas.

(c) The commissioner of the pollution control agency shall identify actions that are necessary to achieve compliance with the following closure requirements at facilities inspected under paragraph (b):

(1) for a facility or portion of a facility that stopped accepting waste before November 15, 1988, the closure requirements in rules of the pollution control agency in effect on the effective date of this section; and

(2) for a facility or portion of a facility that stopped accepting waste after

November 15, 1988, the closure requirements in the facility's permit and the rules of the pollution control agency in effect on the effective date of this section.

Actions identified by the commissioner under this paragraph may include moving or consolidating waste from facilities.

(d) The commissioner of the pollution control agency shall establish a proposed priority list of the evaluated facilities based on the relative risk or danger to public health or welfare or the environment, taking into consideration to the extent possible the population at risk, the hazardous potential of substances at the facility, the potential for contamination of drinking water supplies, the potential for direct human contact, the potential for destruction of sensitive ecosystems, and other appropriate factors."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Johnson, J.B. moved to amend S.F. No. 2199 as follows:

Page 3, after line 20, insert:

"(d) Notwithstanding section 16B.09, subdivision 1, a public entity may pay a premium of up to ten percent above the lowest responsible bid to purchase paper products manufactured without the use of chlorine."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 30, as follows:

Those who voted in the affirmative were:

Adkins	Frederickson, D.J.	Johnson, J.B.	Mondale	Pogemiller
Cohen	Frederickson, D.R.	Kelly	Morse	Ranum
Davis	Halberg	Knaak	Novak	Reichgott
Dicklich	Hottinger	Luther	Olson	Riveness
Flynn	Hughes	Marty	Pappas	Sams
Frank	Johnson, D.J.	Merriam	Piper	Traub

Those who voted in the negative were:

Beckman	Bertram	Gustafson	Mehrkens	Samuelson
Belanger	Brataas	Johnson, D.E.	Metzen	Solon
Benson, D.D.	Chmielewski	Johnston	Neuville	Stumpf
Benson, J.E.	Dahl	Langseth	Pariseau	Terwilliger
Berg	Day	Larson	Price	Vickerman
Bernhagen	Finn	Lessard	Renneke	Waldorf

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

Mr. Bernhagen moved to amend S.F. No. 2199 as follows:

Page 23, after line 18, insert:

"Sec. 41. [INTERIM ORGANIZED SOLID WASTE COLLECTION.]

(a) A city with a population, according to the 1990 federal census, of more than 10,000 and less than 12,000 that, before the effective date of this section, has begun the process of organizing solid waste collection under Minnesota Statutes, section 115A.94, and that is a party to an exclusive contract for collection of solid waste that will expire before the new organized collection system will be effective, may:

(1) negotiate an extension of the existing exclusive contract to the date the new organized collection system will be effective;

(2) negotiate one or more separate waste collection contracts for the period between the expiration of the existing exclusive contract and the date the new organized collection system will be effective; or

(3) otherwise negotiate, with or without competitive bids, an interim waste collection system that may not be extended beyond the date the new organized collection system will be effective.

(b) This section does not affect the applicability of Minnesota Statutes, section 115A.94, to the city's new organized collection system."

Page 26, line 5, delete "*and*" and after "*36*" insert "*, and 41*"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Morse moved to amend S.F. No. 2199 as follows:

Page 21, line 4, after "*records*" insert "*of the charges collected under clause (1) and the amount of waste collected only to the extent necessary*"

Page 21, line 5, after "*charges*" insert "*required to be*"

Page 21, after line 5, insert:

"*Data received under clause (2) are private or nonpublic data as defined in section 13.02, subdivision 9 or 12.*"

The motion prevailed. So the amendment was adopted.

Mr. Dahl moved to amend the Dahl amendment to S.F. No. 2199, adopted by the Senate April 8, 1992, as follows:

Page 1, delete lines 2 and 3 and insert:

"Page 9, line 6, delete everything after the first "*the*" and insert "*minimum percentage of postconsumer material in the product or package:*"

Page 1, delete line 8

Page 1, line 9, delete everything before the quotation mark

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

Mr. Dahl then moved to amend S.F. No. 2199 as follows:

Page 5, line 6, delete "*sections 115.071 and*" and insert "*section*"

Page 19, line 19, delete "*Sections*"

Page 19, delete line 20

Pages 19 and 20, delete section 33

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 36, delete "325E.1251, subdivision 2;"

The motion prevailed. So the amendment was adopted.

Mr. Morse moved to amend S.F. No. 2199 as follows:

Page 17, after line 14, insert:

"Sec. 29. Minnesota Statutes 1990, section 116.12, subdivision 2, is amended to read:

Subd. 2. [HAZARDOUS WASTE GENERATOR FEE.] *(a)* Each generator of hazardous waste shall pay a fee on the hazardous waste generated by that generator. The agency shall compute the amount of the fee due based on the hazardous waste disclosures submitted by the generators and other information available to the agency. The agency shall annually prepare a statement of the amount of the fee due from each generator. The fee shall be paid annually commencing with the first day of the calendar quarter after the date of the statement.

(b) The agency may exempt generators of small quantities of hazardous wastes otherwise subject to the fee if it finds that the cost of administering a fee on those generators is excessive relative to the proceeds of the fee. The fee shall consist of a minimum fee for each generator not exempted by the agency and an additional fee based on the quantity of wastes generated by the generator.

(c) If any metropolitan counties recover the costs of administering county hazardous waste regulations by charging fees, the fees charged by the agency outside of those counties shall not exceed the fees charged by those counties. The agency shall not charge a fee in any metropolitan county which charges such a fee. The agency shall impose a fee calculated as a surcharge on the fees charged by the metropolitan counties and by the agency to reflect the agency's expenses in carrying out its statewide hazardous waste regulatory responsibilities. The surcharge imposed on the fees charged by the metropolitan counties shall be collected by the metropolitan counties in the manner in which the counties collect their generator fees. Metropolitan counties shall remit the proceeds of the surcharge to the agency by the last day of the month following the month in which they were collected.

(d) The agency may not impose a fee under this section on hazardous waste that is reused at the facility where the waste is generated."

Page 21, after line 19, insert:

"Sec. 38. Minnesota Statutes 1990, section 400.161, is amended to read:

400.161 [HAZARDOUS WASTE REGULATIONS.]

(a) The county may by ordinance establish and revise rules, regulations, and standards relating to: ~~(a)~~ *(1)* identification of hazardous waste, ~~(b)~~ *(2)* the labeling and classification of hazardous waste, ~~(c)~~ *(3)* the collection, transportation, processing, disposal, and storage of hazardous waste, ~~(d)~~ *and (4)* other matters as may be determined necessary for the public health, welfare and safety. The county may issue permits or licenses for hazardous waste generation and may require the generators be registered with a county office. The ordinance may require appropriate procedures for the payment by the generator of any costs incurred by the county in completing such procedures. If the generator fails to complete such procedures, the county may recover the costs of completion in a civil action in any court of competent jurisdiction or, in the discretion of the board, the costs may be certified to the county auditor as a special tax against the land as other taxes are collected. The ordinance may be enforced by injunction, action to compel performance, or other action in district court. County hazardous waste

ordinances shall embody and be consistent with agency hazardous waste rules. Counties shall submit adopted ordinances to the agency for review. In the event that agency rules are modified, each county shall modify its ordinances accordingly and shall submit the modification to the agency for review within 120 days. Issuing, denying, modifying, imposing conditions upon, or revoking permits or licenses and county hazardous waste regulations and ordinances shall be subject to review, denial, suspension, modification, and reversal by the pollution control agency. The pollution control agency shall after written notification have 15 days in the case of hazardous waste permits and licenses and 30 days in the case of hazardous waste ordinances to review, deny, suspend, modify, or reverse the action of the county. After this period, the action of the county board shall be final subject to appeal to the district court as provided in section 115.05.

(b) A county may not impose a fee on hazardous waste that is reused at the facility where the waste is generated.

Sec. 39. Minnesota Statutes 1990, section 473.811, subdivision 5b, is amended to read:

Subd. 5b. [ORDINANCES; HAZARDOUS WASTE MANAGEMENT.] *(a)* Each metropolitan county shall by ordinance establish and revise rules, regulations, and standards relating to: ~~(a)~~ *(1)* the identification of hazardous waste, ~~(b)~~ *(2)* the labeling and classification of hazardous waste, ~~(c)~~ *(3)* the collection, storage, transportation, processing, and disposal of hazardous waste, and ~~(d)~~ *(4)* other matters necessary for the public health, welfare and safety. The county shall require permits or licenses for the generation, collection, processing, and disposal of hazardous waste and shall require registration with a county office. County hazardous waste ordinances shall embody and be consistent with agency hazardous waste rules. Counties shall submit adopted ordinances to the agency for review. In the event that agency rules are modified, each county shall modify its ordinances accordingly and shall submit the modification to the agency for review within 120 days. Issuing, denying, suspending, modifying, imposing conditions upon, or revoking hazardous waste permits or licenses, and county hazardous waste regulations and ordinances, shall be subject to review, denial, suspension, modification, and reversal by the agency. The agency shall after written notification have 15 days in the case of hazardous waste permits and licenses and 30 days in the case of hazardous waste ordinances to review, suspend, modify, or reverse the action of the county. After this period, the action of the county board shall be final subject to appeal to the district court in the manner provided in chapter 14.

(b) A metropolitan county may not impose a fee on hazardous waste that is reused at the facility where the waste is generated."

Page 26, line 5, delete "*29, 30, 35, and 36*" and insert "*30, 31, and 36 to 39*"

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 18, after the semicolon, insert "prohibiting the imposition of fees on the generation of certain hazardous wastes that are reused or recycled;"

Page 1, line 29, after "115A.981;" insert "116.12, subdivision 2;"

Page 1, line 30, after "5;" insert "400.161; 473.811, subdivision 5b;"

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend S.F. No. 2199 as follows:

Page 9, line 7, after the period, insert "*For purposes of this section, "product" includes advertising material and campaign material as defined in section 211B.01, subdivision 2.*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 52 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kelly	Moe, R.D.	Renneke
Beckman	Finn	Knaak	Mondale	Riveness
Belanger	Flynn	Kroening	Morse	Sams
Benson, D.D.	Frank	Larson	Neuville	Samuelson
Benson, J.E.	Frederickson, D.J.	Lessard	Novak	Spear
Berglin	Frederickson, D.R.	Luther	Olson	Stumpf
Bernhagen	Halberg	Marty	Pariseau	Terwilliger
Bertram	Johnson, D.E.	McGowan	Piper	Vickerman
Brataas	Johnson, D.J.	Mehrkens	Pogemiller	
Cohen	Johnson, J.B.	Merriam	Price	
Davis	Johnston	Metzen	Ranum	

The motion prevailed. So the amendment was adopted.

H.F. No. 1873, which the committee recommends to pass with the following amendments offered by Messrs. Pogemiller and Kroening:

Mr. Pogemiller moved to amend H.F. No. 1873 as follows:

Page 3, line 27, delete everything after "*(j)*"

Page 3, delete lines 28 to 31 and insert "*Unless otherwise provided by a collective bargaining agreement, if retired employees were not permitted to remain in the active employee group prior to the effective date of sections 1 and 2, a public employer may assess active employees through payroll deduction for all or part of the additional premium costs from the inclusion of retired employees in the active employee group. This paragraph does not apply to employees covered by section 179A.03, subdivision 7.*

(k) Notwithstanding section 179A.20, subdivision 2a, insurance continuation under this subdivision may be provided for in a collective bargaining agreement or personnel policy."

Page 3, line 35, after "*for*" insert "*each bargaining unit of*"

Page 3, line 36, after the period, insert "*Coverage may be delayed until the beginning of the next contract year of the employer-sponsored hospital, medical, and dental insurance plan.*"

The motion prevailed. So the amendment was adopted.

Mr. Kroening moved to amend H.F. No. 1873 as follows:

Page 2, after line 11, insert:

"Sec. 2. Minnesota Statutes 1990, section 43A.316, is amended by adding a subdivision to read:

Subd. 6a. [CHIROPRACTIC SERVICES.] *All benefits provided by the plan or a successor plan relating to expenses incurred for medical treatment or services of a physician must also include chiropractic treatment and services of a chiropractor to the extent that the chiropractic services and*

treatment are within the scope of chiropractic licensure.

This subdivision is intended to provide equal access to benefits for plan members who choose to obtain treatment for illness or injury from a doctor of chiropractic, as long as the treatment falls within the chiropractor's scope of practice. This subdivision is not intended to change or add to the benefits provided for in the plan."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 2106, which the committee recommends to pass with the following amendment offered by Mr. Kelly:

Amend H.F. No. 2106, as amended pursuant to Rule 49, adopted by the Senate March 31, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 1836.)

Page 3, line 29, after the period, insert "*As part of the background investigation, the bureau of criminal apprehension shall conduct criminal history checks of Minnesota records and is authorized to exchange fingerprints with the Federal Bureau of Investigation for the purpose of a criminal background check of the national files.*"

Page 3, after line 30, insert:

"*(d) For purposes of this section, "applicant" includes an employee who exercises management or policy control over the company, a director, an officer, a limited or general partner, a manager, or a shareholder holding more than ten percent of the outstanding stock of the corporation.*"

Page 4, line 35, after "NAME" insert ", *OWNERSHIP,*"

Page 4, line 36, before "If" insert "*Subdivision 1.* [NAME OR LOCATION.]"

Page 5, after line 9, insert:

"*Subd. 2.* [OWNERSHIP.] *The licensee shall notify the commissioner 30 business days in advance of any change in ownership of the currency exchange. The commissioner may revoke the currency exchange license if the new ownership would have resulted in a denial of the initial license under the provisions of chapter 53A.*"

Page 5, line 29, after the period, insert "*In determining the additional amount of the bond which may be required, the commissioner may require the licensee to file its financial records, including all bank statements, pertaining to the sale of money orders for the preceding 12-month period.*"

Page 6, after line 8, insert:

"*Subd. 3.* [FEES AND EXPENSES.] *The licensee shall pay the costs of an examination or investigation in the manner provided under section 60A.03, subdivision 5.*"

Page 6, line 13, delete "*subdivision*" and insert "*subdivisions*" and after the second "2" insert "*and 3*" and delete "*applies*" and insert "*apply*"

The motion prevailed. So the amendment was adopted.

S.F. No. 2411, which the committee recommends to pass with the following amendment offered by Mr. Finn:

Page 107, after line 21, insert:

"ARTICLE 5

BURIAL OF INDIGENTS

Section 1. [149.10] [CREMATION; UNCLAIMED REMAINS.]

Any funeral director, or other person or establishment licensed under this chapter, may arrange for proper disposal after one year of cremains unclaimed by family or next of kin.

Sec. 2. Minnesota Statutes 1991 Supplement, section 256.935, subdivision 1, is amended to read:

Subdivision 1. On the death of any person receiving public assistance through aid to dependent children, the county agency shall pay an amount for funeral expenses not exceeding ~~$370 and~~ *the amount paid for comparable services under section 261.035 plus* actual cemetery charges. No funeral expenses shall be paid if the estate of the deceased is sufficient to pay such expenses or if the ~~children, or~~ spouse, who ~~were~~ *was* legally responsible for the support of the deceased while living, ~~are~~ *is* able to pay such expenses; provided, that the additional payment or donation of the cost of cemetery lot, interment, religious service, or for the transportation of the body into or out of the community in which the deceased resided, shall not limit payment by the county agency as herein authorized. Freedom of choice in the selection of a funeral director shall be granted to persons lawfully authorized to make arrangements for the burial of any such deceased recipient. In determining the sufficiency of such estate, due regard shall be had for the nature and marketability of the assets of the estate. The county agency may grant funeral expenses where the sale would cause undue loss to the estate. Any amount paid for funeral expenses shall be a prior claim against the estate, as provided in section 524.3-805, and any amount recovered shall be reimbursed to the agency which paid the expenses. The commissioner shall specify requirements for reports, including fiscal reports, according to section 256.01, subdivision 2, paragraph (17). The state share of county agency expenditures shall be 50 percent and the county share shall be 50 percent. Benefits shall be issued to recipients by the state or county and funded according to section 256.025, subdivision 3, subject to provisions of section 256.017.

Beginning July 1, 1991, the state will reimburse counties according to the payment schedule set forth in section 256.025 for the county share of county agency expenditures made under this subdivision from January 1, 1991, on. Payment under this subdivision is subject to the provisions of section 256.017.

Sec. 3. Minnesota Statutes 1991 Supplement, section 261.035, is amended to read:

261.035 [~~BURIAL~~ *FUNERALS* AT EXPENSE OF COUNTY.]

When a person dies in any county without apparent means to provide for ~~burial and without relatives of sufficient ability to procure the burial~~ *that person's funeral or final disposition*, the county board shall first investigate to determine whether ~~the~~ *that* person ~~who has died has~~ *had* contracted for any prepaid ~~burial~~ *funeral* arrangements. If ~~such~~ arrangements have been

made, the county shall authorize ~~burial~~ *arrangements to be implemented* in accord with the ~~written~~ instructions of the deceased. If it is determined that the person did not leave sufficient means to defray the necessary expenses of ~~burial~~ *a funeral and final disposition*, nor any ~~relatives therein~~ *spouse* of sufficient ability to procure the burial, the county board shall ~~cause~~ *provide for* a ~~decent burial or cremation~~ *funeral and final disposition* of the person's remains to be made at the expense of the county. ~~Cremation shall not be used for persons who are known to be opposed to cremation because of religious affiliation or belief.~~ *Any funeral and final disposition provided at the expense of the county shall be in accordance with religious and moral beliefs of the decedent or the decedent's spouse or the decedent's next of kin. If the wishes of the decedent are not known and the county has no information about the existence of or location of any next of kin, the county may determine the method of final disposition.*"

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 419, which the committee recommends to pass with the following amendments offered by Mr. Morse:

Amend H.F. No. 419, as amended pursuant to Rule 49, adopted by the Senate April 1, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 410.)

Page 3, line 7, delete everything after the period

Page 3, delete lines 8 and 9 and insert "*The state board of investment shall establish policies and procedures under section 11A.04, clause (2), to carry out this paragraph.*"

Page 3, line 12, after "*under*" insert "*paragraph (b),*" and after "*(4)*" insert a comma

The motion prevailed. So the amendment was adopted.

Mr. Morse then moved to amend H.F. No. 419, as amended pursuant to Rule 49, adopted by the Senate April 1, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 410.)

Page 1, after line 7, insert:

"Section 1. [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 (f) apply.*

(b) [AUTOMOBILE RISKS.] *"Automobile risks" means the risk of providing no-fault insurance under sections 65B.41 to 65B.71.*

(c) [MOTOR VEHICLE.] *"Motor vehicle" has the meaning given in section 65B.43, subdivision 2.*

(d) [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.*

(e) [SELF-INSURANCE.] *"Self-insurance" means the condition of qualifying as a self-insurer by complying with section 65B.48, subdivisions 3 and 3a.*

(f) [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. [PREMIUM TAX 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 an annual amount for each vehicle of:*

(1) $15 for a private passenger vehicle as defined in section 65B.001, subdivision 3, or a utility vehicle as defined in section 65B.001, subdivision 4, not including a taxi; or

(2) $25 for a taxi or any other self-insured vehicle not covered by clause (1).

The amount required under this subdivision is payable no later than July 1, annually, to the commissioner of revenue. A late payment penalty of $10 a vehicle is assessed if the amount is not paid on or before July 1, and an additional amount equal to the original payment amount if the total amount is not paid until after December 1 of the same year. A self-insurer who is more than six months delinquent in paying the amount due must be referred to the commissioner of commerce for action, which may include revocation of the self-insured's self-insurer status.

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. 2. 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 1 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. 3. 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."

Page 3, after line 19, insert:

"Sec. 5. [EFFECTIVE DATE.]

Section 1 is effective January 1, 1992. Sections 2 and 3 are effective July 1, 1992."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "police state aid program; requiring payments equivalent to automobile insurance premium taxes by self-insurers;"

Page 1, line 6, before the period, insert "; Minnesota Statutes 1991 Supplement, section 69.021, subdivisions 5 and 6; proposing coding for new law in Minnesota Statutes, chapter 60A"

The motion prevailed. So the amendment was adopted.

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1399 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON 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.

April 2, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1399, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate concur in the House amendment.

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

Senate Conferees: (Signed) Joanne Benson, Steven G. Novak, Gene Waldorf

House Conferees: (Signed) Joel Jacobs, Rich O'Connor, Ben Boo

Mrs. Benson, J.E. moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1399 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1399 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Adkins	Finn	Knaak	Morse	Riveness
Beckman	Flynn	Kroening	Neuville	Sams
Belanger	Frank	Laidig	Novak	Samuelson
Benson, D.D.	Frederickson, D.J.	Langseth	Olson	Spear
Benson, J.E.	Frederickson, D.R.	Larson	Pappas	Terwilliger
Berg	Hottinger	Luther	Pariseau	Traub
Bernhagen	Hughes	Marty	Piper	Vickerman
Bertram	Johnson, D.E.	McGowan	Pogemiller	Waldorf
Chmielewski	Johnson, D.J.	Mehrkens	Price	
Cohen	Johnson, J.B.	Metzen	Ranum	
Day	Johnston	Moe, R.D.	Reichgott	
DeCramer	Kelly	Mondale	Renneke	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1849:

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 House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Vellenga, Solberg, Seaberg, Wagenius and Pugh have been appointed as such committee on the part of the House.

House File No. 1849 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 9, 1992

Mr. Spear moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1849, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Reichgott moved that H.F. No. 57 be withdrawn from the Committee on Taxes and Tax Laws and re-referred to the Committee on Finance. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 2136: Messrs. Mondale, Solon and Halberg.

S.F. No. 2257: Messrs. Sams, Davis and Renneke.

S.F. No. 2728: Messrs. Sams, Waldorf and Renneke.

S.F. No. 2430: Messrs. Sams, Finn and Novak.

S.F. No. 1722: Messrs. Kroening, Merriam and Gustafson.

H.F. No. 1849: Messrs. Spear, Kelly, McGowan, Ms. Ranum and Mr. Marty.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Reichgott moved that her name be stricken as chief author, shown as a co-author, and the name of Mr. Johnson, D.J. be shown as chief author to S.F. No. 60. The motion prevailed.

MEMBERS EXCUSED

Mr. Mondale was excused from the Session of today from 1:30 to 1:40 p.m. Mr. Laidig was excused from the Session of today from 1:45 to 2:15 p.m. Ms. Reichgott was excused from the Session of today from 3:30 to 5:00 p.m. Mr. Halberg was excused from the Session of today at 5:00 p.m. Mr. Lessard was excused from the Session of today at 5:40 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Friday, April 10, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

NINETY-SIXTH DAY

St. Paul, Minnesota, Friday, April 10, 1992

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Richard Keene Smith.

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

Adkins	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moe, R.D.	Riveness
Belanger	Dicklich	Kelly	Mondale	Sams
Benson, D.D.	Finn	Knaak	Morse	Samuelson
Benson, J.E.	Flynn	Kroening	Neuville	Solon
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Halberg	Luther	Piper	Vickerman
Chmielewski	Hottinger	Marty	Pogemiller	Waldorf
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

April 8, 1992

The Honorable Jerome M. Hughes
President of the Senate

Dear President Hughes:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 2028 and 2637.

Warmest regards,
Arne H. Carlson, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 522, 1805, 2547, 2298, 2380, 2694, 1729 and 1801.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 9, 1992

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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.

Senate File No. 1716 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 9, 1992

CONCURRENCE AND REPASSAGE

Mrs. Brataas moved that the Senate concur in the amendments by the House to S.F. No. 1716 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1716 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 34 and nays 26, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knaak	Moe, R.D.	Ranum
Belanger	Flynn	Kroening	Neuville	Reichgott
Benson, J.E.	Frank	Larson	Olson	Solon
Berglin	Halberg	Luther	Pappas	Spear
Brataas	Johnson, D.E.	Marty	Pariseau	Terwilliger
Chmielewski	Johnson, J.B.	McGowan	Piper	Traub
Dahl	Johnston	Metzen	Price	

Those who voted in the negative were:

Beckman	Day	Laidig	Morse	Vickerman
Benson, D.D.	DeCramer	Langseth	Novak	Waldorf
Berg	Finn	Lessard	Renneke	
Bernhagen	Frederickson, D.J.	Mehrkens	Sams	
Bertram	Frederickson, D.R.	Merriam	Samuelson	
Davis	Hottinger	Mondale	Stumpf	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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.

Senate File No. 2088 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 9, 1992

Ms. Reichgott moved that S.F. No. 2088 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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.

Senate File No. 1938 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 9, 1992

Ms. Pappas moved that the Senate do not concur in the amendments by the House to S.F. No. 1938, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1997, 2261, 2773, 2025, 2147, 2265 and 2501.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 9, 1992

FIRST READING OF HOUSE BILLS

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

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.

Referred to the Committee on Finance.

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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2402, now on General Orders.

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.

Referred to the Committee on Taxes and Tax Laws.

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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1916, now on General Orders.

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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2042, now on General Orders.

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.

Referred to the Committee on Finance.

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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2496.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports pertaining to appointments. The motion prevailed.

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

S.F. No. 1790: A bill for an act relating to housing; modifying requirements for lead education, assessment, screening, and abatement; 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; 144.878, subdivision 2, and by adding a subdivision; and 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; 144; and 268; proposing coding for new law as Minnesota Statutes, chapter 297E; repealing Minnesota Statutes 1990, sections 116.51; 116.52; 116.53; and 144.878, subdivision 4.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

LEAD ABATEMENT STANDARDS

Section 1. [LIMITED APPROPRIATIONS.]

Within the limits of legislative appropriations, the commissioner of health shall be responsible for the requirements of this act.

Sec. 2. Minnesota Statutes 1991 Supplement, section 144.871, subdivision 2, is amended to read:

Subd. 2. [ABATEMENT.] "Abatement" means removal *of, replacement of,* or encapsulation of *deteriorated* paint, bare soil, dust, drinking water, or other materials that are *or may become* readily accessible *during the abatement process* and pose an immediate threat of actual lead exposure to people. ~~The abatement rules to be adopted under section 144.878, subdivision 2, shall apply as described in section 144.874.~~

Sec. 3. Minnesota Statutes 1990, section 144.871, subdivision 3, is amended to read:

Subd. 3. [ABATEMENT CONTRACTOR.] "Abatement contractor" means any person hired by a property owner or resident to perform abatement *of a lead source in violation of standards under section 144.878.*

Sec. 4. Minnesota Statutes 1990, section 144.871, subdivision 6, is amended to read:

Subd. 6. [ELEVATED BLOOD LEAD LEVEL.] "Elevated blood lead level" *in a child no more than six years old or in a pregnant woman* means ~~at least 25 micrograms of lead per deciliter of whole blood~~ *a blood lead level that exceeds the federal centers for disease control guidelines for preventing lead poisoning in young children,* unless the commissioner finds that a lower concentration is necessary to protect public health.

Sec. 5. Minnesota Statutes 1990, section 144.871, is amended by adding a subdivision to read:

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

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

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

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

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

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

Sec. 6. Minnesota Statutes 1990, section 144.871, is amended by adding

a subdivision to read:

Subd. 7b. [PRIMARY PREVENTION FOR TOXIC LEAD EXPOSURE.] *"Primary prevention for toxic lead exposure" means performance of swab team services, encapsulation, and removal and replacement abatement, including lead cleanup and health education, before children develop elevated blood lead levels.*

Sec. 7. Minnesota Statutes 1990, section 144.871, subdivision 8, is amended to read:

Subd. 8. [SAFE HOUSING.] "Safe housing" means a residence that does not ~~violate~~ *have deteriorating paint, bare soil, lead dust, and which does not violate* any of the standards adopted according to section 144.878~~, subdivision 2~~.

Sec. 8. Minnesota Statutes 1990, section 144.871, is amended by adding a subdivision to read:

Subd. 9. [SWAB TEAM.] *"Swab team" means a person or persons who implement in-place management of lead exposure sources, which includes:*

(1) covering or replacing bare soil and establishing safe exterior play and garden areas;

(2) removing loose paint and paint chips and installing guards to protect intact paint;

(3) removing lead dust by washing, vacuuming, and cleaning the interior of residential property including carpets; and

(4) other means, including cleanup and health education, that immediately protect children who engage in mouthing or pica behavior from lead sources.

Sec. 9. Minnesota Statutes 1990, section 144.872, subdivision 1, is amended to read:

Subdivision 1. [PROACTIVE LEAD EDUCATION STRATEGY.] ~~For fiscal years 1990 and 1991,~~ The commissioner shall contract with boards of health in communities at high risk for toxic lead exposure to children~~, lead advocacy organizations, and businesses to design and implement a uniform, proactive educational program to introduce sections 144.871 to 144.878 and to promote the prevention of exposure to all sources of lead to target populations. Priority shall be given to providing~~ *to ensure, at the time of a home assessment or following an abatement order, that a family will receive visits by public health nurses and community-based advocates specifically trained in lead cleanup and the health related aspects of lead exposure in their residence periodically throughout the abatement process or until the child's blood lead level is no longer elevated. The purpose of the home visit is to provide information about safety measures, community resources, legal resources related to the abatement process, housing resources, nutrition, health follow-up materials, and methods to be followed before, during, and after the abatement process. If a family moves to a new residence temporarily, during the abatement process, services should be provided at the temporary residence whenever feasible. Boards of health are encouraged to link the service with other home visits a family may be receiving and to use neighborhood-based programs which give priority to hiring neighborhood residents as community-based advocates.* Ongoing education *that includes health and lead cleanup information and the lead laws and rules shall be*

provided to health care and social service providers, ~~registered~~ *licensed* abatement contractors, *other contractors*, building trades professionals and nonprofessionals, property owners, and parents. Educational materials shall be multilingual and multicultural to meet the needs of diverse populations. The commissioner shall ~~create and administer a program to fund locally based advocates who, following the issuance of an abatement order, shall visit the family in their residence to instruct them about safety measures, materials, and methods to be followed before, during, and after the abatement process~~ *either conduct or contract with nonprofit organizations or businesses, for a proactive lead education program to serve communities at high risk for toxic lead exposure to children in which a board of health does not have a contract with the commissioner for a proactive lead education strategy.*

Sec. 10. Minnesota Statutes 1990, section 144.872, subdivision 2, is amended to read:

Subd. 2. [HOME ASSESSMENTS.] The commissioner shall contract with boards of health, *who may determine priority for responding to cases of elevated blood lead levels,* to conduct assessments to determine sources of lead contamination in the residences of ~~children and~~ pregnant women whose blood lead levels ~~exceed 25~~ *are at least ten* micrograms per deciliter and *of children whose blood lead levels are at least 20 micrograms per deciliter or whose blood lead levels persist in the range of 15 to 19 micrograms per deciliter for 90 days after initial identification to the board of health or the commissioner. Assessments must be conducted within five working days of the board of health receiving notice that the criteria in this subdivision have been met. The commissioner or boards of health must identify the known addresses for the previous 12 months of the child or pregnant woman with elevated blood lead levels and notify the property owners at those addresses. The commissioner may also collect information on the race, sex, and family income of children and pregnant women with elevated blood lead levels. Within the limits of appropriations, a board of health shall conduct home assessments for children and pregnant women whose confirmed blood lead levels are in the range of ten to 19 micrograms per deciliter. The commissioner shall also provide educational materials on all sources of lead to boards of health* to provide education on ways of reducing the danger of lead contamination. *The commissioner may provide laboratory or field lead testing equipment to a board of health or may reimburse a board of health for direct costs associated with assessments.*

Sec. 11. Minnesota Statutes 1990, section 144.872, subdivision 3, is amended to read:

Subd. 3. [SAFE HOUSING.] The commissioner shall contract with boards of health for safe housing to be used in meeting relocation requirements in section 144.874, subdivision 4. *The commissioner shall, within available appropriations, award grants to boards of health for the purposes of paying housing costs under section 144.874, subdivision 4.*

Sec. 12. Minnesota Statutes 1990, section 144.872, subdivision 4, is amended to read:

Subd. 4. [~~PAINT REMOVAL~~ *LEAD CLEANUP* EQUIPMENT *AND MATERIAL GRANTS.*] State ~~matching~~ funds shall be made available ~~for~~ *under* a grant program to *nonprofit* community-based organizations *in areas at high risk for toxic lead exposure. Grantees shall use the money* to purchase ~~and provide paint removal~~ *lead cleanup* equipment *and educational materials, and to pay for training for staff and volunteers for lead abatement*

certification. Grantees may work with licensed lead abatement contractors and certified trainers to meet the requirements of this program. Equipment shall include: *high efficiency particle accumulator and wet vacuum cleaners,* drop cloths, secure containers, respirators, scrapers, ~~and~~ dust and particle containment material, *and other cleanup and containment materials to patch loose paint and plaster, control household dust, wax floors, clean carpets and sidewalks, and cover bare soil. Upon certification, the grantees may make equipment and educational materials available to residents and property owners and instruct them on the proper use.* Equipment shall be made available to low-income households on a priority basis.

Sec. 13. Minnesota Statutes 1991 Supplement, section 144.873, subdivision 1, is amended to read:

Subdivision 1. [REPORT REQUIRED.] Medical laboratories performing blood lead analyses must report to the commissioner ~~confirmed~~ *finger stick and venipuncture* blood lead results ~~of at least five micrograms per deciliter~~ *and the method used to obtain these results.* Boards of health must report to the commissioner the results of analyses from residential samples of paint, ~~bare~~ soil, dust, and drinking water ~~that show lead in concentrations greater than or equal to the lead standards adopted by permanent rule under section 144.878~~. The commissioner shall require *the date of the test, and the current address and birthdate of the patient, and* other related information from medical laboratories and boards of health as may be needed to monitor and evaluate blood lead levels in the public~~, including the date of the test and the address of the patient~~.

Sec. 14. Minnesota Statutes 1990, section 144.873, subdivision 2, is amended to read:

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

Sec. 15. Minnesota Statutes 1990, section 144.873, subdivision 3, is amended to read:

Subd. 3. [STATEWIDE LEAD SCREENING.] Statewide lead screening by ~~erythrocyte protoporphyrin test~~ *blood lead assays* in conjunction with routine blood tests *analyzed by atomic absorption equipment or other equipment with equivalent or better accuracy* shall be advocated by boards of health.

Sec. 16. Minnesota Statutes 1991 Supplement, section 144.874, subdivision 1, is amended to read:

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

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

~~or~~

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

(3) a blood lead level that persists in the range of 15 to 19 micrograms per deciliter for 90 days after initial identification.

Within the limits of appropriations, a board of health shall also conduct home assessments for children whose confirmed blood lead levels are in the range of ten to 19 micrograms per deciliter. If a child regularly spends several hours per day at another residence, such as a residential child care facility, the board of health must also assess the other residence.

(b) The board of health must conduct the residential assessment according to rules adopted by the commissioner according to section 144.878.

Sec. 17. Minnesota Statutes 1991 Supplement, section 144.874, subdivision 2, is amended to read:

Subd. 2. [RESIDENTIAL LEAD ASSESSMENT GUIDE.] (a) The commissioner of health shall develop or purchase a residential lead assessment guide that enables parents to assess the possible lead sources present and that suggests actions. *The guide must provide information on safe abatement and disposal methods, sources of equipment, and telephone numbers for additional information to enable the persons to either perform the abatement or to intelligently select an abatement contractor. In addition, the guide must:*

(1) meet the requirements of Minnesota laws and rules;

(2) be understandable at an eighth grade reading level;

(3) include information on all necessary safety precautions for all lead source cleanup; and

(4) be the best available educational material.

(b) A board of health must provide the residential lead assessment guide to:

(1) parents of children who are identified as having blood lead levels of at least ten micrograms per deciliter; and

(2) property owners and occupants who are issued housing code orders requiring disruption of lead sources.

(c) A board of health must provide the residential lead assessment guide on request to owners or tenants of residential property within the jurisdiction of the board of health.

Sec. 18. Minnesota Statutes 1991 Supplement, section 144.874, subdivision 3, is amended to read:

Subd. 3. [ABATEMENT ORDERS.] A board of health must order a property owner to perform abatement on a lead source that exceeds a standard adopted according to section 144.878 at the residence of a child with an elevated blood lead level or a pregnant woman with a blood lead level of at least ten micrograms per deciliter. Abatement orders must require that any source of damage, such as leaking roofs, plumbing, and windows, must be repaired or replaced, as needed, to prevent damage to lead-containing interior surfaces. With each abatement order, the board of health must provide a residential lead abatement guide. ~~The guide must be developed or~~

~~purchased by the commissioner and must provide information on safe abatement and disposal methods, sources of equipment, and telephone numbers for additional information to enable the property owner to either perform the abatement or to intelligently select an abatement contractor.~~

Sec. 19. Minnesota Statutes 1990, section 144.874, subdivision 4, is amended to read:

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

Sec. 20. Minnesota Statutes 1991 Supplement, section 144.874, subdivision 12, is amended to read:

Subd. 12. [ENFORCEMENT *AND STATUS* REPORT.] The commissioner shall examine compliance with Minnesota's existing lead standards and rules and report to the legislature ~~by January 15, 1992, on~~ *biennially, beginning February 15, 1993, including* an evaluation of current ~~levels of compliance~~ *lead program activities by the state and boards of health*, the need for any additional enforcement procedures, recommendations on developing a method to enforce compliance with lead standards and cost estimates for any proposed enforcement procedure. *The report must also include a geographic analysis of all blood lead assays showing incidence data and environmental analyses reported or collected by the commissioner.*

Sec. 21. Minnesota Statutes 1990, section 144.876, is amended to read:

144.876 [REGISTRATION *AND LICENSING* OF ABATEMENT CONTRACTORS *AND CERTIFICATION OF EMPLOYEES*.]

Subdivision 1. [LICENSING AND CERTIFICATION.] Abatement contractors must ~~register with~~, *within 180 days after rules are adopted under section 144.878, subdivision 5, obtain a license from* the commissioner according to forms and procedures prescribed by the commissioner. *Employees of abatement contractors must obtain certification from the commissioner. The commissioner shall specify training and testing requirements for licensure and certification and shall charge a fee for the cost of issuing a license or certificate and for training provided by the commissioner. The commissioner shall provide the contractor with a written violation notice, and may revoke the license of an abatement contractor, or the certificate of an employee, upon finding that the contractor or employee has violated the rules adopted under section 144.878 in a manner that poses unreasonable risk to public health.*

Fees collected under this subdivision must be set in amounts to be determined by the commissioner to cover but not exceed the costs of adopting rules under section 144.878, subdivision 5, the costs of licensure, certification and training, and the costs of enforcing licenses and certificates under this subdivision. All fees received must be paid into the state treasury and credited to the lead abatement licensing and certification account and are appropriated to the commissioner to cover costs incurred under this subdivision and section 144.878, subdivision 5.

Subd. 2. [LICENSED BUILDING CONTRACTOR; INFORMATION.] *The commissioner shall provide health and safety information on lead abatement to all residential building contractors licensed under section 326.84. The information must include material on ways to protect the health and safety of both employees working on lead contaminated structures and residents of lead contaminated structures.*

Subd. 3. [UNLICENSED ABATEMENT CONTRACTORS.] *Contractors may not advertise or otherwise present themselves as abatement contractors unless they have abatement licenses issued by the department of health under rules adopted under section 144.878, subdivision 5.*

Sec. 22. Minnesota Statutes 1990, section 144.878, subdivision 2, is amended to read:

Subd. 2. [LEAD STANDARDS AND ABATEMENT METHODS.] (a) ~~By January 31, 1991,~~ The commissioner shall adopt rules establishing standards and abatement methods for lead in paint, dust, and drinking water in a manner that protects public health and the environment for all residences, including residences also used for a commercial purpose. *The commissioner shall adopt priorities for providing abatement services to areas defined to be at high risk for toxic lead exposure. In adopting priorities the commission shall consider the number of children and pregnant women diagnosed with elevated blood lead levels and the median concentration of lead in the soil. The commissioner shall give priority to: areas having the largest population of children and pregnant women having elevated blood lead levels; areas with the highest median soil lead concentration; and areas where it has been determined that there are large numbers of residences that have deteriorating paint.* The commissioner shall differentiate between intact paint and deteriorating paint. The commissioner and political subdivisions shall require abatement of intact paint only if the commissioner or political subdivision finds that intact paint is ~~accessible to children as~~ a chewable or lead-dust producing surface ~~and~~ *that* is a *known* source of actual lead exposure *to a specific person*. In adopting rules under this subdivision, the commissioner shall require the best available technology for abatement methods, paint stabilization, and repainting.

(b) ~~By January 31, 1991,~~ The commissioner of ~~the pollution control agency~~ *health* shall adopt standards and abatement methods for lead in bare soil on playgrounds and residential property in a manner to protect public health and the environment.

(c) ~~By January 31, 1991,~~ The commissioner of the pollution control agency shall adopt rules to ensure that removal of exterior lead-based coatings from residential property by abrasive blasting methods ~~is~~ *and disposal of any hazardous waste are* conducted in a manner that protects public health and the environment.

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

Sec. 23. Minnesota Statutes 1990, section 144.878, is amended by adding a subdivision to read:

Subd. 5. [LEAD ABATEMENT CONTRACTORS AND EMPLOYEES.] *The commissioner shall adopt rules to license lead abatement contractors;*

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

Sec. 24. Minnesota Statutes 1991 Supplement, section 326.87, subdivision 1, is amended to read:

Subdivision 1. [STANDARDS.] The commissioner, in consultation with the council, may adopt standards for continuing education requirements and course approval. Except for the course content, the standards must be consistent with the standards established for real estate agents and other professions licensed by the department of commerce. *At a minimum, the content of one hour of any required continuing education must contain information on lead abatement rules and safe lead abatement procedures.*

Sec. 25. [REVISOR INSTRUCTION.]

In Minnesota Statutes and Minnesota Rules, the revisor shall recodify Minnesota Statutes, section 116.53, subdivision 2, as part of Minnesota Statutes, chapter 144, and shall change the terms "commissioner of the pollution control agency," "pollution control agency," and similar terms to "commissioner of health," "department of health," and similar terms.

Sec. 26. [REPEALER.]

Minnesota Statutes 1990, sections 116.51; 116.52; 116.53, subdivision 1; and 144.878, subdivision 4, are repealed.

ARTICLE 2

ABATEMENT AND TRAINING

Section 1. [268.92] [LEAD ABATEMENT PROGRAM.]

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

(a) "Certified trainer" means a lead trainer certified by the commissioner of health under section 144.878, subdivision 5.

(b) "Certified worker" means a lead abatement worker certified by the commissioner of health under section 144.878, subdivision 5.

(c) "Commissioner" means the commissioner of jobs and training.

(d) "Eligible organization" means a licensed contractor, certified trainer, a city, board of health, a community health department, a community action agency as defined in section 268.53, or a community development corporation.

(e) "High risk for toxic lead exposure" has the meaning given in section

144.871.

(f) "Licensed contractor" means a contractor licensed by the department of health under section 144.876.

(g) "Removal and replacement abatement" means lead abatement on residential property that requires retrofitting and conforms to the rules established under section 144.878.

(h) "Swab team" has the meaning given in section 144.871.

Subd. 2. [ADMINISTRATION.] *The commissioner may make demonstration and training grants to eligible organizations for programs to train workers for swab teams and removal and replacement abatement and to provide swab team services and removal and replacement abatement for residential property.*

Subd. 3. [APPLICANTS.] *(a) Interested eligible organizations must apply to the commissioner for grants under this section. Two or more eligible organizations may jointly apply for a grant. Applications must provide information requested by the commissioner, including at least the information required to assess the factors listed in paragraph (c). The commissioner shall award grants to organizations for swab team training and services and lead removal and replacement.*

(b) Grants must be awarded only to eligible organizations. Grant awards to organizations that provide swab teams administered by the commissioner of health must be made in coordination with the commissioner of health. Swab teams that are not engaged on a daily basis in fulfilling the requirements of section 144.871, subdivision 9, must deliver swab team services in census tracts known to be at high risk for toxic lead exposure.

(c) In evaluating grant applications, the commissioner shall consider the following criteria:

(1) the use of licensed contractors and certified lead abatement workers for residential lead abatement;

(2) the participation of neighborhood groups and individuals, as swab team members, in areas at high risk for toxic lead exposure;

(3) plans for the provision of primary prevention through swab team services in areas at high risk for toxic lead exposure on a census tract basis without environmental lead testing;

(4) plans for supervision, training, career development, and postprogram placement of swab team members;

(5) plans for resident and property owner education on lead safety;

(6) plans for distributing cleaning supplies to area residents and educating residents and property owners on cleaning techniques;

(7) cost estimates for training, swab team services, equipment, monitoring, and administration;

(8) measures of program effectiveness; and

(9) coordination of program activities with other federal, state, and local public health, job training, apprenticeship, and housing renovation programs including the emergency jobs program under sections 268.672 to 268.881.

Subd. 4. [LEAD ABATEMENT CONTRACTORS.] *(a) Organizations and licensed lead abatement contractors may participate in the lead abatement program. An organization receiving a grant under this section must ensure that all participating contractors are licensed and that all swab team and removal and replacement employees are certified by the department of health under section 144.878, subdivision 5. Organizations and licensed contractors may distinguish between interior and exterior services in assigning duties and may participate in the program by:*

(1) providing on-the-job training for swab teams;

(2) providing swab team services to the commissioner of health to meet the requirements of section 144.872;

(3) providing removal and replacement abatement using skilled craft workers;

(4) providing primary prevention, without environmental lead testing, in census tracts at high risk for toxic lead exposure;

(5) providing lead dust cleaning supplies, as described in section 144.872, subdivision 4, to residents; or

(6) instructing residents and property owners on appropriate lead control techniques.

(b) Participating licensed contractors must:

(1) demonstrate proof of workers' compensation and general liability insurance coverage;

(2) be knowledgeable about lead abatement requirements established by the Department of Housing and Urban Development and the Occupational Safety and Health Administration;

(3) demonstrate experience with on-the-job training programs;

(4) demonstrate an ability to recruit employees from areas at high risk for toxic lead exposure; and

(5) demonstrate experience in working with low-income clients.

Subd. 5. [LEAD ABATEMENT EMPLOYEES.] *Each worker providing swab team services or removal and replacement abatement in programs established under this section must have blood lead concentrations below 15 micrograms per deciliter as determined by a baseline blood lead screening. Any organization receiving a grant under this section is responsible for lead screening and must ensure that all workers in lead abatement programs receiving grant funds under this section meet the standards established in this subdivision. Grantees must use appropriate workplace procedures to reduce risk of elevated blood lead levels. Grantees and participating contractors must report all employee blood lead levels that exceed 15 micrograms per deciliter to the commissioner of health.*

Subd. 6. [SWAB TEAM SERVICE STANDARDS.] *Swab teams, when providing services, must comply with the standards and methods established under section 144.878 for all lead sources except the standard for lead in soil. The swab team service standard for lead in bare soil shall be a concentration of 100 parts per million.*

Subd. 7. [ON-THE-JOB TRAINING COMPONENT.] *(a) Programs established under this section must provide on-the-job training for swab*

teams. Training methods must follow procedures established under section 144.878, subdivision 5.

(b) Swab team members must receive monetary compensation equal to the prevailing wage as defined in section 177.42, subdivision 6, for comparable jobs in the licensed contractor's principal business.

Subd. 8. [REMOVAL AND REPLACEMENT COMPONENT.] *Programs established under this section must identify if a need exists for removal and replacement abatement in residential properties. All removal and replacement abatement must be done using least-cost methods that meet the standards of section 144.878, subdivision 2. Removal and replacement abatement must be done by licensed lead abatement contractors. All craft work that requires a state license must be supervised by persons who have a state license in the craft work being supervised. The program design must:*

(1) identify the need for trained swab team workers and removal and replacement abatement workers;

(2) describe plans to involve appropriate groups in designing methods to meet the needs for trained workers; and

(3) include an examination of how program participants may achieve certification as a part of the work experience and training component by entering licensing, apprenticeship, or other education programs.

Subd. 9. [PROGRAM BENEFITS.] *As a condition of providing lead abatement under this section, organizations may enter into agreements with a property owner requiring that, for a period of two years, the owner shall not increase rents on a property solely as a result of a substantial property improvement made with public funds provided by the programs in this section.*

Subd. 10. [REQUIREMENTS OF ORGANIZATIONS RECEIVING GRANTS.] *An eligible organization that is awarded a training and demonstration grant under this section shall prepare and submit a progress report to the commissioner by February 15, 1993.*

Subd. 11. [REPORT.] *The commissioner shall prepare and submit a report to the legislature and the governor by March 15, 1993, that describes the various programs that received grants under this section and makes recommendations for program changes.*

Sec. 2. Minnesota Statutes 1991 Supplement, section 462A.05, subdivision 15c, is amended to read:

Subd. 15c. [RESIDENTIAL LEAD ABATEMENT.] It may make or purchase loans or grants for ~~the~~ *removal and replacement* abatement, *as defined in section 1*, of hazardous levels of lead ~~paint in residential buildings and lead contaminated soil~~ *in violation of standards under section 144.878* on the property of residential buildings occupied *primarily* by *persons or families of* low- and moderate-income persons. ~~Hazardous levels are as determined by the department of health or the pollution control agency.~~ The agency must establish ~~grant~~ criteria for a residential lead ~~paint and lead contaminated soil~~ abatement program, including the terms of loans and grants under this section, a maximum amount for loans or grants, eligible owners, eligible contractors, and eligible buildings. The agency may make grants to cities, local units of government, ~~registered lead abatement contractors,~~ and nonprofit organizations for the purpose of administering a residential lead ~~paint and contaminated lead soil~~ abatement program. No loan or grant may be

made for lead ~~paint~~ abatement for a multifamily building which contains substantial housing maintenance code violations unless the violations are being corrected in conjunction with receipt of the loan or grant under this section. The agency must establish standards for the relocation of families where necessary and the payment of relocation expenses. To the extent possible, the agency must coordinate loans and grants under this section with existing housing programs.

The agency may require a property owner, as a condition of receiving a grant or loan under this section, to enter into an agreement requiring that, for a period of two years, the owner will not increase rents on a property solely as a result of property improvements made with funds under this section.

The agency, in consultation with the department of health, shall report to the legislature by January 1993 on the costs and benefits of subsidized lead abatement and the extent of the childhood lead exposure problem. The agency shall review the effectiveness of its existing loan and grant programs in providing funds for residential lead abatement and report to the legislature with examples, case studies and recommendations. *The agency shall report biennially to the legislature on its activities concerning lead abatement.*

Sec. 3. Minnesota Statutes 1990, section 462A.21, is amended by adding a subdivision to read:

Subd. 4m. [RESIDENTIAL LEAD ABATEMENT.] *It may expend money for the purposes of section 462A.05, subdivision 15c, including establishing a revolving loan fund, and may pay the costs and expenses necessary and incidental to the development and operation of a residential lead abatement loan and grant program.*

ARTICLE 3

FUNDING

Section 1. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF JOBS AND TRAINING.] *$250,000 is appropriated from the general fund to the commissioner of the department of jobs and training to be available until June 30, 1993, to fund a pilot project to establish swab teams under article 2, at least one for the cities of St. Paul and Minneapolis. The commissioner shall choose among any applications received under article 2, section 1, subdivision 3, based on the extent to which a proposed project can serve as a prototype for future projects and programs. No more than $25,000 of this appropriation may be used for the administrative costs.*

Subd. 2. [DEPARTMENT OF HEALTH.] *$725,000 is appropriated from the general fund to the commissioner of the department of health to be spent for programs and projects established in article 1. The commissioner shall allocate this appropriation among the purposes for which it may be spent as the commissioner deems most appropriate to meet the greatest needs for lead abatement activities.*

The commissioner of the department of health may provide funds for lead screening or other activities under this act only if:

(1) the board of health or other grantee conforms to the analytical requirements specified in Minnesota Statutes, section 144.873, subdivision 3;

(2) funds provided by the commissioner do not replace existing funding

for lead screening; and

(3) a board of health that applies for funds does not issue abatement orders inconsistent with rules adopted under Minnesota Statutes, section 144.878.

Sec. 2. [ALLOTMENT REDUCTION.]

The commissioner of finance, with the approval of the governor, shall reduce allotments to state agencies for the fiscal year ending June 30, 1993, by $975,000."

Amend the title as follows:

Page 1, delete line 4

Page 1, line 5, delete "development fund;"

Page 1, line 7, delete everything after "program;"

Page 1, delete line 8

Page 1, line 9, delete "a paint tax;" and before "amending" insert "appropriating money;"

Page 1, line 12, after "3," insert "and" and delete ", and by adding a subdivision"

Page 1, line 20, delete everything after the comma and insert "chapter 268;"

Page 1, delete line 21

Page 1, line 22, delete everything before "repealing"

Page 1, line 23, after "116.53" insert ", subdivision 1"

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

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

H.F. No. 2269 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2269	2271				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2269 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2269 and insert the language after the enacting clause of S.F. No. 2271, the first engrossment; further, delete the title of H.F. No. 2269 and insert the title of S.F. No. 2271, the first engrossment.

And when so amended H.F. No. 2269 will be identical to S.F. No. 2271, and further recommends that H.F. No. 2269 be given its second reading and substituted for S.F. No. 2271, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the

Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

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

H.F. No. 2280 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2280	2193				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2280 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2280 and insert the language after the enacting clause of S.F. No. 2193, the first engrossment; further, delete the title of H.F. No. 2280 and insert the title of S.F. No. 2193, the first engrossment.

And when so amended H.F. No. 2280 will be identical to S.F. No. 2193, and further recommends that H.F. No. 2280 be given its second reading and substituted for S.F. No. 2193, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 2159 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2159	2702				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2159 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2159 and insert the language after the enacting clause of S.F. No. 2702, the second engrossment; further, delete the title of H.F. No. 2159 and insert the title of S.F. No. 2702, the second engrossment.

And when so amended H.F. No. 2159 will be identical to S.F. No. 2702, and further recommends that H.F. No. 2159 be given its second reading and substituted for S.F. No. 2702, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 2586 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2586	2323				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2586 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2586 and insert the language after the enacting clause of S.F. No. 2323, the second engrossment; further, delete the title of H.F. No. 2586 and insert the title of S.F. No. 2323, the second engrossment.

And when so amended H.F. No. 2586 will be identical to S.F. No. 2323, and further recommends that H.F. No. 2586 be given its second reading and substituted for S.F. No. 2323, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 2884 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2884	2648				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2884 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2884 and insert the language after the enacting clause of S.F. No. 2648, the first engrossment; further, delete the title of H.F. No. 2884 and insert the title of S.F. No. 2648, the first engrossment.

And when so amended H.F. No. 2884 will be identical to S.F. No. 2648, and further recommends that H.F. No. 2884 be given its second reading and substituted for S.F. No. 2648, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 1960 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1960	1910				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1960 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1960 and insert the language after the enacting clause of S.F. No. 1910, the second engrossment; further, delete the title of H.F. No. 1960 and insert the title of S.F. No. 1910, the second engrossment.

And when so amended H.F. No. 1960 will be identical to S.F. No. 1910, and further recommends that H.F. No. 1960 be given its second reading and substituted for S.F. No. 1910, and that the Senate File be indefinitely postponed.

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

Mr. Berg from the Committee on Gaming Regulation, to which was referred the following appointment as reported in the Journal for February 24, 1992:

GAMBLING CONTROL BOARD
DIRECTOR

Harold W. Baltzer

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Berg from the Committee on Gaming Regulation, to which were referred the following appointments as reported in the Journal for February 27, 1992:

GAMBLING CONTROL BOARD

Dorothy Liljegren

MINNESOTA RACING COMMISSION

James H. Filkins

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Berg from the Committee on Gaming Regulation, to which were referred the following appointments as reported in the Journal for March 20, 1992:

MINNESOTA RACING COMMISSION

Mark J. Custer
Stephen A. Lawrence
Richard L. Pemberton
Cynthia Schuneman Piper

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2603: 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 subdivisions; 60A.15, subdivision 1; 62A.02, subdivisions 1, 2, 3, and by adding subdivisions; 62C.01, subdivision 3; 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; 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; 144A; 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.531; 62E.54; 62E.55 Minnesota Statutes 1991 Supplement, section 43A.316, subdivisions 8 and 9.

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

Page 1, after line 36, insert:

"*Subd. 2.* [CLINICALLY EFFECTIVE.] *"Clinically effective" means medical technology improves patients' clinical status and the use of the particular technology demonstrates a clinical advantage over alternative technologies.*"

Page 2, after line 4, insert:

"*Subd. 5.* [COST EFFECTIVE.] *"Cost effective" means that the costs of using a particular medical technology to achieve improvement in patients' health outcome are justified given its comparison to both the economic costs and the achieved improvement in patients' health outcome resulting from the use of alternative technologies.*"

Page 2, after line 18, insert:

"*Subd. 7.* [HEALTH OUTCOME.] *"Health outcome" means patients' clinical status and quality of life.*"

Renumber the subdivisions in sequence

Page 2, line 30, delete "*but that is*" and insert "*by at least ten percent per year using the spending growth rate for 1991 as a base year. This limit must be*"

Page 5, line 26, after the period, insert "*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.*"

Page 11, line 28, delete from "Sec." through page 19, line 3, to "*Minnesota.*" and insert:

"Sec. 6. [62J.15] [HEALTH PLANNING.]

Subdivision 1. [HEALTH PLANNING ADVISORY COMMITTEE.] *The Minnesota health care commission shall convene an advisory committee to make recommendations regarding the use and distribution of new and existing health care technologies and procedures and major capital expenditures by providers. The advisory committee may include members of the state commission and other persons appointed by the commission. The advisory committee must include at least one person representing physicians, at least one person representing hospitals, and at least one person representing the health care technology industry. Health care technologies and procedures include high-cost pharmaceuticals, organ and other high-cost transplants, high-cost health care procedures and devices excluding United States Food and Drug Administration approved implantable or wearable medical 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) make recommendations on the types of high-cost technologies, procedures, and capital expenditures for which a plan on statewide use and distribution should be made;

(2) develop criteria for evaluating new high-cost health care technology and procedures and major capital expenditures that take into consideration the clinical effectiveness, cost effectiveness, and health outcome;

(3) recommend to the commissioner of health and the regional coordinating organizations statewide and regional goals and targets for the distribution and use of new and existing high-cost health care technologies and procedures and major capital expenditures;

(4) make recommendations to the commissioner regarding the designation of centers of excellence for transplants and other specialized medical procedures; and

(5) make recommendations to the commissioner regarding minimum volume requirements for the performance of certain procedures by hospitals and other health care facilities or providers.

Sec. 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 may be 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, excluding implantable and wearable devices.

(f) [PROVIDER.] *"Provider" means an individual, corporation, association, firm, partnership, or other entity that is regularly engaged in providing health care services in Minnesota.*

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 specialized 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.] *(a)* [REVIEW REQUIRED.] *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 use, purchase, or perform health care technologies and procedures that are not clinically effective and cost effective and do not improve health outcomes based on the results of medical research; or in the event providers have failed to pursue collaborative arrangements; the commissioner shall require a provider to make no future major spending commitments for up to a five-year period unless the provider files a notice with the commissioner and provides supporting documentation and evidence requested by the commissioner, and the commissioner determines that the spending commitment 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 capital expenditures to review applications and make recommendations to the commissioner and the commission. The commissioner of health shall have the authority to issue fines, seek injunctions, and other remedies as provided by law.

(b) [EXCEPTIONS.] *This subdivision does not apply to:*

(1) a major spending commitment to replace existing equipment with comparable equipment, if the old equipment will no longer be used in the state;

(2) a major spending commitment 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;

(3) 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; and

(4) ambulatory surgery services, lithotripsy services, infusion therapy services, or kidney dialysis services.

(c) [APPEALS.] *A provider may appeal a decision of the commissioner under this section through a contested case proceeding under chapter 14.*"

Page 20, after line 15, insert:

"*Subd. 3.* [PENALTY.] *A violation of this section is a felony. A provider who is in compliance with a transition plan approved by the commissioner under subdivision 2 is not in violation of this section.*"

Page 20, line 21, after "*provided*" insert ", *unless the Medicare beneficiary's gross family income during the previous year exceeded 200 percent of the federal poverty guidelines. For purposes of this section, gross family income is as defined in section 256.936, subdivision 1*"

Page 23, after line 2, insert:

"Sec. 13. [HOSPITAL PLANNING TASK FORCE.]

The legislative commission on health care access shall convene a hospital health planning task force to undertake preliminary planning relating to cost containment, accessibility of health care services, and quality of care,

and to develop options and recommendations to be presented to the legislative commission and to the Minnesota health care commission. The task force consists of interested representatives of Minnesota hospitals, the commissioner of health or the commissioner's representatives, and the members of the legislative commission or their representatives. The task force shall submit reports to the Minnesota health care commission by August 1, 1992, and July 1, 1993. The task force expires on August 1, 1993. The expenses and compensation of members is the responsibility of the institutions, organizations, or agencies they represent."

Page 23, line 3, delete "13" and insert "14"

Page 23, line 4, delete "*1 to 12*" and insert "*1 to 8; 9, subdivisions 1 and 2; and 10 to 13*"

Page 23, line 5, after the period, insert "*Section 9, subdivision 3, is effective January 1, 1993.*"

Page 31, line 8, after the semicolon, insert "*or*"

Page 31, line 11, delete "*; or*" and insert a period

Page 31, delete lines 12 to 23

Page 31, line 24, delete "*(c)*" and insert "*(b)*"

Page 41, delete lines 2 to 18 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 20 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."

Page 42, line 27, delete "*the following activities:*"

Page 42, line 28, delete everything before "*the*"

Page 42, line 32, delete "*; or*" and insert a period

Page 42, delete lines 33 to 36

Page 43, delete lines 1 to 6

Page 65, line 2, after the first "*commissioner*" insert "*or the commissioner gives notice to the employer of the discontinuance of the program*"

Page 65, line 30, delete "*may*" and insert "*must*"

Page 65, line 31, delete everything after "*that*" and insert "*at least 75*

percent of its eligible employees who have not waived coverage participate in the program. The participation level of eligible employees must be determined at the initial offering of coverage and at the renewal date of coverage. For purposes of this section, waiver of coverage includes only waivers due to coverage under another group health benefit plan."

Page 65, delete lines 32 to 34

Page 65, line 35, delete "*may*" and insert "*must*"

Page 65, line 36, after the second "*employer*" insert "*contribute at least 50 percent toward the cost of the premium of the employee and may require that the*"

Page 68, line 7, after "*must*" insert "*meet all underwriting requirements of chapter 62L and must*"

Page 68, line 21, delete everything after "*rates*" and insert "*consistent with the rating requirements of chapter 62L.*"

Page 68, delete lines 22 to 30 and insert:

"*(c)* [TAXES AND ASSESSMENTS.] *To the extent that the program operates as a self-insured group, the premiums paid to the program are not subject to the premium taxes imposed by sections 60A.15 and 60A.198, but the program is subject to a Minnesota comprehensive health association assessment under section 62E.11.*"

Page 69, line 2, delete "*insurance premiums, approved claims,*"

Page 69, line 17, delete "*finance*" and insert "*employee relations*"

Page 69, line 18, after "*repayment*" insert ", *but no later than July 1, 1998*" and after the period, insert "*The commissioner shall repay direct appropriations provided to subsidize administrative or start-up costs when the commissioner of employee relations determines that a sufficient reserve has accumulated to allow repayment, but no later than July 1, 1998.*"

Page 69, line 25, after "*pool*" insert "*to small employers*"

Page 69, line 27, delete everything after the period and insert "*Coverage under this program shall be considered a certificate of insurance or similar evidence of coverage and is subject to all applicable requirements of chapters 60A, 62A, 62C, 62E, 62H, 62L, and 72A, and is subject to regulation by the commissioner of commerce to the extent applicable. Coverage is subject to section 471.617, subdivisions 2 and 3, and the bidding requirements of section 471.6161.*"

Page 69, delete lines 28 to 32

Page 69, line 34, delete everything after "*1995*" and insert ". *The report must provide a detailed summary of all direct and indirect administrative costs associated with the program, and must include an analysis of whether the program (1) is providing coverage to persons who would otherwise be unable to purchase coverage in the private sector; (2) will provide coverage at lower premium costs without ongoing state subsidy; (3) will provide coverage to persons in geographic areas of the state where coverage options would otherwise be limited; and (4) will fulfill the intent of the legislature.*"

Page 69, delete line 35

Page 82, line 10, delete everything after "*would*"

Page 82, line 11, delete "*commerce,*"

Pages 86 and 87, delete section 3 and insert:

"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 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 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 must make a quarterly assessment of the expected expenditures for the covered services ~~and the appropriation~~ *for the remainder of the current fiscal year and for the following two fiscal years.* ~~Based on this assessment the commissioner may limit enrollments and target former aid to families with dependent children recipients. 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 estimated expenditures shall be compared to the forecast of revenues required in article 9, section 13. Based on this comparison, and after consulting the chairs of the senate finance and house of representatives appropriations committees 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 are limited to limiting enrollment or adjusting the period during which a person must be uninsured in order to qualify for a subsidy. In estimating expenditures and making adjustments under this subdivision, the commissioner shall maintain a reserve of five percent in addition to estimated program expenditures. The commissioner may adopt emergency and permanent rules as necessary to make adjustments authorized under this subdivision.*"

Page 88, after line 7, insert:

"*(d)* [EMERGENCY MEDICAL TRANSPORTATION SERVICES.] *Beginning July 1, 1993, covered health services shall include emergency medical transportation services.*

(e) [COPAYMENTS AND DEDUCTIBLES; PREMIUM LIMITS.] *The health right benefit plan shall include a copayment of 20 percent for inpatient hospital services for adult enrollees not potentially categorically eligible for medical assistance. The benefit plan shall include a copayment of 50 percent for adult dental services, except preventive services.*"

Page 88, line 8, delete "*(d)*" and insert "*(f)*"

Page 90, line 2, delete "*January*" and insert "*July*"

Page 92, line 2, delete everything after the comma and insert "*and must not have had access to subsidized health coverage through an employer for the 18 months prior to application for subsidized coverage under the health*

right plan. The requirement that the family or individual must not have had access to employer-subsidized coverage during the previous 18 months does not apply if employer-subsidized coverage was lost due to a layoff and the family or individual has not had access to employer-subsidized coverage since the layoff. 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 high percentage as specified by the commissioner."

Page 92, delete line 3

Page 92, line 4, delete everything before "*Children*"

Page 92, line 15, after "*residence*" insert ", *has been domiciled in the state for no less than 180 days,*"

Page 92, line 24, delete "*four*" and insert "*12*"

Page 93, line 7, after "*(c)*" insert "*Beginning July 1, 1993,*"

Page 93, line 8, delete "*the*"

Page 93, line 9, delete "*limits for the medical assistance program*" and insert "*133 and 1/3 percent of the AFDC payment standard*"

Page 93, line 11, delete "*9.5, 11.1, and 12.4*" and insert "*and 9.5*"

Page 93, line 13, delete everything after "*to*" and insert "*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 use a sliding scale that sets required premiums at percentages of gross family income equal to two-thirds of the percentages specified in this paragraph.*"

Page 93, delete lines 14 to 19

Page 93, line 20, delete "*(e)*" and insert "*(d)*" and delete everything after "*whose*" and insert "*gross monthly income is above the amount specified in paragraph (c)*"

Page 93, delete lines 21 and 22

Page 93, line 23, delete "*income*"

Page 93, line 25, delete "*(f)*" and insert "*(e)*"

Page 94, line 12, after the period, insert "*Participation in the medical assistance program means (1) the provider accepts new medical assistance patients; or (2) at least 20 percent of the provider's patients are covered by medical assistance, general assistance medical care, or the children's health plan.*"

Page 94, after line 19, insert:

"Sec. 12. [PROVIDER PAYMENT INCREASES.]

Subdivision 1. [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.*

Subd. 2. [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.*

Subd. 3. [CONTINGENT ON ENACTMENT OF APPROPRIATIONS.] *Subdivisions 1 and 2 are effective only if money is appropriated to the commissioner of human services to cover the entire state cost of the increases.*"

Page 94, lines 21 and 33, delete "*administration*" and insert "*health*"

Renumber the sections of article 4 in sequence

Page 99, lines 12 and 20, delete "*10*" and insert "*9*"

Page 103, line 26, delete "*and the*"

Page 103, line 27, delete everything before the period

Page 103, line 35, delete everything after the comma and insert "*at a rate established according to section 270.75.*"

Page 104, line 18, before "*regents*" insert "*board of*"

Page 104, lines 20, 27, 30, and 36, delete "*shall*" and insert "*is requested to*"

Page 105, lines 2, 6, 9, 14, 23, and 29, delete "*shall*" and insert "*is requested to*"

Page 106, line 1, delete "*shall*" and insert "*is requested to*"

Page 106, line 5, delete "144A.70" and insert "136A.1357"

Page 106, line 6, delete everything after "HOME"

Page 106, line 7, delete everything before the period

Page 106, line 11, delete everything after "*home*"

Page 106, line 12, delete everything before the period

Page 106, line 17, after "*enroll*" insert "*or enrolled*"

Page 106, line 20, delete "*commissioner*" and insert "*board*" and delete "*enrolling in the*" and insert "*completing the first year of study of a*"

Page 106, line 25, delete "*or*" and insert a period

Page 106, delete lines 26 and 27

Page 106, line 28, delete "*commissioner*" and insert "*board*"

Page 106, line 34, delete "*or intermediate*"

Page 106, delete line 35

Page 106, line 36, delete "*conditions*" and delete "*commissioner*" and insert "*board*"

Page 107, line 2, delete everything before the period

Page 107, line 3, delete everything after "*home*"

Page 107, line 4, delete everything before "*to*"

Page 107, lines 9, 13, and 17, delete "*commissioner*" and insert "*board*"

Page 107, line 10, delete ", *plus a*" and insert "*at a rate established according to section 270.75*"

Page 107, line 11, delete everything before the period and delete "*commissioner*" and insert "*board*"

Page 108, delete section 11

Page 112, line 24, delete "*The initial*"

Page 112, delete lines 25 to 31

Page 135, delete article 9

Page 135, line 20, delete "10" and insert "9"

Page 135, line 22, delete "ACCOUNT" and insert "FUND"

Page 135, line 23, delete "*account*" and insert "*fund*" and delete "*general*"

Page 135, line 24, delete "*fund*" and insert "*state treasury*"

Page 135, line 25, delete "*account*" and insert "*fund*" in both places

Page 142, line 1, before "*A*" insert "*Upon approval by the legislature and governor of a cost control plan under section 62J.04, subdivision 7,*"

Page 145, line 32, delete "*account*" and insert "*fund*"

Page 145, line 33, delete "*general fund*" and insert "*state treasury*" and after the period, insert "*The commissioner shall make quarterly estimates of revenues that are anticipated to be collected during the current fiscal year and during the next two fiscal years.*"

Page 147, lines 27 and 34, delete "*account in the general*"

Page 148, delete article 11 and insert:

"ARTICLE 10

APPROPRIATIONS

Section 1. APPROPRIATIONS

Subdivision 1. The amounts specified in this section are appropriated from the health care access fund to the agencies and for the purposes indicated, to be available until June 30, 1993.

Subd. 2. Commissioner of Commerce	884,000
Subd. 3. Commissioner of Health	2,552,000
Subd. 4. Commissioner of Human Services	18,393,000
Subd. 5. Higher Education Coordinating Board	143,000
This appropriation may be used as the required state match for any grants received by the University of Minnesota medical school.	
Subd. 6. Commissioner of Employee Relations	1,679,000

Subd. 7. Board of Regents of the University of Minnesota	1,909,000
Subd. 8. Commissioner of Revenue	917,000
Subd. 9. Attorney General	214,000
Subd. 10. Commissioner of Administration	27,000

Sec. 2. [EFFECTIVE DATE.]

The appropriations in section 1 are effective July 1, 1992, except that $616,000 of the appropriation in section 1, subdivision 4, is available for fiscal year 1992."

Amend the title as follows:

Page 1, line 9, delete "account" and insert "fund" and after the second semicolon, insert "providing penalties;"

Page 1, line 22, delete "144A;"

Page 1, line 27, after the fourth semicolon, insert "and" and after "62E.55" insert a semicolon

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

SECOND READING OF SENATE BILLS

S.F. No. 2603 was read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2269, 2280, 2159, 2586, 2884 and 1960 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Dicklich moved that H.F. No. 2854 be withdrawn from the Committee on Local Government and re-referred to the Committee on Rules and Administration, for comparison with S.F. No. 1376, now on General Orders. The motion prevailed.

SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

CALENDAR

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Johnston	Moe, R.D.	Sams
Beckman	Day	Knaak	Mondale	Samuelson
Belanger	DeCramer	Kroening	Morse	Solon
Benson, D.D.	Dicklich	Laidig	Neuville	Spear
Benson, J.E.	Finn	Langseth	Olson	Stumpf
Berg	Flynn	Larson	Pappas	Terwilliger
Berglin	Frank	Lessard	Pariseau	Traub
Bernhagen	Frederickson, D.J.	Luther	Piper	Vickerman
Bertram	Frederickson, D.R.	Marty	Price	Waldorf
Brataas	Halberg	McGowan	Ranum	
Chmielewski	Hottinger	Mehrkens	Reichgott	
Cohen	Johnson, D.E.	Merriam	Renneke	
Dahl	Johnson, J.B.	Metzen	Riveness	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, J.B.	Metzen	Reichgott
Beckman	Day	Johnston	Moe, R.D.	Renneke
Belanger	DeCramer	Knaak	Mondale	Riveness
Benson, D.D.	Dicklich	Kroening	Morse	Sams
Benson, J.E.	Finn	Laidig	Neuville	Samuelson
Berg	Flynn	Langseth	Novak	Solon
Berglin	Frank	Larson	Olson	Spear
Bernhagen	Frederickson, D.J.	Lessard	Pappas	Stumpf
Bertram	Frederickson, D.R.	Luther	Pariseau	Terwilliger
Brataas	Halberg	Marty	Piper	Traub
Cohen	Hottinger	McGowan	Price	Vickerman
Dahl	Johnson, D.E.	Mehrkens	Ranum	Waldorf

So the bill passed and its title was agreed to.

S.F. No. 2565: A bill for an act relating to the bureau of mediation services; eliminating the Minnesota public employment relations board; modifying arbitration procedures; amending Minnesota Statutes 1990, sections 14.03, subdivision 2; 43A.06, subdivision 2; 179A.03, subdivisions 3, 5, and 17; 179A.10, subdivisions 1 and 3; 179A.12, subdivision 3; 179A.13, subdivision 3; 179A.16, subdivisions 3, 5, and 8; 179A.17; 179A.18, subdivision 1; 179A.20, subdivision 1; 179A.21, subdivisions 2 and 3; 179A.22, subdivision 4; and 179A.25; Minnesota Statutes 1991 Supplement, sections 179A.04, subdivision 3; 179A.13, subdivision 2; and 179A.16, subdivisions 4, 6, and 7; proposing coding for new law in Minnesota Statutes, chapter 179A; repealing Minnesota Statutes 1990, section 179A.05, as amended.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Johnston	Mondale	Sams
Beckman	Day	Knaak	Morse	Samuelson
Belanger	DeCramer	Kroening	Neuville	Solon
Benson, D.D.	Dicklich	Laidig	Novak	Spear
Benson, J.E.	Finn	Langseth	Olson	Stumpf
Berg	Flynn	Larson	Pappas	Terwilliger
Berglin	Frank	Lessard	Pariseau	Traub
Bernhagen	Frederickson, D.J.	Luther	Piper	Vickerman
Bertram	Frederickson, D.R.	Marty	Price	Waldorf
Brataas	Halberg	McGowan	Ranum	
Chmielewski	Hottinger	Mehrkens	Reichgott	
Cohen	Johnson, D.E.	Metzen	Renneke	
Dahl	Johnson, J.B.	Moe, R.D.	Riveness	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnston	Moe, R.D.	Renneke
Beckman	Day	Knaak	Mondale	Riveness
Belanger	DeCramer	Kroening	Morse	Samuelson
Benson, D.D.	Dicklich	Laidig	Neuville	Solon
Benson, J.E.	Finn	Langseth	Novak	Spear
Berg	Frank	Larson	Olson	Stumpf
Bernhagen	Frederickson, D.J.	Lessard	Pappas	Terwilliger
Bertram	Frederickson, D.R.	Luther	Pariseau	Traub
Brataas	Halberg	Marty	Piper	Vickerman
Chmielewski	Hottinger	McGowan	Price	Waldorf
Cohen	Johnson, D.E.	Mehrkens	Ranum	
Dahl	Johnson, J.B.	Metzen	Reichgott	

Mses. Berglin and Flynn voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 2699: A bill for an act relating to state government; department of administration; modifying the encumbrance process for agency construction projects; modifying authority for building maintenance and leasing; changing requirements for certain agency purchases; requiring certain recipients of state money to provide free advertising space for state programs; 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 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; proposing coding for new law in Minnesota Statutes, chapter 16B.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Mehrkens	Renneke
Beckman	Davis	Johnson, J.B.	Metzen	Riveness
Belanger	Day	Johnston	Moe, R.D.	Sams
Benson, D.D.	DeCramer	Knaak	Mondale	Samuelson
Benson, J.E.	Dicklich	Kroening	Morse	Solon
Berg	Finn	Laidig	Neuville	Spear
Berglin	Flynn	Langseth	Novak	Stumpf
Bernhagen	Frank	Larson	Olson	Terwilliger
Bertram	Frederickson, D.J.	Lessard	Piper	Traub
Brataas	Frederickson, D.R.	Luther	Price	Vickerman
Chmielewski	Halberg	Marty	Ranum	Waldorf
Cohen	Hottinger	McGowan	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 2411: A bill for an act relating to health and human services; revising home care licensure requirements; modifying criteria for listing persons on the nursing assistant registry; revising psychology licensure requirements; modifying the nursing home moratorium exception review

process; requiring prospective drug utilization review; modifying requirements relating to the medical assistance, AFDC, general assistance, and work readiness programs; changing commitment requirements; authorizing social service contract pilot projects; amending Minnesota Statutes 1990, sections 43A.191, subdivision 2; 144A.073, subdivisions 3 and 3a; 144A.43, subdivisions 3 and 4; 144A.46, subdivision 5; 151.06, subdivision 1; 151.19, by adding a subdivision; 245A.02, by adding a subdivision; 245A.13, subdivision 4; 252.025, subdivision 4; 252.291, subdivision 3; 253B.02, by adding a subdivision; 253B.09; 253B.11, subdivision 2, and by adding a subdivision; 256.12, by adding a subdivision; 256B.056, subdivisions 1a, 2, and 3; 256B.059, subdivision 2; 256B.0625, by adding a subdivision; 256B.064, by adding a subdivision; 256B.14, subdivision 2; 256B.15, subdivision 1; 256B.36; 256B.431, subdivision 4; 256B.432, by adding a subdivision; 256B.433, subdivisions 1, 2, and 3; 256B.48, subdivisions 2, 3, and 4; 256B.495, subdivisions 1, 2, and by adding a subdivision; 256B.50, subdivisions 1b and 2; 256D.02, subdivision 8; 256D.35, subdivision 11; 256H.01, subdivision 9, and by adding a subdivision; 256I.01; 256I.02; 256I.03, subdivisions 2 and 3; 256I.05, subdivisions 3, 6, 8, and 9; 256I.06; 261.001, subdivision 1; 261.063; Minnesota Statutes 1991 Supplement, sections 144.50, subdivision 6; 144A.31, subdivision 2a; 144A.61, subdivisions 3a and 6a; 147.03; 148.925, subdivisions 1, 2, and by adding a subdivision; 245A.03, subdivision 2; 252.28, 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; 256.9685, subdivision 1; 256.969, subdivision 2; 256.9751, subdivisions 1 and 6; 256.98, subdivision 8; 256B.0625, subdivisions 13 and 19a; 256B.0627, subdivisions 1 and 4; 256B.064, subdivision 2; 256B.0911, subdivisions 3, 8, and by adding a subdivision; 256B.0913, subdivisions 8 and 11; 256B.0915, by adding subdivisions; 256B.0917, subdivisions 2, 3, 4, 5, 6, 7, 9, 10, and 11; 256B.0919, subdivision 1; 256B.092, subdivision 4; 256B.093, subdivisions 1, 2, and 3; 256D.03, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 16B; 245A; 256; 256B; 256D; repealing Minnesota Statutes 1990, sections 245.0311; 245.0312; 246.14; and Minnesota Statutes 1991 Supplement, section 252.46, subdivision 15.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Mehrkens	Ranum
Beckman	Davis	Johnson, J.B.	Metzen	Reichgott
Belanger	Day	Johnston	Moe, R.D.	Renneke
Benson, D.D.	DeCramer	Knaak	Mondale	Riveness
Benson, J.E.	Dicklich	Kroening	Morse	Sams
Berg	Finn	Laidig	Neuville	Samuelson
Berglin	Flynn	Langseth	Novak	Solon
Bernhagen	Frank	Larson	Olson	Stumpf
Bertram	Frederickson, D.J.	Lessard	Pappas	Terwilliger
Brataas	Frederickson, D.R.	Luther	Pariseau	Traub
Chmielewski	Halberg	Marty	Piper	Vickerman
Cohen	Hottinger	McGowan	Price	Waldorf

So the bill passed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Spear moved that the following members be excused for a Conference Committee on H.F. No. 1849 at 1:15 p.m.:

Messrs. Kelly, Marty, McGowan, Spear and Ms. Ranum. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

GENERAL ORDERS

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

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

S.F. Nos. 2792, 2655, 2662, 2781, 2012, 2103, 2232, 2378, 2750 and H.F. Nos. 2849, 31, 765, 1910, which the committee recommends to pass.

S.F. No. 695, which the committee recommends to pass with the following amendments offered by Messrs. Berg, DeCramer, Price and Vickerman:

Mr. Berg moved to amend S.F. No. 695 as follows:

Page 1, after line 37, insert:

"Section 1. 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 vehicle described in paragraph (a) that is not required to be registered is an implement of husbandry without regard to whether the vehicle is towed by an implement of husbandry or by a registered motor vehicle."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. DeCramer moved to amend S.F. No. 695 as follows:

Page 38, line 36, before "*Sections*" insert "*Sections 1 and 2 are effective the day following final enactment.*" and delete "*6 and 7*" and insert "*8 and 9*" and delete "*23*" and insert "*25*"

The motion prevailed. So the amendment was adopted.

Mr. DeCramer then moved to amend S.F. No. 695 as follows:

Page 21, line 1, after "*sod,*" insert "*construction debris, and solid waste when transported by a transfer driver,*"

The motion prevailed. So the amendment was adopted.

Mr. Price moved to amend S.F. No. 695 as follows:

Page 1, after line 37, insert:

"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 6, subdivision 1, until the effective date of the final rules adopted by the commissioner under that subdivision."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. DeCramer moved to amend S.F. No. 695 as follows:

Page 38, after line 34, insert:

"Sec. 47. [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."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Vickerman moved to amend S.F. No. 695 as follows:

Page 1, after line 37, insert:

"Section 1. Minnesota Statutes 1990, section 164.06, is amended to read:

164.06 [ESTABLISH, ALTER, OR VACATE BY RESOLUTION.]

Subdivision 1. [AUTHORIZATION.] A town board, when authorized by a vote of the electors at the annual meeting, or at a special meeting called for that purpose, may establish or vacate a town road by resolution, and may acquire the right-of-way as may be necessary for the road by gift, purchase or as provided in section 164.07. A town board may alter a town road by resolution.

Subd. 2. [ABANDONED ROADS.] *After providing notice under section 366.01, subdivision 8, the town board may by resolution disclaim and extinguish a town interest in a town road without action under subdivision 1 if:*

(1) the extinguishment is found by the town board to be in the public interest;

(2) the interest is not a fee interest;

(3) the interest was established more than 25 years earlier;

(4) the interest is not recorded or filed with the county recorder;

(5) no road improvement has been constructed on a right-of-way affected by the interest; and

(6) no road maintenance on a right-of-way affected by the interest has occurred within the last 25 years.

The resolution shall be filed and recorded with the county auditor and recorder."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 1681, which the committee recommends to pass with the following amendments offered by Messrs. Solon, Cohen and Metzen:

Mr. Solon moved to amend H.F. No. 1681, as amended pursuant to Rule 49, adopted by the Senate March 31, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2212.)

Page 6, line 18, before "*The*" insert "*Except for information classified as confidential under sections 60A.03, subdivision 9; 60A.031; 60A.93; and 60D.22,*"

Page 6, line 23, after the period, insert "*If the commissioner determines that private or confidential information should be disclosed, the commissioner shall notify the attorney general as to the information to be disclosed, the purpose of the disclosure, and the need for the disclosure. The attorney general shall review the commissioner's determination. If the attorney general believes that the commissioner's determination does not satisfy the purpose and intent of this provision, the attorney general shall advise the commissioner in writing that the information may not be disclosed. If the attorney general believes the commissioner's determination satisfies the purpose and intent of this provision, the attorney general shall advise the commissioner in writing, accordingly.*

After disclosing information pursuant to this provision, the commissioner shall advise the chairs of the senate and house of representatives judiciary committees of the disclosure and the basis for it."

Page 7, line 36, delete "*five*" and insert "*ten*"

Page 8, line 36, after the period, insert "*An association may apply to the commissioner for a waiver of the 30-day waiting period to that association. The commissioner may grant the waiver upon a finding of all of the following: (1) the association is in full compliance with this subdivision; (2) sanctions have not been imposed against the association as a result of significant disciplinary action by the commissioner; and (3) at least 80 percent of the association's income comes from dues, contributions, or sources other than income from the sale of insurance.*"

Page 37, line 2, delete "*18*" and insert "*19*"

Page 37, line 16, after the period, insert "*The prohibition against solicitation of members within the first 30 days of membership in section 13 is effective August 1, 1993.*"

Page 52, line 22, delete "*including, but not limited to, assault*"

Page 52, line 33, delete "*or*"

Page 52, line 35, delete the comma and insert a semicolon and delete "*have*"

Page 52, line 36, before "*violated*" insert:

"*(11) has*"

Page 81, after line 4, insert:

"Sec. 2. Minnesota Statutes 1990, section 46.03, is amended to read:

46.03 [SEAL OF DEPARTMENT OF COMMERCE.]

The commissioner of commerce, in chapters 46 to 59, called the commissioner, shall devise a seal for official use, which shall continue to be the seal of the department of commerce. *The seal must be capable of being legibly reproduced under photographic methods.* A description of the seal~~; with an impression thereof~~, *and a copy of it,* shall be filed in the office of the secretary of state."

Page 85, line 7, delete "*2 and 3*" and insert "*3 and 4*"

Renumber the sections of article 4 in sequence

The motion prevailed. So the amendment was adopted.

Mr. Solon then moved to amend H.F. No. 1681, as amended pursuant to Rule 49, adopted by the Senate March 31, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2212.)

Page 83, after line 17, insert:

"Sec. 5. Minnesota Statutes 1990, section 65A.29, subdivision 11, is amended to read:

Subd. 11. [NONRENEWAL PLAN.] Every insurer shall establish a plan that sets out the minimum number and amount of claims during an experience period that may result in a nonrenewal. A clear and concise written statement of this plan must be provided to the insured ~~at the time claim forms and instructions are provided to the insured or a claimant under section 72A.201, subdivision 4~~ *when any future losses may result in nonrenewal of the policy*.

The plan must, at a minimum, comply with the requirements of subdivision 8 and the rules adopted by the commissioner."

Renumber the sections of article 4 in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Cohen moved to amend H.F. No. 1681, as amended pursuant to Rule 49, adopted by the Senate March 31, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2212.)

Page 81, after line 4, insert:

"Sec. 2. Minnesota Statutes 1990, section 60A.23, subdivision 8, is amended to read:

Subd. 8. [SELF-INSURANCE OR INSURANCE PLAN ADMINISTRATORS WHO ARE VENDORS OF RISK MANAGEMENT SERVICES.] (1) [SCOPE.] This subdivision applies to any vendor of risk management services and to any entity which administers, for compensation, a self-insurance or insurance plan. This subdivision does not apply (a) to an insurance company authorized to transact insurance in this state, as defined by section 60A.06, subdivision 1, clauses (4) and (5); (b) to a service plan corporation, as defined by section 62C.02, subdivision 6; (c) to a health maintenance organization, as defined by section 62D.02, subdivision 4; (d) to an employer directly operating a self-insurance plan for its employees' benefits; or (e) to an entity which administers a program of health benefits established pursuant to a collective bargaining agreement

between an employer, or group or association of employers, and a union or unions.

(2) [DEFINITIONS.] For purposes of this subdivision the following terms have the meanings given them.

(a) "Administering a self-insurance or insurance plan" means (i) processing, reviewing or paying claims, (ii) establishing or operating funds and accounts, or (iii) otherwise providing necessary administrative services in connection with the operation of a self-insurance or insurance plan.

(b) "Employer" means an employer, as defined by section 62E.02, subdivision 2.

(c) "Entity" means any association, corporation, partnership, sole proprietorship, trust, or other business entity engaged in or transacting business in this state.

(d) "Self-insurance or insurance plan" means a plan providing life, medical or hospital care, accident, sickness or disability insurance, as an employee fringe benefit, or a plan providing liability coverage for any other risk or hazard, which is or is not directly insured or provided by a licensed insurer, service plan corporation, or health maintenance organization.

(e) "Vendor of risk management services" means an entity providing for compensation actuarial, financial management, accounting, legal or other services for the purpose of designing and establishing a self-insurance or insurance plan for an employer.

(3) [LICENSE.] No vendor of risk management services or entity administering a self-insurance or insurance plan may transact this business in this state unless it is licensed to do so by the commissioner. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license may be granted only when the commissioner is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner may issue a license subject to restrictions or limitations upon the authorization, including the type of services which may be supplied or the activities which may be engaged in. The license fee is $100. All licenses are for a period of two years.

(4) [REGULATORY RESTRICTIONS; POWERS OF THE COMMISSIONER.] To assure that self-insurance or insurance plans are financially solvent, are administered in a fair and equitable fashion, and are processing claims and paying benefits in a prompt, fair, and honest manner, vendors of risk management services and entities administering insurance or self-insurance plans are subject to the supervision and examination by the commissioner. Vendors of risk management services, entities administering insurance or self-insurance plans, and insurance or self-insurance plans established or operated by them are subject to the trade practice requirements of sections 72A.19 to 72A.30. *In lieu of an unlimited guarantee from a parent corporation for a vendor of risk management services or an entity administering insurance or self-insurance plans, the commissioner may accept a fidelity bond in a form satisfactory to the commissioner in an amount equal to 120 percent of the total amount of claims handled by the applicant in the prior year. If at any time the total amount of claims handled during a year exceeds the amount upon which the bond was calculated, the administrator shall immediately notify the commissioner. The commissioner*

may require that the bond be increased accordingly.

(5) [RULEMAKING AUTHORITY.] To carry out the purposes of this subdivision, the commissioner may adopt rules, including emergency rules, pursuant to sections 14.001 to 14.69. These rules may:

(a) establish reporting requirements for administrators of insurance or self-insurance plans;

(b) establish standards and guidelines to assure the adequacy of financing, reinsuring, and administration of insurance or self-insurance plans;

(c) establish bonding requirements or other provisions assuring the financial integrity of entities administering insurance or self-insurance plans; or

(d) establish other reasonable requirements to further the purposes of this subdivision."

Renumber the sections of article 4 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Metzen moved to amend H.F. No. 1681, as amended pursuant to Rule 49, adopted by the Senate March 31, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2212.)

Page 85, delete section 8 and insert:

"Sec. 8. [NONCOMPREHENSIVE POLICIES; MINIMUM LOSS RATIOS.]

Notwithstanding Minnesota Statutes 1991 Supplement, section 62A.135, paragraph (b), clause (2), individual policies must return to Minnesota policyholders in the form of aggregate benefits under the policy, for each year, on the basis of incurred claims experience and earned premiums in Minnesota and in accordance with accepted actuarial principles and practices, at least 60 percent of the aggregate amount of premiums earned.

Sec. 9. [MINIMUM LOSS RATIO STUDY.]

The commissioner of commerce shall study the effect of the minimum loss ratios required under Minnesota Statutes 1991 Supplement, section 62A.135, and section 8 and report to the legislature by January 31, 1993.

Sec. 10. [EXPIRATION.]

Section 8 expires May 1, 1993.

Sec. 11. [EFFECTIVE DATE.]

Sections 2 and 3 are effective for policies, plans, or contracts issued or renewed on or after August 1, 1992. Sections 8 to 10 are effective the day following final enactment."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Benson, D.D. moved to amend H.F. No. 1681, as amended pursuant to Rule 49, adopted by the Senate March 31, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2212.)

Pages 81 and 82, delete sections 2 and 3

Page 85, delete section 8

Renumber the sections of article 4 in sequence

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 20 and nays 30, as follows:

Those who voted in the affirmative were:

Belanger	Bernhagen	Frank	Johnston	Pariseau
Benson, D.D.	Bertram	Gustafson	Knaak	Renneke
Benson, J.E.	Brataas	Halberg	Larson	Vickerman
Berg	Day	Johnson, D.E.	Olson	Waldorf

Those who voted in the negative were:

Adkins	Finn	Luther	Novak	Riveness
Beckman	Flynn	Marty	Pappas	Sams
Berglin	Hottinger	Mehrkens	Piper	Solon
Chmielewski	Johnson, D.J.	Metzen	Pogemiller	Spear
Cohen	Kelly	Moe, R.D.	Ranum	Terwilliger
Dicklich	Kroening	Mondale	Reichgott	Traub

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

H.F. No. 1738, which the committee recommends to pass with the following amendment offered by Mr. Finn:

Amend H.F. No. 1738, as amended pursuant to Rule 49, adopted by the Senate April 2, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 1700.)

Page 2, line 3, delete "*A*"

Page 2, delete lines 4 and 5

The motion prevailed. So the amendment was adopted.

S.F. No. 2463, which the committee recommends to pass with the following amendments offered by Messrs. Cohen and Luther:

Mr. Cohen moved to amend S.F. No. 2463 as follows:

Page 24, after line 27, insert:

"ARTICLE 3

INTEREST RATE ADVERTISING

Section 1. Minnesota Statutes 1990, section 45.025, subdivision 2, as amended by Laws 1992, chapter 427, section 2, is amended to read:

Subd. 2. [GENERAL RESTRICTION.] A person may not advertise the interest rate of an investment product unless~~: (1)~~ *the effective net annual yield, or* the yield to maturity if the investment product is a note, bond, or debenture that bears interest at a fixed rate and has a stated maturity~~; or (2) the effective net annual yield if the investment product does not bear interest at a fixed rate or has an indefinite life~~, is disclosed in an equally prominent manner.

The name and address of the issuer, or a person from whom the name and address of the issuer may be obtained, and any prepayment expense, surrender charge, or withdrawal penalty charged by the issuer must also be

disclosed in a prominent manner. If the expense, charge, or penalty varies according to the length of time the product is held, the advertisement must disclose the expense, fee, or penalty imposed if surrendered or terminated within one year."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Luther moved to amend S.F. No. 2463 as follows:

Page 7, delete lines 14 to 22 and insert:

"*Subd. 2.* [COMMISSIONER'S AUTHORITY.] *If the commissioner finds pursuant to the procedural requirements of section 45.027, that a person has violated a provision of this chapter, the commissioner may take any action authorized under that section.*"

Page 17, line 15, after the second period, insert "*If the application is not taken from the applicant in person, the notice must be sent to the applicant within 72 hours after the application is taken. The person offering the policy or contract shall document the fact that the notice was given at the time of application or was sent within the specified time and shall include a copy of the notice with the policy or contract when delivered to the applicant.*"

Page 17, delete lines 24 to 29 and insert:

"*The financial strength of your insurer is one of the most important things for you to consider when determining from whom to purchase a property or liability insurance policy. It is your best assurance that you will receive the protection for which you purchased the policy. If your insurer becomes insolvent, you may have protection from the Minnesota Insurance Guaranty Association as described below but to the extent that your policy is not protected by the Minnesota Insurance Guaranty Association or if it exceeds the guaranty association's limits, you will only have the assets, if any, of the insolvent insurer to satisfy your claim.*"

Page 18, delete lines 1 to 3 and insert:

"*(insert current address and telephone number)*"

Page 18, after line 27, insert:

"*Additional language may be added to the notice if approved by the commissioner prior to its use in the form.*"

Page 19, after line 2, insert:

"Sec. 11. [60C.22] [NOTICE FOR POLICY OR CONTRACT NOT COVERED.]

A policy or contract not covered by the Minnesota Life and Health Insurance Guaranty Association or the Minnesota Insurance Guaranty Association must contain the following notice in 10 point type, stamped in red ink on the policy or contract and the application:

"THIS POLICY OR CONTRACT IS NOT PROTECTED BY THE MINNESOTA LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION OR THE MINNESOTA INSURANCE GUARANTY ASSOCIATION. IN THE CASE OF INSOLVENCY, PAYMENT OF CLAIMS IS NOT GUARANTEED. ONLY THE ASSETS OF THIS INSURER WILL BE AVAILABLE TO PAY YOUR CLAIM.""

Page 20, line 33, delete "*(b),*" and delete the second comma

Page 22, line 26, after the period, insert "*A copy of the notice must be given to the applicant. The notice must be delivered to the applicant at the time of application for the policy or contract, except that if the application is not taken from the applicant in person, the notice must be sent to the applicant within 72 hours after the application is taken. The person offering the policy or contract shall document the fact that the notice was given at the time of application or was sent within the specified time and shall include a copy of the notice with the policy or contract when delivered to the applicant.*"

Page 23, delete lines 11 to 13 and insert:

"*(insert current address and telephone number)*"

Page 24, after line 5, insert:

"*Additional language may be added to the notice if approved by the commissioner prior to its use in the form. This section does not apply to fraternal benefit societies regulated under chapter 64B.*"

Page 24, after line 18, insert:

"Sec. 19. Minnesota Statutes 1990, section 61B.12, is amended by adding a subdivision to read:

Subd. 10. [COMBINATION FIXED-VARIABLE POLICY.] *The notice required in subdivision 8 must clearly describe what portions of a combination fixed-variable policy are not covered by the Minnesota Life and Health Insurance Guaranty Association. The notice requirements specified in subdivision 9 do not apply to a combination fixed-variable policy.*

Sec. 20. Laws 1991, chapter 325, article 5, section 6, is amended to read:

Sec. 6. [EFFECTIVE DATE.]

Sections 2 and 3 are effective August 1, ~~1992~~ *1993.*

Sec. 21. [ACTUARY.]

Minnesota Statutes, section 43A.17, subdivision 1, does not apply to the salary of the actuary authorized under Laws 1991, chapter 325, article 7, section 7."

Page 24, line 23, delete "*11 to 14, and 18*" and insert "*12 to 15, 20, 21, and 22*"

Page 24, line 24, delete "*13 and 14*" and insert "*14 and 15*"

Renumber the sections of article 2 in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Merriam moved that the following members be excused for a Conference Committee on H.F. No. 1903 at 2:30 p.m.:

Messrs. Johnson, D.E.; Morse; Stumpf; Vickerman and Merriam. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Pogemiller moved that H.F. No. 2257, No. 31 on General Orders, be stricken and re-referred to the Committee on Redistricting. The motion prevailed.

Mr. Luther moved that S.F. No. 1169 be withdrawn from the Committee on Elections and Ethics and re-referred to the Committee on Redistricting. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 3:30 p.m. The motion prevailed.

The hour of 3:30 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Dicklich moved that the following members be excused for a Conference Committee on H.F. No. 2121 at 4:45 p.m.:

Messrs. Dahl, DeCramer, Dicklich, Laidig and Ms. Pappas. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 2603 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 2603: 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 fund; imposing taxes; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 43A.316, by adding subdivisions; 60A.15, subdivision 1; 62A.02, subdivisions 1, 2, 3, and by adding subdivisions; 62C.01, subdivision 3; 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; 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; 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.531; 62E.54; and 62E.55; Minnesota Statutes 1991 Supplement, section 43A.316, subdivisions 8 and 9.

Ms. Berglin moved to amend S.F. No. 2603 as follows:

Page 4, line 25, delete "*standards*" and insert "*parameters*"

Page 7, line 16, delete "*standards*" and insert "*parameters*"

Page 8, line 30, delete "*with no financial interest in the health care system*"

Page 9, after line 7, insert:

"*Subd. 3.* [FINANCIAL INTERESTS OF MEMBERS.] *A member representing employers, consumers, or employee unions must not have any personal financial interest in the health care system except as an individual consumer of health care services.*"

Renumber the subdivisions in sequence

Page 11, line 26, delete everything after "*members*"

Page 11, line 27, delete "*system*"

Page 12, after line 2, insert:

"*Subd. 3.* [FINANCIAL INTERESTS OF MEMBERS.] *A member representing employers or employee unions, and public members, must not have any personal financial interest in the health care system except as an individual consumer of health care services.*"

Renumber the subdivisions in sequence

Page 31, line 4, delete "*may*" and insert "*shall*"

Page 31, line 5, delete "*a specified minimum percentage toward*" and insert "*at least 50 percent of*"

Page 141, line 29, delete "*Upon approval by the*"

Page 141, delete line 30

Page 141, line 31, delete "*62J.04, subdivision 7,*"

Correct the internal references

The motion prevailed. So the amendment was adopted.

CALL OF THE SENATE

Ms. Berglin imposed a call of the Senate for the balance of the proceedings on S.F. No. 2603. The Sergeant at Arms was instructed to bring in the absent members.

RECONSIDERATION

Having voted on the prevailing side, Mr. McGowan moved that the vote whereby the Berglin amendment to S.F. No. 2603 was adopted on April 10, 1992, be now reconsidered.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 36 and nays 26, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Laidig	Novak	Solon
Beckman	Day	Langseth	Olson	Terwilliger
Belanger	Frank	Larson	Pariseau	Traub
Benson, J.E.	Frederickson, D.R.	Lessard	Price	Vickerman
Bertram	Gustafson	McGowan	Renneke	
Brataas	Johnson, D.E.	Mehrkens	Riveness	
Chmielewski	Johnston	Metzen	Sams	
Cohen	Knaak	Neuville	Samuelson	

Those who voted in the negative were:

Benson, D.D.	Frederickson, D.J.	Kroening	Pappas	Stumpf
Berglin	Hottinger	Luther	Piper	Waldorf
Bernhagen	Hughes	Marty	Pogemiller	
Dicklich	Johnson, D.J.	Moe, R.D.	Ranum	
Finn	Johnson, J.B.	Mondale	Reichgott	
Flynn	Kelly	Morse	Spear	

The motion prevailed. So the vote was reconsidered.

The question recurred on the Berglin amendment.

Mr. McGowan requested division of the amendment as follows:

First portion:

Page 4, line 25, delete "*standards*" and insert "*parameters*"

Page 7, line 16, delete "*standards*" and insert "*parameters*"

Page 8, line 30, delete "*with no financial interest in the health care system*"

Page 9, after line 7, insert:

"*Subd. 3.* [FINANCIAL INTERESTS OF MEMBERS.] *A member representing employers, consumers, or employee unions must not have any personal financial interest in the health care system except as an individual consumer of health care services.*"

Renumber the subdivisions in sequence

Page 11, line 26, delete everything after "*members*"

Page 11, line 27, delete "*system*"

Page 12, after line 2, insert:

"*Subd. 3.* [FINANCIAL INTERESTS OF MEMBERS.] *A member representing employers or employee unions, and public members, must not have any personal financial interest in the health care system except as an individual consumer of health care services.*"

Renumber the subdivisions in sequence

Page 31, line 4, delete "*may*" and insert "*shall*"

Page 31, line 5, delete "*a specified minimum percentage toward*" and insert "*at least 50 percent of*"

Correct the internal references

Second portion:

Page 141, line 29, delete "*Upon approval by the*"

Page 141, delete line 30

Page 141, line 31, delete "*62J.04, subdivision 7,*"

The question was taken on the adoption of the first portion of the Berglin amendment. The motion prevailed. So the first portion of the amendment was adopted.

The question was taken on the adoption of the second portion of the amendment.

The roll was called, and there were yeas 22 and nays 39, as follows:

Those who voted in the affirmative were:

Beckman	Hughes	Luther	Pappas	Spear
Berglin	Johnson, D.J.	Marty	Piper	Waldorf
Flynn	Johnson, J.B.	Mehrkens	Pogemiller	
Frederickson, D.J.	Kelly	Moe, R.D.	Ranum	
Hottinger	Kroening	Mondale	Reichgott	

Those who voted in the negative were:

Adkins	Davis	Knaak	Morse	Sams
Belanger	Day	Laidig	Neuville	Samuelson
Benson, D.D.	Finn	Langseth	Novak	Solon
Benson, J.E.	Frank	Larson	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Lessard	Pariseau	Terwilliger
Bertram	Gustafson	McGowan	Price	Traub
Brataas	Johnson, D.E.	Merriam	Renneke	Vickerman
Cohen	Johnston	Metzen	Riveness	

The motion did not prevail. So the second portion of the amendment was not adopted.

Ms. Berglin moved to amend S.F. No. 2603 as follows:

Page 59, after line 36, insert:

"Sec. 24. [FULL DISCLOSURE.]

(a) If a health carrier, or an agent, employee, or representative of a health carrier, makes any reference to a provision of this act on a premium notice, bill, or any written communication to an individual insured, enrollee, or applicant for coverage, a full disclosure notice must be either attached to the premium notice, bill, or written communication, or enclosed in the same mailing or written communication. For purposes of this section, a reference to a provision of this act means any written statement that asserts, suggests, or implies that an individual insured or enrollee experienced a premium increase, or other increase in costs related to health care, as a direct or indirect result of a provision of this act. If a written reference to a provision of this act is made, the following statement must appear immediately adjacent to the reference in a type size at least as large as the reference: "See the enclosed information about this legislation."

(b) The commissioner of commerce shall develop and print a full disclosure notice and make the notice available to health carriers for a fee that covers

the cost of printing the notice. The full disclosure notice must include at least the following information:

(1) a description of the major features of this act and related laws and rules;

(2) a description of the expressed purposes of the legislation;

(3) the historical rates of inflation in health care costs and the costs of health coverage;

(4) a description of the cost containment features of the act;

(5) the insurance and provider practices that, in the opinion of the commissioner of commerce, contributed to the problem of the uninsured; and

(6) other explanatory information the commissioner deems appropriate.

(c) The commissioner may adopt emergency rules to implement this section. The commissioner shall submit a report to the legislature by January 15, 1993, describing the notice and the process used to develop it."

Renumber the sections of article 2 in sequence

Page 145, after line 1, insert:

"*Subd. 8.* [FULL DISCLOSURE.] *(a) A hospital, provider, insurance company, or third-party purchaser that is a taxpayer under this article, or that is subject to a surcharge or other pass-through of a tax from a taxpayer, makes any reference to the tax on a bill, premium notice, or other statement of fees or charges to an individual insured, enrollee, patient, or consumer, a full disclosure notice must be either attached to the bill, notice, or statement, or enclosed in the same mailing or written communication. If a reference to the tax is made, the following statement must appear immediately adjacent to the reference to the tax in a type size at least as large as the reference to the tax: "See the enclosed information about this tax."*

(b) The commissioner of health shall develop and print a full disclosure notice and make the notice available to providers, insurers, health plan companies, and group purchasers for a fee that covers the cost of printing the notice. The full disclosure notice must include at least the following information:

(1) a description of the major features of the legislation that established the tax;

(2) a description of the purposes of the legislation and the tax;

(3) a summary of the offsetting benefits to hospitals, providers, and purchasers that are expected to result directly or indirectly from the expenditures and programs funded by the tax;

(4) the historical rates of inflation in health care costs and the costs of health coverage;

(5) the insurance and provider practices that contributed to the problem of the uninsured; and

(6) other explanatory information the commissioner deems appropriate.

(c) The commissioner shall adopt the full disclosure notice through emergency rulemaking. The commissioner shall submit a report to the legislature by January 15, 1993, describing the notice and the process used to develop it."

Page 148, line 11, after the period, insert "*Section 10, subdivision 8, is effective January 1, 1993.*"

Correct the internal references

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 17 and nays 43, as follows:

Those who voted in the affirmative were:

Benson, D.D.	Flynn	McGowan	Piper	Stumpf
Berglin	Johnson, D.J.	Mondale	Pogemiller	
Cohen	Kelly	Morse	Price	
Davis	Kroening	Novak	Ranum	

Those who voted in the negative were:

Adkins	Day	Johnson, J.B.	Merriam	Sams
Beckman	Finn	Johnston	Metzen	Samuelson
Belanger	Frank	Knaak	Moe, R.D.	Spear
Benson, J.E.	Frederickson, D.J.	Laidig	Neuville	Terwilliger
Berg	Frederickson, D.R.	Langseth	Olson	Traub
Bernhagen	Gustafson	Larson	Pariseau	Vickerman
Bertram	Hottinger	Lessard	Reichgott	Waldorf
Brataas	Hughes	Luther	Renneke	
Chmielewski	Johnson, D.E.	Mehrkens	Riveness	

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

Mr. Bertram moved to amend S.F. No. 2603 as follows:

Page 8, line 7, delete "*25*" and insert "*26*"

Page 8, line 16, delete "*six*" and insert "*seven*"

Page 8, line 19, after "*Association,*" insert "*one member appointed by the Minnesota Chiropractic Association,*"

Page 8, line 23, after "*physicians,*" insert "*chiropractors,*"

Ms. Berglin moved to amend the Bertram amendment to S.F. No. 2603 as follows:

Page 1, line 2, delete "*26*" and insert "*34*"

Page 1, after line 6, insert:

"Page 9, after line 5, insert:

"*(h)* [OTHER HEALTH CARE PROFESSIONALS.] *The commission includes one member representing each of the following health professionals appointed by the appropriate professional association:*

(1) podiatrists;

(2) psychologists;

(3) chemical dependency counselors;

(4) physicians assistants;

(5) physical therapists;

(6) dietitians and nutritionists;

(7) occupational therapists; and

(8) optometrists."

Page 9, line 6, delete "*(h)*" and insert "*(i)*""

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

Mr. Riveness moved to amend the Berglin amendment to the Bertram amendment to S.F. No. 2603, adopted by the Senate April 10, 1992, as follows:

Page 1, line 3, delete "*34*" and insert "*27*"

Page 1, line 10, delete the semicolon and insert a period

Page 1, delete lines 11 to 17

The question was taken on the adoption of the Riveness amendment to the Berglin amendment to the Bertram amendment.

The roll was called, and there were yeas 41 and nays 25, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Mondale	Samuelson
Beckman	DeCramer	Kelly	Novak	Solon
Benson, J.E.	Finn	Kroening	Olson	Stumpf
Bernhagen	Frank	Laidig	Pariseau	Terwilliger
Bertram	Frederickson, D.J.	Langseth	Pogemiller	Vickerman
Chmielewski	Frederickson, D.R.	Larson	Price	
Cohen	Hottinger	Lessard	Renneke	
Dahl	Hughes	McGowan	Riveness	
Davis	Johnson, D.E.	Metzen	Sams	

Those who voted in the negative were:

Belanger	Dicklich	Knaak	Moe, R.D.	Ranum
Benson, D.D.	Flynn	Luther	Morse	Reichgott
Berg	Gustafson	Marty	Neuville	Spear
Berglin	Johnson, D.J.	Mehrkens	Pappas	Traub
Brataas	Johnston	Merriam	Piper	Waldorf

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

The question recurred on the Bertram amendment, as amended.

The roll was called, and there were yeas 32 and nays 33, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, J.B.	Mondale	Samuelson
Beckman	Day	Kroening	Novak	Solon
Benson, J.E.	DeCramer	Laidig	Olson	Stumpf
Berg	Finn	Langseth	Price	Vickerman
Bernhagen	Frank	Larson	Renneke	
Bertram	Hottinger	Lessard	Riveness	
Chmielewski	Hughes	Metzen	Sams	

Those who voted in the negative were:

Belanger	Flynn	Knaak	Morse	Reichgott
Benson, D.D.	Frederickson, D.J.	Luther	Neuville	Spear
Berglin	Frederickson, D.R.	Marty	Pappas	Terwilliger
Brataas	Gustafson	McGowan	Pariseau	Traub
Cohen	Johnson, D.E.	Mehrkens	Piper	Waldorf
Dahl	Johnson, D.J.	Merriam	Pogemiller	
Dicklich	Johnston	Moe, R.D.	Ranum	

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

Mr. Price moved to amend S.F. No. 2603 as follows:

Page 8, line 7, delete "*25*" and insert "*26*"

Page 8, after line 23, insert:

"*(d)* [MEDICAL TECHNOLOGY INDUSTRY.] *The commission includes one member appointed by the Medical Alley Association.*"

Reletter the paragraphs in sequence

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 5 and nays 52, as follows:

Those who voted in the affirmative were:

Laidig	Merriam	Metzen	Price	Stumpf

Those who voted in the negative were:

Adkins	Cohen	Johnson, D.J.	Mehrkens	Reichgott
Beckman	Davis	Johnson, J.B.	Moe, R.D.	Renneke
Belanger	Day	Johnston	Mondale	Riveness
Benson, D.D.	Finn	Kelly	Morse	Sams
Benson, J.E.	Flynn	Knaak	Neuville	Spear
Berg	Frank	Kroening	Novak	Terwilliger
Berglin	Frederickson, D.R.	Langseth	Olson	Traub
Bernhagen	Gustafson	Larson	Pariseau	Vickerman
Bertram	Hottinger	Luther	Piper	
Brataas	Hughes	Marty	Pogemiller	
Chmielewski	Johnson, D.E.	McGowan	Ranum	

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

Mr. Finn moved to amend S.F. No. 2603 as follows:

Page 92, line 25, after "*coverage*" insert "*other than medical assistance or general assistance medical care*"

The motion prevailed. So the amendment was adopted.

Mr. Frederickson, D.R. moved to amend S.F. No. 2603 as follows:

Page 101, after line 35, insert:

"Section 1. [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 108, after line 31, insert:

"Sec. 12. [REPEALER.]

Section 1 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 of article 6 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Hottinger moved to amend S.F. No. 2603 as follows:

Pages 135 and 136, delete sections 2 and 3

Page 146, line 12, delete "*24*" and insert "*27*"

Page 146, line 14, delete "*48*" and insert "*54*"

Page 146, line 19, delete "*1.0*" and insert "*.90*"

Page 146, line 21, delete "*.60*" and insert "*.50*"

Page 146, line 35, delete "*2.5*" and insert "*5.5*"

Page 147, lines 1 and 28, delete "*five*" and insert "*11*"

Page 147, line 26, delete "*2.5*" and insert "*5.5*"

Renumber the sections of article 9 in sequence and correct the internal references

Amend the title accordingly

Mr. Berg requested division of the amendment as follows:

First portion:

Page 146, line 12, delete "*24*" and insert "*27*"

Page 146, line 14, delete "*48*" and insert "*54*"

Page 146, line 19, delete "*1.0*" and insert "*.90*"

Page 146, line 21, delete "*.60*" and insert "*.50*"

Page 146, line 35, delete "*2.5*" and insert "*5.5*"

Page 147, lines 1 and 28, delete "*five*" and insert "*11*"

Page 147, line 26, delete "2.5" and insert "5.5"

Second portion:

Pages 135 and 136, delete sections 2 and 3

Renumber the sections of article 9 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the first portion of the Hottinger amendment.

The roll was called, and there were yeas 29 and nays 33, as follows:

Those who voted in the affirmative were:

Beckman	Brataas	Knaak	Moe, R.D.	Renneke
Belanger	Chmielewski	Larson	Mondale	Spear
Benson, D.D.	Cohen	Luther	Pappas	Terwilliger
Benson, J.E.	Flynn	Marty	Piper	Traub
Berglin	Gustafson	McGowan	Ranum	Waldorf
Bernhagen	Hottinger	Merriam	Reichgott	

Those who voted in the negative were:

Adkins	Frederickson, D.J.	Kroening	Neuville	Sams
Berg	Frederickson, D.R.	Laidig	Novak	Samuelson
Bertram	Johnson, D.E.	Langseth	Olson	Solon
Davis	Johnson, D.J.	Lessard	Pariseau	Stumpf
Day	Johnson, J.B.	Mehrkens	Pogemiller	Vickerman
Finn	Johnston	Metzen	Price	
Frank	Kelly	Morse	Riveness	

The motion did not prevail. So the first portion of the amendment was not adopted.

Mr. Hottinger withdrew the second portion of the amendment.

Ms. Traub moved to amend S.F. No. 2603 as follows:

Page 19, after line 1, insert:

"*Subd. 4.* [EXCEPTION.] *This section does not apply to a mammography diagnostic facility that meets Minnesota technological standards.*"

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

Mr. Berg moved to amend S.F. No. 2603 as follows:

Pages 135 and 136, delete sections 2 and 3

Renumber the sections of article 9 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 32, as follows:

Those who voted in the affirmative were:

Adkins	Day	Laidig	Metzen	Terwilliger
Belanger	Frank	Langseth	Novak	Vickerman
Berg	Frederickson, D.R.	Larson	Renneke	
Bertram	Gustafson	Lessard	Sams	
Cohen	Johnson, D.E.	McGowan	Solon	
Davis	Johnson, D.J.	Mehrkens	Stumpf	

Those who voted in the negative were:

Beckman	Finn	Kroening	Olson	Samuelson
Benson, D.D.	Flynn	Luther	Pariseau	Spear
Benson, J.E.	Frederickson, D.J.	Marty	Piper	Traub
Berglin	Hottinger	Merriam	Pogemiller	Waldorf
Bernhagen	Johnson, J.B.	Moe, R.D.	Price	
Brataas	Johnston	Mondale	Ranum	
Chmielewski	Knaak	Morse	Reichgott	

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

Ms. Berglin moved that S.F. No. 2603 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Messages From the House and First Reading of House Bills.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 2800.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 10, 1992

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

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.

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 2800 and that the rules of the Senate be so far suspended as to give H.F. No. 2800 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 2800 was read the second time.

Ms. Berglin moved to amend H.F. No. 2800 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 2800, and insert the language after the enacting clause, and the title, of S.F. No. 2603, the fourth engrossment, as amended by the Senate April 10, 1992.

The motion prevailed. So the amendment was adopted.

H.F. No. 2800 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 48 and nays 18, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, J.B.	Moe, R.D.	Reichgott
Belanger	Dicklich	Kelly	Mondale	Riveness
Benson, D.D.	Finn	Knaak	Morse	Sams
Benson, J.E.	Flynn	Kroening	Novak	Solon
Berglin	Frank	Lessard	Pappas	Spear
Bernhagen	Frederickson, D.J.	Luther	Pariseau	Traub
Brataas	Hottinger	Marty	Piper	Vickerman
Chmielewski	Hughes	McGowan	Pogemiller	Waldorf
Cohen	Johnson, D.E.	Mehrkens	Price	
Davis	Johnson, D.J.	Metzen	Ranum	

Those who voted in the negative were:

Beckman	Day	Laidig	Neuville	Stumpf
Berg	Frederickson, D.R.	Langseth	Olson	Terwilliger
Bertram	Gustafson	Larson	Renneke	
Dahl	Johnston	Merriam	Samuelson	

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

MOTIONS AND RESOLUTIONS - CONTINUED

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

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2496: A bill for an act relating to housing; modifying provisions of rehabilitation loans, 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; increasing the debt ceiling of the Minnesota housing finance agency; amending Minnesota Statutes 1990, sections 462A.03, subdivision 7; 462A.05, subdivision 14a; 462A.06, subdivision 11; 462A.202, subdivision 2; and 462A.22, subdivision 1; Minnesota Statutes 1991 Supplement, sections 462A.05, subdivision 36; 462A.073, subdivision 2; and 462A.30, subdivisions 6 and 9; repealing Minnesota Statutes 1990, section 462A.057, subdivisions 2, 3, 4, 5, 6, 7, 8, 9, and 10; and Laws 1991, chapter 292, article 9, section 35.

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

Mr. Merriam from the Committee on Finance, to which was referred

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.

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

Mr. Merriam from the Committee on Finance, to which was referred

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.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 13.03, subdivision 3, is amended to read:

Subd. 3. [REQUEST FOR ACCESS TO DATA.] Upon request to a responsible authority or designee, a person shall be permitted to inspect and copy public government data at reasonable times and places, and, upon request, shall be informed of the data's meaning. If a person requests access for the purpose of inspection, the responsible authority may not assess a charge or require the requesting person to pay a fee to inspect data. The responsible authority or designee shall provide copies of public data upon request. If a person requests copies or electronic transmittal of the data to the person, the responsible authority may require the requesting person to pay the actual costs of searching for and retrieving government data, including the cost of employee time, and for making, certifying, compiling, and electronically transmitting the copies of the data or the data, but may not charge for separating public from not public data. ~~If the responsible authority is a state agency, the amount received is appropriated to the agency and added to the appropriations from which the costs were paid.~~ If the responsible authority or designee is not able to provide copies at the time a request is made, copies shall be supplied as soon as reasonably possible.

When a request under this subdivision involves any person's receipt of copies of public government data that has commercial value and is a substantial and discrete portion of or an entire formula, pattern, compilation, program, device, method, technique, process, data base, or system developed with a significant expenditure of public funds by the agency, the responsible authority may charge a reasonable fee for the information in addition to the costs of making, certifying, and compiling the copies. Any fee charged must be clearly demonstrated by the agency to relate to the actual development costs of the information. The responsible authority, upon the request of any person, shall provide sufficient documentation to explain and justify the fee being charged.

If the responsible authority or designee determines that the requested data is classified so as to deny the requesting person access, the responsible authority or designee shall inform the requesting person of the determination either orally at the time of the request, or in writing as soon after that time as possible, and shall cite the specific statutory section, temporary classification, or specific provision of federal law on which the determination is based. Upon the request of any person denied access to data, the responsible authority or designee shall certify in writing that the request has been denied and cite the specific statutory section, temporary classification, or

specific provision of federal law upon which the denial was based.

Sec. 2. Minnesota Statutes 1990, section 13.03, is amended by adding a subdivision to read:

Subd. 10. [COSTS FOR PROVIDING COPIES OF DATA.] *Money collected by a responsible authority in a state agency for the actual cost to the agency of providing copies or electronic transmittal of government data is appropriated to the agency and added to the appropriations from which the costs were paid.*

Sec. 3. Minnesota Statutes 1990, section 13.05, subdivision 4, is amended to read:

Subd. 4. [LIMITATIONS ON COLLECTION AND USE OF DATA.] Private or confidential data on an individual shall not be collected, stored, used, or disseminated by political subdivisions, statewide systems, or state agencies for any purposes other than those stated to the individual at the time of collection in accordance with section 13.04, except as provided in this subdivision.

(a) Data collected prior to August 1, 1975, and which have not been treated as public data, may be used, stored, and disseminated for the purposes for which the data was originally collected or for purposes which are specifically approved by the commissioner as necessary to public health, safety, or welfare.

(b) Private or confidential data may be used and disseminated to individuals or agencies specifically authorized access to that data by state, local, or federal law enacted or promulgated after the collection of the data.

(c) Private or confidential data may be used and disseminated to individuals or agencies subsequent to the collection of the data when the responsible authority maintaining the data has requested approval for a new or different use or dissemination of the data and that request has been specifically approved by the commissioner as necessary to carry out a function assigned by law.

(d) Private data may be used by and disseminated to any person or agency if the individual subject or subjects of the data have given their informed consent. Whether a data subject has given informed consent shall be determined by rules of the commissioner. Informed consent shall not be deemed to have been given by an individual subject of the data by the signing of any statement authorizing any person or agency to disclose information about the individual to an insurer or its authorized representative, unless the statement is:

(1) in plain language;

(2) dated;

(3) specific in designating the particular persons or agencies the data subject is authorizing to disclose information about the data subject;

(4) specific as to the nature of the information the subject is authorizing to be disclosed;

(5) specific as to the persons or agencies to whom the subject is authorizing information to be disclosed;

(6) specific as to the purpose or purposes for which the information may be used by any of the parties named in clause (5), both at the time of the

disclosure and at any time in the future;

(7) specific as to its expiration date which should be within a reasonable period of time, not to exceed one year except in the case of authorizations given in connection with applications for life insurance or noncancelable or guaranteed renewable health insurance and identified as such, two years the date of the policy.

The responsible authority may require a person requesting copies of data under this paragraph to pay the actual costs of making, certifying, and compiling the copies.

Sec. 4. [13.99] [OTHER GOVERNMENT DATA PROVISIONS.]

Subdivision 1. [PROVISIONS CODED IN OTHER CHAPTERS.] *The laws enumerated in this section are codified outside of chapter 13 and classify government data as other than public or place restrictions on access to government data. The remedies and penalties provided in sections 13.08 and 13.09 also apply to data and records listed in this section and to other provisions of statute that provide access to government data and records or rights regarding government data similar to those established by section 13.04.*

Subd. 2. [DATA PROVIDED TO THE TAX STUDY COMMISSION.] *The commissioner of revenue shall provide data to the tax study commission under section 3.861, subdivision 6.*

Subd. 3. [LEGISLATIVE AUDIT DATA.] *Data relating to an audit performed under section 3.97 are classified under section 3.97, subdivision 11.*

Subd. 4. [ETHICAL PRACTICES BOARD INFORMATION.] *Disclosure by the ethical practices board of information about a complaint or investigation is governed by section 10A.02, subdivision 11.*

Subd. 5. [ETHICAL PRACTICES INVESTIGATION DATA.] *The record of certain investigations conducted under chapter 10A is classified, and disposition of certain information is governed, by section 10A.02, subdivision 11a.*

Subd. 6. [REGISTER OF OWNERSHIP OF BONDS OR CERTIFICATES.] *Information in a register of ownership of state bonds or certificates is classified under section 16A.672, subdivision 11.*

Subd. 7. [PESTICIDE DEALER RECORDS.] *Records of pesticide dealers inspected or copied by the commissioner of agriculture are classified under section 18B.37, subdivision 5.*

Subd. 8. [DAIRY REPORTS TO COMMISSIONER OF AGRICULTURE.] *Disclosure of information in reports about dairy production required to be filed with the commissioner of agriculture under section 32.19 is governed by that section.*

Subd. 9. [FAMILY FARM SECURITY.] *Data received or prepared by the commissioner of agriculture regarding family farm security loans are classified in section 41.63.*

Subd. 10. [RURAL FINANCE AUTHORITY.] *Certain data received or prepared by the rural finance authority are classified pursuant to section 41B.211.*

Subd. 11. [WORLD TRADE CENTER.] *Certain data received or developed by the governing board of the Minnesota world trade center corporation are classified in section 44A.08.*

Subd. 12. [COMMERCE DEPARTMENT DATA ON FINANCIAL INSTITUTIONS.] *The disclosure by the commissioner of commerce of facts and information obtained in the course of examining financial institutions is governed by section 46.07, subdivision 2.*

Subd. 13. [COMMUNITY REINVESTMENT RATING.] *The contents and disclosure of the confidential section of the community reinvestment rating prepared by the commissioner of commerce are governed by section 47.84.*

Subd. 14. [EXAMINATION OF INSURANCE COMPANIES.] *Information obtained by the commissioner of commerce in the course of supervising or examining insurance companies is classified under section 60A.03, subdivision 9. An examination report of a domestic or foreign insurance company prepared by the commissioner is classified pursuant to section 60A.031, subdivision 4.*

Subd. 15. [INSURANCE COMPANY INFORMATION.] *Data received by the department of commerce under section 60A.93 are classified as provided by that section.*

Subd. 16. [PROCEEDING AND RECORDS IN SUMMARY PROCEEDINGS AGAINST INSURERS.] *Access to proceedings and records of summary proceedings by the commissioner of commerce against insurers and judicial review of such proceedings is governed by section 60B.14, subdivisions 1, 2, and 3.*

Subd. 17. [INSURANCE GUARANTY ASSOCIATION.] *The commissioner may share data with the board of the Minnesota Insurance Guaranty Association as provided by section 60C.14, subdivision 2.*

Subd. 18. [VARIOUS INSURANCE DATA.] *Disclosure of information obtained by the commissioner of commerce under section 60D.18, 60D.19, or 60D.20 is governed by section 60D.22.*

Subd. 19. [HMO EXAMINATIONS.] *Data obtained by the commissioner of health in the course of an examination of the affairs of a health maintenance organization are classified under section 62D.14, subdivisions 1 and 4.*

Subd. 20. [AUTO THEFT DATA.] *The sharing of data on auto thefts between law enforcement and prosecutors and insurers is governed by section 65B.81.*

Subd. 21. [SELF-INSURERS' SECURITY FUND.] *Disclosure of certain data received by the self-insurers' security is governed by section 79A.09, subdivision 4.*

Subd. 22. [ENVIRONMENTAL RESPONSE.] *Certain data obtained by the pollution control agency from a person who may be responsible for a release are classified in section 115B.17, subdivision 5.*

Subd. 23. [HAZARDOUS WASTE GENERATORS.] *Data exchanged between the pollution control agency and the department of revenue under sections 115B.24 and 116.075, subdivision 2, are classified under section 115B.24, subdivision 5.*

Subd. 24. [SOLID WASTE FACILITY RECORDS.] *Records of solid waste facilities received, inspected, or copied by a county pursuant to section 115A.882 are classified pursuant to section 115A.882, subdivision 3.*

Subd. 25. [HAZARDOUS WASTE GENERATORS.] *Information provided by hazardous waste generators under section 473.151 and for which confidentiality is claimed is governed by section 116.075, subdivision 2.*

Subd. 26. [POLLUTION CONTROL AGENCY TESTS.] *Trade secret information made available by applicants for certain projects of the pollution control agency are classified under section 116.54.*

Subd. 27. [LOW-LEVEL RADIOACTIVE WASTE.] *Certain data given to the pollution control agency by persons who generate, transport, or dispose of low-level radioactive waste are classified under section 116C.840.*

Subd. 28. [MINNESOTA EDUCATIONAL COMPUTING CORPORATION.] *Trade secret data of the Minnesota educational computing corporation are classified under section 119.06, subdivision 1.*

Subd. 29. [STUDENT FINANCIAL AID.] *Data collected and used by the higher education coordinating board on applicants for financial assistance are classified under section 136A.162.*

Subd. 30. [RESTRICTIONS ON ACCESS TO ARCHIVES RECORDS.] *Limitations on access to records transferred to the state archives are provided in section 138.17, subdivision 1c.*

Subd. 31. [FOUNDLING REGISTRATION.] *The report of the finding of an infant of unknown parentage is classified under section 144.216, subdivision 2.*

Subd. 32. [NEW CERTIFICATE OF BIRTH.] *In circumstances in which a new certificate of birth may be issued under section 144.218, the original certificate of birth is classified as provided in that section.*

Subd. 33. [BIRTH CERTIFICATE OF CHILD OF UNMARRIED PARENTS.] *Access to the birth certificate of a child whose parents were not married to each other when the child was conceived or born is governed by sections 144.225, subdivision 2, and 257.73.*

Subd. 34. [HUMAN LEUKOCYTE ANTIGEN TYPE REGISTRY.] *Data identifying a person and the person's human leukocyte antigen type which is maintained by a government entity are classified under section 144.336, subdivision 1.*

Subd. 35. [HEALTH THREAT PROCEDURES.] *Data in a health directive issued by the commissioner of health or a board of health are classified in section 144.4186.*

Subd. 36. [CERTAIN HEALTH INSPECTIONS.] *Disclosure of certain data received by the commissioner of health under sections 144.50 to 144.56 is governed by section 144.58.*

Subd. 37. [CANCER SURVEILLANCE SYSTEM.] *Data on individuals collected by the cancer surveillance system are classified pursuant to section 144.69.*

Subd. 38. [MEDICAL MALPRACTICE CLAIMS REPORTS.] *Reports of medical malpractice claims submitted by an insurer to the commissioner of health under section 144.693 are classified as provided in section 144.693, subdivision 1.*

Subd. 39. [HEALTH TEST RESULTS.] *Health test results obtained under chapter 144 are classified under section 144.768.*

Subd. 40. [HOME CARE SERVICES.] *Certain data from providers of home care services given to the commissioner of health are classified under section 144A.47.*

Subd. 41. [TERMINATED PREGNANCIES.] *Disclosure of reports of terminated pregnancies made to the commissioner of health is governed by section 145.413, subdivision 1.*

Subd. 42. [REVIEW ORGANIZATION DATA.] *Disclosure of data and information acquired by a review organization as defined in section 145.61, subdivision 5, is governed by section 145.64.*

Subd. 43. [FAMILY PLANNING GRANTS.] *Information gathered under section 145.925 is classified under section 145.925, subdivision 6.*

Subd. 44. [PHYSICIAN INVESTIGATION RECORDS.] *Patient medical records provided to the board of medical examiners under section 147.131 are classified under that section.*

Subd. 45. [RECORD OF PHYSICIAN DISCIPLINARY ACTION.] *The administrative record of any disciplinary action taken by the board of medical examiners under sections 147.01 to 147.33 is sealed upon judicial review as provided in section 147.151.*

Subd. 46. [CHIROPRACTIC REVIEW RECORDS.] *Data of the board of chiropractic examiners and the peer review committee are classified under section 148.106, subdivision 10.*

Subd. 47. [DISCIPLINARY ACTION AGAINST NURSES.] *Data obtained under section 148.261, subdivision 5, by the board of nursing are classified under that subdivision.*

Subd. 48. [MEDICAL RECORDS OBTAINED BY BOARD OF NURSING.] *Medical records of a patient cared for by a nurse who is under review by the board of nursing are classified under sections 148.191, subdivision 2, and 148.265.*

Subd. 49. [RECORDS OF NURSE DISCIPLINARY ACTION.] *The administrative records of any disciplinary action taken by the board of nursing under sections 148.171 to 148.285 are sealed upon judicial review as provided in section 148.266.*

Subd. 50. [CLIENT RECORDS OBTAINED BY BOARDS ON MENTAL HEALTH AND SOCIAL WORK.] *Client records obtained by a board conducting an investigation under chapter 148B are classified by section 148B.09.*

Subd. 51. [RECORDS OF MENTAL HEALTH AND SOCIAL WORK DISCIPLINARY ACTION.] *The administrative records of disciplinary action taken by a board under chapter 148B are sealed upon judicial review as provided in section 148B.10.*

Subd. 52. [SOCIAL WORK AND MENTAL HEALTH BOARDS.] *Certain data obtained by licensing boards under chapter 148B are classified under section 148B.175, subdivisions 2 and 5.*

Subd. 53. [RECORDS OF UNLICENSED MENTAL HEALTH PRACTITIONER DISCIPLINARY ACTIONS.] *The administrative records of disciplinary action taken by the commissioner of health pursuant to sections*

148B.60 to 148B.71 are sealed upon judicial review as provided in section 148B.65.

Subd. 54. [BOARD OF DENTISTRY.] *Data obtained by the board of dentistry under section 150A.08, subdivision 6, are classified as provided in that subdivision.*

Subd. 55. [MOTOR VEHICLE REGISTRATION.] *The residence address of certain individuals provided to the commissioner of public safety for motor vehicle registrations is classified under section 168.346.*

Subd. 56. [DRIVERS' LICENSE PHOTOGRAPHS.] *Photographs taken by the commissioner of public safety for drivers' licenses are classified under section 171.07, subdivision 1a.*

Subd. 57. [DRIVERS' LICENSE ADDRESS.] *The residence address of certain individuals provided to the commissioner of public safety in drivers' license applications is classified under section 171.12, subdivision 7.*

Subd. 58. [ACCIDENT REPORTS.] *Release of accident reports provided to the department of public safety under section 169.09 is governed by section 169.09, subdivision 13.*

Subd. 59. [REPORT OF DEATH OR INJURY TO LABOR AND INDUSTRY.] *Access to a report of worker injury or death during the course of employment filed by an employer under section 176.231 is governed by sections 176.231, subdivisions 8 and 9, and 176.234.*

Subd. 60. [OCCUPATIONAL SAFETY AND HEALTH.] *Certain data gathered or prepared by the commissioner of labor and industry as part of occupational safety and health inspections are classified under section 182.659, subdivision 8.*

Subd. 61. [EMPLOYEE DRUG AND ALCOHOL TEST RESULTS.] *Test results and other information acquired in the drug and alcohol testing process, with respect to public sector employees and applicants, are classified by section 181.954, subdivision 2, and access to them is governed by section 181.954, subdivision 3.*

Subd. 62. [CERTAIN VETERANS BENEFITS.] *Access to files pertaining to claims for certain veterans benefits is governed by section 196.08.*

Subd. 63. [VETERANS SERVICE OFFICERS.] *Data maintained by veterans service officers are classified under section 197.603.*

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

Subd. 65. [COMMISSIONER OF PUBLIC SERVICES.] *Certain energy data maintained by the commissioner of public safety are classified under section 216C.17, subdivision 4.*

Subd. 66. [CHILDREN RECEIVING MENTAL HEALTH SERVICES.] *Disclosure of identities of children receiving mental health services under sections 245.487 to 245.4887, and the identities of their families, is governed by section 245.4876, subdivision 7.*

Subd. 67. [MENTAL HEALTH CLINICS AND CENTERS.] *Data collected by mental health clinics and centers approved by the commissioner of human services are classified under section 245.69, subdivision 2.*

Subd. 68. [STATE HOSPITAL PATIENTS.] *Contents of, and access to, records of state hospital patients required to be kept by the commissioner of human services are governed by section 246.13.*

Subd. 69. [CHEMICAL DEPENDENCY SERVICE AGREEMENTS.] *Certain data received by the commissioner of human services from chemical dependency programs are classified under section 246.64, subdivision 4.*

Subd. 70. [RAMSEY HEALTH CARE.] *Data maintained by Ramsey Health Care, Inc., are classified under section 246A.17.*

Subd. 71. [SUBJECT OF RESEARCH; RECIPIENTS OF ALCOHOL OR DRUG ABUSE TREATMENT.] *Access to records of individuals who are the subject of research or who receive information, assessment, or treatment concerning alcohol or drug abuse is governed by section 254A.09.*

Subd. 72. [CHILD MORTALITY REVIEW PANEL.] *Data practices of the commissioner of human services as part of the child mortality review panel are governed by section 256.01, subdivision 12.*

Subd. 73. [RECORDS OF ARTIFICIAL INSEMINATION.] *Access to records held by a court or other agency concerning artificial insemination performed on a married woman with her husband's consent is governed by section 257.56, subdivision 1.*

Subd. 74. [PARENTAGE ACTION RECORDS.] *Inspection of records in parentage actions held by the court, the commissioner of human services, or elsewhere is governed by section 257.70.*

Subd. 75. [COMMISSIONER'S RECORDS OF ADOPTION.] *Records of adoption held by the commissioner of human services are classified, and access to them is governed by section 259.46, subdivisions 1 and 3.*

Subd. 76. [ADOPTEE'S ORIGINAL BIRTH CERTIFICATE.] *Access to the original birth certificate of a person who has been adopted is governed by section 259.49.*

Subd. 77. [PEACE OFFICERS AND CORRECTIONS RECORDS OF JUVENILES.] *Inspection and maintenance of juvenile records held by police and the commissioner of corrections are governed by section 260.161, subdivision 3.*

Subd. 78. [COMMISSIONER OF JOBS AND TRAINING.] *Data maintained by the commissioner of jobs and training are classified under section 268.12, subdivision 12.*

Subd. 79. [TRANSITIONAL HOUSING DATA.] *Certain data collected, used, or maintained by the recipient of a grant to provide transitional housing are classified under section 268.38, subdivision 9.*

Subd. 80. [EMERGENCY JOBS PROGRAM.] *Data maintained by the commissioner of public safety for the emergency jobs program are classified under section 268.673, subdivision 5.*

Subd. 81. [VOCATIONAL REHABILITATION DATA.] *Disclosure of data obtained by the commissioner of jobs and training regarding the vocational rehabilitation of an injured or disabled employee is governed by section 268A.05.*

Subd. 82. [REVENUE RECAPTURE ACT.] *Data maintained by the commissioner of revenue under the revenue recapture act are classified under section 270A.11.*

Subd. 83. [TAX DATA; CLASSIFICATION AND DISCLOSURE.] *Classification and disclosure of tax data created, collected, or maintained by the department of revenue under chapter 290, 290A, 291, or 297A are governed by chapter 270B.*

Subd. 84. [HOMESTEAD APPLICATIONS.] *The classification and disclosure of certain information collected to determine homestead classification is governed by section 273.124, subdivision 13.*

Subd. 85. [MOTOR VEHICLE REGISTRARS.] *Disclosure of certain information obtained by motor vehicle registrars is governed by section 297B.12.*

Subd. 86. [MARIJUANA AND CONTROLLED SUBSTANCE TAX INFORMATION.] *Disclosure of information obtained under chapter 297D is governed by section 297D.13, subdivisions 1 to 3.*

Subd. 87. [MINERAL RIGHTS FILINGS.] *Data filed pursuant to section 298.48 with the commissioner of revenue by owners or lessees of mineral rights are classified under section 298.48, subdivision 4.*

Subd. 88. [UNDERCOVER BUY FUND.] *Records relating to applications for grants under section 299C.065 are classified under section 299C.065, subdivision 4.*

Subd. 89. [ARSON INVESTIGATIONS.] *Data maintained as part of arson investigations are governed by sections 299F.055 and 299F.056.*

Subd. 90. [OFFICE OF PIPELINE SAFETY.] *Data obtained by the director of the office of pipeline safety are classified under section 299J.13.*

Subd. 91. [HUMAN RIGHTS CONCILIATION EFFORTS.] *Disclosure of information concerning efforts in a particular case to resolve a charge through education conference, conciliation, and persuasion is governed by section 363.06, subdivision 6.*

Subd. 92. [HUMAN RIGHTS DEPARTMENT INVESTIGATIVE DATA.] *Access to human rights department investigative data by persons other than department employees is governed by section 363.061.*

Subd. 93. [RECORDS OF CLOSED COUNTY BOARD MEETINGS.] *Records of Hennepin county board meetings permitted to be closed under section 383B.217, subdivision 7, are classified under that subdivision.*

Subd. 94. [INQUEST DATA.] *Certain data collected or created in the course of a coroner's or medical examiner's inquest are classified under sections 390.11, subdivision 7, and 390.32, subdivision 6.*

Subd. 95. [RURAL DEVELOPMENT FINANCING AUTHORITY.] *Treatment of preliminary information provided by the commissioner of trade and economic development to an authority contemplating the exercise of powers under sections 469.142 to 469.151 is governed by section 469.150.*

Subd. 96. [MUNICIPAL SELF-INSURER CLAIMS.] *Disclosure of information about individual claims filed by the employees of a municipality which is a self-insurer is governed by section 471.617, subdivision 5.*

Subd. 97. [METROPOLITAN SOLID WASTE LANDFILL FEE.] *Information obtained from the operator of a mixed municipal solid waste disposal facility under section 473.843 is classified under section 473.843, subdivision 4.*

Subd. 98. [MUNICIPAL OBLIGATION REGISTER DATA.] *Information contained in a register with respect to the ownership of certain municipal obligations is classified under section 475.55, subdivision 6.*

Subd. 99. [CHILD CUSTODY PROCEEDINGS.] *Court records of child custody proceedings may be sealed as provided in section 518.168.*

Subd. 100. [FARMER-LENDER MEDIATION.] *Data on debtors and creditors under the farmer-lender mediation act are classified under section 583.29.*

Subd. 101. [SOURCES OF PRESENTENCE INVESTIGATION REPORTS.] *Disclosure of confidential sources in presentence investigation reports is governed by section 609.115, subdivision 4.*

Subd. 102. [USE OF MOTOR VEHICLE TO PATRONIZE PROSTITUTES.] *Use of a motor vehicle in the commission of an offense under section 609.324 is noted on the offender's driving records and the notation is classified pursuant to section 609.324, subdivision 5.*

Subd. 103. [SEXUAL ASSAULT CRIME VICTIMS.] *Data on sexual assault victims are governed by section 609.3471.*

Subd. 104. [FINANCIAL DISCLOSURE FOR PUBLIC DEFENDER SERVICES.] *Disclosure of financial information provided by a defendant seeking public defender services is governed by section 611.17.*

Subd. 105. [CRIME VICTIM NOTICE OF RELEASE.] *Data on crime victims who request notice of an offender's release are classified under section 611A.06.*

Subd. 106. [BATTERED WOMEN.] *Data on battered women maintained by grantees for emergency shelter and support services for battered women are governed by section 611A.32, subdivision 5.*

Subd. 107. [CRIME VICTIM CLAIMS FOR REPARATIONS.] *Claims and supporting documents filed by crime victims seeking reparations are classified under section 611A.57, subdivision 6.*

Subd. 108. [CRIME VICTIM OMBUDSMAN.] *Data maintained by the crime victim ombudsman are classified under section 611A.74, subdivision 2.*

Subd. 109. [REPORTS OF GUNSHOT WOUNDS.] *Disclosure of the name of a person making a report under section 626.52, subdivision 2, is governed by section 626.53.*

Subd. 110. [CHILD ABUSE REPORT RECORDS.] *Data contained in child abuse report records are classified under section 626.556, subdivisions 11 and 11b.*

Subd. 111. [VULNERABLE ADULT REPORT RECORDS.] *Data contained in vulnerable adult report records are classified under section 626.557, subdivision 12.*

Subd. 112. [PEACE OFFICER DISCIPLINE PROCEDURES.] *Access by an officer under investigation to the investigating agency's investigative report on the officer is governed by section 626.89, subdivision 6.*

Sec. 5. [13C.01] [ACCESS TO CONSUMER REPORTS PREPARED BY CONSUMER REPORTING AGENCIES.]

Subdivision 1. [FEE FOR REPORT.] *(a) A consumer who is the subject*

of a credit report maintained by a credit reporting agency is entitled to request and receive by mail, for a charge not to exceed $8, a copy of the credit report once in any 12-month period. The mailing must contain a statement of the consumer's right to dispute and correct any errors and of the procedures set forth in the federal Fair Credit Reporting Act, United States Code, title 15, sections 1681 et. seq., for that purpose. The credit reporting agency shall respond to a request under this subdivision within 30 days.

(b) A consumer who exercises the right to dispute and correct errors is entitled, after doing so, to request and receive by mail, without charge, a copy of the credit report in order to confirm that the credit report was corrected.

(c) For purposes of this section, the terms "consumer," "credit report," and "credit reporting agency" have the meanings given them in the federal Fair Credit Reporting Act, United States Code, title 15, sections 1681 et. seq.

Subd. 2. [ENFORCEMENT.] *This section may be enforced by the attorney general pursuant to section 8.31.*

Sec. 6. 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 19 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. 7. Minnesota Statutes 1991 Supplement, section 144.0525, is amended to read:

144.0525 [DATA FROM LABOR AND INDUSTRY AND JOBS AND TRAINING; EPIDEMIOLOGIC STUDIES.]

All data collected by the commissioner of health under sections 176.234

~~and~~, 268.12, *and 270B.14, subdivision 11*, shall be used only for the purposes of epidemiologic investigations, *notification of persons exposed to health hazards as a result of employment*, and surveillance of occupational health and safety.

Sec. 8. Minnesota Statutes 1991 Supplement, section 144.335, subdivision 1, is amended to read:

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

(a) "Patient" means a natural person who has received health care services from a provider for treatment or examination of a medical, psychiatric, or mental condition, the surviving spouse and parents of a deceased patient, or a person the patient designates in writing as a representative. Except for minors who have received health care services pursuant to sections 144.341 to 144.347, in the case of a minor, patient includes a parent or guardian, or a person acting as a parent or guardian in the absence of a parent or guardian.

(b) "Provider" means (1) any person who furnishes health care services and is licensed to furnish the services pursuant to chapter 147, 148, 148B, 150A, 151, or 153; (2) a home care provider licensed under section 144A.46; (3) a health care facility licensed pursuant to this chapter or chapter 144A; and (4) an unlicensed mental health practitioner regulated pursuant to sections 148B.60 to 148B.71.

(c) "Individually identifiable form" means a form in which the patient is or can be identified as the subject of the health records.

Sec. 9. Minnesota Statutes 1991 Supplement, section 144.335, subdivision 3a, is amended to read:

Subd. 3a. [PATIENT CONSENT TO RELEASE OF RECORDS; LIABILITY.] (a) A provider, or a person who receives health records from a provider, may not release a patient's health records to a person without a signed and dated consent from the patient or the patient's legally authorized representative authorizing the release, unless the release is specifically authorized by law. A consent is valid for one year or for a lesser period specified in the consent or for a different period provided by law.

(b) ~~This subdivision~~ *Paragraph (a)* does not prohibit the release of health records for a medical emergency when the provider is unable to obtain the patient's consent due to the patient's condition or the nature of the medical emergency.

(c) *Paragraph (a) does not prohibit the release of health records to a provider who is being advised or consulted with in connection with the treatment of the patient.*

(d) Paragraph (a) does not prohibit the release of health records to an accident and health insurer, health service plan corporation, health maintenance organization, or third-party administrator for purposes of payment of claims, fraud investigation, or quality of care review and studies, provided that:

(1) the use or release of the records complies with sections 72A.49 to 72A.505;

(2) further use or release of the records in individually identifiable form to a person other than the patient without the patient's consent is prohibited;

and

(3) the recipient establishes adequate safeguards to protect the records from unauthorized disclosure, including a procedure for removal or destruction of information that identifies the patient.

(e) Paragraph (a) does not prohibit the release of health records to qualified personnel for purposes of medical or scientific research, provided that the patient has not objected to a release for research purposes and the provider who releases the records:

(1) determines that the use or disclosure does not violate any limitations under which the record was collected;

(2) determines that the use or disclosure in individually identifiable form is necessary to accomplish the research or statistical purpose for which the use or disclosure is to be made;

(3) requires that the recipient establish and maintain adequate safeguards to protect the records from unauthorized disclosure, including a procedure for removal or destruction of information that identifies the patient; and

(4) requires that further use or release of the records in individually identifiable form to a person other than the patient without the patient's consent is prohibited.

(f) A person who negligently or intentionally releases a health record in violation of this subdivision, or who forges a signature on a consent form, or who obtains under false pretenses the consent form or health records of another person, or who, without the person's consent, alters a consent form, is liable to the patient for compensatory damages caused by an unauthorized release, plus costs and reasonable attorney's fees.

~~(d) A patient's consent to the release of data on the date and type of immunizations administered to the patient is effective until the patient directs otherwise, if the consent was executed before August 1, 1991.~~

Sec. 10. [144.3351] [IMMUNIZATION DATA.]

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

Sec. 11. Minnesota Statutes 1990, section 270B.14, is amended by adding a subdivision to read:

Subd. 11. [DISCLOSURE TO COMMISSIONER OF HEALTH.] *(a) The commissioner may disclose return information to the commissioner of health as provided in this subdivision. Data that may be disclosed are limited to the taxpayer's identity, as defined in section 270B.01, subdivision 5.*

(b) The commissioner of health may request data only for the purposes of carrying out epidemiologic investigations, which includes conducting occupational health and safety surveillance, and locating and notifying individuals exposed to health hazards as a result of employment. Requests

for data by the commissioner of health must be in writing and state the purpose of the request. Data received may be used only for the purposes of section 144.0525.

Sec. 12. [299C.60] [CITATION.]

Sections 12 to 16 may be cited as the "Minnesota child protection background check act."

Sec. 13. [299C.61] [DEFINITIONS.]

Subdivision 1. [TERMS.] *The definitions in this section apply to sections 13 to 16.*

Subd. 2. [BACKGROUND CHECK CRIME.] *"Background check crime" includes felony-level violations of the following crimes: child abuse crimes, murder, manslaughter, assault, kidnapping, arson, criminal sexual conduct, prostitution-related crimes, and controlled substance crimes.*

Subd. 3. [CHILD.] *"Child" means an individual under the age of 18.*

Subd. 4. [CHILD ABUSE CRIME.] *"Child abuse crime" means an act committed against a minor victim that constitutes a violation of section 609.185, clause (5); 609.221; 609.222; 609.223; 609.224; 609.322; 609.323; 609.324; 609.342; 609.343; 609.344; 609.345; 609.352; 609.377; or 609.378.*

Subd. 5. [CHILDREN'S SERVICE PROVIDER.] *"Children's service provider" means a business or organization, whether public, private, for profit, nonprofit, or voluntary, that provides children's services, including a business or organization that licenses or certifies others to provide children's services.*

Subd. 6. [CHILDREN'S SERVICE WORKER.] *"Children's service worker" means a person who:*

(1) is employed by, volunteers with, or seeks to be employed by or volunteer with a children's service provider;

(2) owns, operates, or seeks to own or operate a children's service provider; or

(3) may have access to a child to whom the children's service provider provides children's services.

Subd. 7. [CHILDREN'S SERVICES.] *"Children's services" means the provision of care, treatment, education, training, instruction, supervision, or recreation to children.*

Subd. 8. [CJIS.] *"CJIS" means the Minnesota criminal justice information system.*

Subd. 9. [SUPERINTENDENT.] *"Superintendent" means the superintendent of the bureau of criminal apprehension.*

Sec. 14. [299C.62] [BACKGROUND CHECKS.]

Subdivision 1. [GENERALLY.] *The superintendent shall develop procedures to enable a children's service provider to request a background check to determine whether a children's service worker is the subject of any reported conviction for a background check crime. The superintendent shall perform the background check by retrieving and reviewing data on background check crimes maintained in the CJIS computers. The superintendent*

shall require the submission of fingerprints and is authorized to exchange fingerprints with the Federal Bureau of Investigation for purposes of a criminal history check. The superintendent shall recover the cost of a background check through a fee charged the children's service provider.

Subd. 2. [BACKGROUND CHECKS; REQUIREMENTS.] *The superintendent may not perform a background check under this section unless the children's service provider submits a written document, signed by the children's service worker on whom the background check is to be performed, containing the following:*

(1) a question asking whether the children's service worker has ever been convicted of, arrested for, or charged with a background check crime and if so, requiring a description of the crime, the particulars of the conviction, and the disposition of the arrest or charge;

(2) a notification to the children's service worker that the children's service provider will request the superintendent to perform a background check under this section; and

(3) a notification to the children's service worker of the children's service worker's rights under subdivision 3.

Background checks performed under this section may only be requested by and provided to authorized representatives of a children's service provider who have a need to know the information and may be used only for the purposes of sections 12 to 16.

Subd. 3. [CHILDREN'S SERVICE WORKER RIGHTS.] *(a) The children's service provider shall notify the children's service worker of the children's service worker's rights under paragraph (b).*

(b) A children's service worker who is the subject of a background check request has the following rights:

(1) the right to be informed that a children's service provider will request a background check on the children's service worker;

(2) the right to obtain a copy of the background check report and any record that forms the basis for the report;

(3) the right to challenge the accuracy and completeness of any information contained in the report or record; and

(4) the right not to be required directly or indirectly to pay the cost of the background check.

Subd. 4. [RESPONSE OF BUREAU.] *The superintendent shall respond to a background check request as soon as practicable after receiving the signed, written document described in subdivision 2. The superintendent's response shall be limited to a statement that the background check crime information contained in the document is or is not complete and accurate.*

Sec. 15. [299C.63] [EXCEPTION; HUMAN SERVICES LICENSEES.]

A background check performed on a human services licensee or applicant under this section does not satisfy the requirements of section 245A.04 or the rules adopted under it.

Sec. 16. [299C.64] [RULEMAKING AUTHORIZED.]

The superintendent may adopt rules necessary to implement sections 12 to 15.

Sec. 17. Minnesota Statutes 1990, section 388.23, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] The county attorney, or any deputy or assistant county attorney whom the county attorney authorizes in writing, has the authority ~~in that county~~ to subpoena and require the production of any records of telephone companies, *cellular phone companies, paging companies*, electric companies, gas companies, water utilities, chemical suppliers, hotels and motels, airlines, buses, taxis, and other entities engaged in the business of transporting people, and freight companies, warehousing companies, package delivery companies, and other entities engaged in the businesses of transport, storage, or delivery, *and records of the existence of safe deposit box account numbers and customer savings and checking account numbers maintained by financial institutions and safe deposit companies*. Subpoenas may only be issued for records that are relevant to an ongoing legitimate law enforcement investigation.

Sec. 18. Minnesota Statutes 1991 Supplement, section 609.535, subdivision 6, is amended to read:

Subd. 6. [RELEASE OF ACCOUNT INFORMATION TO LAW ENFORCEMENT AUTHORITIES.] A drawee shall release the information specified below to any state, county, or local law enforcement or prosecuting authority which certifies in writing that it is investigating or prosecuting a complaint against the drawer under this section or section 609.52, subdivision 2, clause (3)(a), and that 15 days have elapsed since the mailing of the notice of dishonor required by subdivisions 3 and 8. This subdivision applies to the following information relating to the drawer's account:

(1) Documents relating to the opening of the account by the drawer *and to the closing of the account*;

(2) Notices regarding nonsufficient funds, overdrafts, and the dishonor of any check drawn on the account within a period of six months of the date of request;

(3) Periodic statements mailed to the drawer by the drawee for the periods immediately prior to, during, and subsequent to the issuance of any check which is the subject of the investigation or prosecution; or

(4) The last known home and business addresses and telephone numbers of the drawer.

The drawee shall release all of the information described in clauses (1) to (4) that it possesses within ten days after receipt of a request conforming to all of the provisions of this subdivision. The drawee may not impose a fee for furnishing this information to law enforcement or prosecuting authorities.

A drawee is not liable in a criminal or civil proceeding for releasing information in accordance with this subdivision.

Sec. 19. [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. 20. Minnesota Statutes 1990, section 611A.20, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF NOTICE.] The commissioners of public safety and corrections, in consultation with sexual assault victim advocates and health care professionals, shall develop the notice required by subdivision 1. The notice must inform the victim of:

(1) the risk of contracting sexually transmitted diseases as a result of a sexual assault;

(2) the symptoms of sexually transmitted diseases;

(3) recommendations for periodic testing for the diseases, where appropriate;

(4) locations where confidential testing is done and the extent of the confidentiality provided; ~~and~~

(5) *information necessary to make an informed decision whether to request a test of the offender under section 19; and*

(6) other medically relevant information.

Sec. 21. Minnesota Statutes 1990, section 626.14, is amended to read:

626.14 [TIME OF SERVICE.]

A search warrant may be served only ~~in the daytime~~ *between the hours of 7:00 a.m. and 8:00 p.m.* unless the court determines on the basis of facts stated in the affidavits that a nighttime search *outside those hours* is necessary to prevent the loss, destruction, or removal of the objects of the search *or to protect the searchers or the public*. The search warrant shall state that it may be served only ~~in the daytime~~ *between the hours of 7:00*

a.m. and 8:00 p.m. unless a nighttime search *outside those hours* is authorized.

Sec. 22. Minnesota Statutes 1990, section 638.02, subdivision 2, is amended to read:

Subd. 2. Any person, convicted of *a* crime in any court of this state, who has served the sentence imposed by the court and has been discharged of the sentence either by order of court or by operation of law, may petition the board of pardons for the granting of a pardon extraordinary. *Unless the board of pardons expressly provides otherwise in writing by unanimous vote, the application for a pardon extraordinary may not be filed until the applicable time period in clause (1) or (2) has elapsed:*

(1) if the person was convicted of a crime against a person, ten years must have elapsed since the sentence was discharged and during that time the person must not have been convicted of any other crime; and

(2) if the person was convicted of a property crime, five years must have elapsed since the sentence was discharged and during that time the person must not have been convicted of any other crime.

If the board of pardons ~~shall determine~~ *determines* that ~~such~~ *the* person ~~has been convicted of no criminal acts other than the act upon which such conviction was founded and~~ is of good character and reputation, the board may, in its discretion, grant ~~to such~~ *the* person a pardon extraordinary. ~~Such~~ *The* pardon extraordinary, when granted, ~~shall have~~ *has* the effect of restoring ~~such~~ *the* person to all civil rights, and ~~shall have~~ *has* the effect of setting aside *and nullifying* the conviction ~~and nullifying the same~~ and of purging ~~such~~ *the* person ~~thereof~~ *of it*, and ~~such~~ *the* person shall never ~~thereafter~~ *after that* be required to disclose the conviction at any time or place other than in a judicial proceeding thereafter instituted.

The application for ~~such~~ *a* pardon extraordinary ~~and~~, the proceedings ~~thereunder~~ *to review an application*, and *the* notice ~~thereof shall be~~ *requirements are* governed by the statutes and the rules of the board in respect to other proceedings before the board ~~and~~. *The application shall* contain ~~such~~ *any* further information ~~as~~ *that* the board may require.

Unless the board of pardons expressly provides otherwise in writing by unanimous vote, if the person was convicted of a crime of violence, as defined in section 624.712, subdivision 5, the pardon extraordinary must expressly provide that the pardon does not entitle the person to ship, transport, possess, or receive a firearm until ten years have elapsed since the sentence was discharged and during that time the person was not convicted of any other crime of violence.

Sec. 23. Minnesota Statutes 1991 Supplement, section 638.02, subdivision 3, is amended to read:

Subd. 3. Upon granting a pardon extraordinary the board of pardons shall file a copy ~~thereof~~ *of it* with the district court of the county in which the conviction occurred, and the court shall order the conviction set aside and include a copy of the pardon in the court file. *The court shall send a copy of its order and the pardon to the bureau of criminal apprehension.*

Sec. 24. Minnesota Statutes 1990, section 638.02, subdivision 4, is amended to read:

Subd. 4. Any person granted a pardon extraordinary by the board of pardons prior to April 12, 1974 may apply to the district court of the county in which the conviction occurred for an order setting aside the conviction ~~and sealing all such records~~ as set forth in subdivision 3.

Sec. 25. Minnesota Statutes 1991 Supplement, section 638.05, is amended to read:

638.05 [APPLICATION FOR PARDON.]

Every application for ~~a~~ *relief by the* pardon ~~or commutation of sentence~~ *board* shall be in writing, addressed to the board of pardons, signed *under oath* by the convict or someone in the convict's behalf, shall state concisely the grounds upon which the ~~pardon or commutation~~ *relief* is sought, and in addition shall contain the following facts:

(1) The name under which the convict was indicted, and every alias by which *the convict is or was* known;

(2) The date and terms of sentence, and the names of the offense for which it was imposed;

(3) The name of the trial judge and the county attorney who participated in the trial of the convict, together with that of the county of trial;

(4) A succinct statement of the evidence adduced at the trial, with the endorsement of the judge or county attorney who tried the case that the ~~same~~ *statement* is substantially correct~~;~~. If ~~such~~ *this* statement and endorsement are not furnished, the reason ~~thereof~~ *for failing to furnish them* shall be stated;

(5) The age, birthplace, and occupation and residence of the convict during five years immediately preceding conviction;

(6) A statement of other arrests, indictments, and convictions, if any, of the convict.

Every application for ~~a~~ *relief by the* pardon ~~or commutation of sentence~~ *board* shall contain a statement by the applicant consenting to the disclosure to the board of any private data concerning the applicant contained in the application or in any other record relating to the grounds on which the ~~pardon or commutation~~ *relief* is sought. *In addition, if the applicant resided in another state after the sentence was discharged, the application for relief by the pardon board shall contain a statement by the applicant consenting to the disclosure to the board of any private data concerning the applicant that was collected or maintained by the foreign state relating to the grounds on which the relief is sought.*

Sec. 26. Minnesota Statutes 1991 Supplement, section 638.06, is amended to read:

638.06 [ACTION ON APPLICATION.]

Every ~~such~~ application *for relief by the pardon board* shall be filed with the ~~clerk~~ *secretary* of the board of pardons *not less than 60 days before the meeting of the board at which consideration of the application is desired.* If an application for a pardon or commutation has been once heard and denied on the merits, no subsequent application shall be filed without the consent of two members of the board endorsed ~~thereon~~ *on the application.* ~~The clerk shall,~~ Immediately on receipt of any application, *the secretary to the board shall* mail notice ~~thereof~~ *of the application*, and of the time and

place of hearing ~~thereon~~ *on it*, to the judge of the court ~~wherein~~ *where* the applicant was tried and sentenced, and to the prosecuting attorney who prosecuted the applicant, or a successor in office. *Additionally, the secretary shall publish notice of an application for a pardon extraordinary in the local newspaper of the county where the crime occurred.* The ~~clerk~~ *secretary* shall also make all reasonable efforts to locate any victim of the applicant's crime. The ~~clerk~~ *secretary* shall mail notice of the application and the time and place of the hearing to any victim who is located. This notice shall specifically inform the victim of the victim's right to be present at the hearing and to submit an oral or written statement to the board as provided in section 638.04.

Sec. 27. [638.075] [ANNUAL REPORTS TO LEGISLATURE.]

By February 15 of each year, the board of pardons shall file a written report with the legislature containing the following information:

(1) the number of applications received by the board during the preceding calendar year for pardons, pardons extraordinary, and commutations of sentence;

(2) the number of applications granted by the board for each category; and

(3) the crimes for which the applications were granted by the board, the year of each conviction, and the age of the offender at the time of the offense.

Sec. 28. [SUPREME COURT; UNIFORM ORDER TO SET ASIDE CONVICTION.]

The supreme court shall, by rule, develop a standardized form to be used by district courts in entering orders to set aside a conviction under Minnesota Statutes, section 638.02, subdivision 3.

Sec. 29. [PARDON BOARD; REVIEW OF STAFFING AND WORKLOAD.]

No later than one year after the effective date of sections 22 to 29, the board of pardons shall assess whether it has adequate staff, resources, and procedures to perform the duties imposed on the board by Minnesota Statutes, chapter 638.

Sec. 30. [TELEPHONE ASSISTANCE PLAN.]

Notwithstanding Minnesota Statutes, section 13.46, subdivision 2, until August 1, 1993, welfare data collected by the telephone assistance plan may be disclosed to the department of revenue to conduct an electronic data match to the extent necessary to determine eligibility under Minnesota Statutes, section 237.70, subdivision 4a.

Sec. 31. [APPROPRIATION.]

$10,000 is appropriated from the general fund to the commissioner of corrections, for the fiscal year ending June 30, 1993, to be used to computerize the records maintained by the board of pardons and to permit the board to provide statistical analysis of the board's records, as necessary.

Sec. 32. [EFFECTIVE DATE.]

Section 10 is effective the day following final enactment and applies to immunizations administered before, on, or after the effective date. Sections 19 and 20 are effective October 1, 1993, and apply to crimes committed

on or after that date."

Delete the title and insert:

"A bill for an act relating to data practices; providing for the collection, classification, and dissemination of data; modifying provisions concerning patient consent to release of medical records; expanding the administrative subpoena power of the county attorney; making information on closed bank accounts available to authorities investigating worthless check cases; specifying when certain search warrants may be served; imposing a waiting period on persons who seek a pardon extraordinary from the board of pardons; requiring that a pardon extraordinary be made a part of the pardoned offender's court record and that a copy be sent to the bureau of criminal apprehension; improving the pardon application procedure; requiring certain reports; appropriating money; amending Minnesota Statutes 1990, sections 13.03, by adding a subdivision; 13.05, subdivision 4; 72A.20, by adding a subdivision; 270B.14, by adding a subdivision; 388.23, subdivision 1; 611A.20, subdivision 2; 626.14; 638.02, subdivision 2; 638.02, subdivision 4; Minnesota Statutes 1991 Supplement, sections 13.03, subdivision 3; 144.0525; 144.335, subdivisions 1 and 3a; 609.535, subdivision 6; 638.02, subdivision 3; 638.05; 638.06; proposing coding for new law in Minnesota Statutes, chapters 13; 144; 299C; 611A; and 638; proposing coding for new law as Minnesota Statutes, chapter 13C."

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

SECOND READING OF SENATE BILLS

S.F. No. 2496 was read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 699 and 2181 were read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Mehrkens moved that S.F. No. 2067, No. 38 on General Orders, be stricken and returned to its author. The motion prevailed.

Ms. Ranum moved that S.F. No. 1978, No. 63 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Mr. Cohen moved that S.F. No. 1658, No. 6 on General Orders, be stricken and re-referred to the Committee on Local Government. The motion prevailed.

Mr. Larson moved that his name be stricken as a co-author to S.F. No. 2603. The motion prevailed.

MEMBERS EXCUSED

Mr. Johnson, D.J. was excused from the Session of today. Mr. Halberg was excused from the Session of today at 3:00 p.m. Mr. Hughes was excused from the Session of today from 12:00 noon to 3:00 p.m. Mr. Riveness was excused from the Session of today from 12:30 to 1:00 p.m. Mr. Pogemiller was excused from the Session of today from 12:30 to 2:10 p.m. and at 3:00 p.m. Mr. Chmielewski was excused from the Session of today from 3:30 to 5:00 p.m. Mr. Lessard was excused from the Session of today from 3:15

to 4:00 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Monday, April 13, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

NINETY-SEVENTH DAY

St. Paul, Minnesota, Monday, April 13, 1992

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Michael Haseltine.

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

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

Adkins	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moe, R.D.	Riveness
Belanger	Dicklich	Kelly	Mondale	Sams
Benson, D.D.	Finn	Knaak	Morse	Samuelson
Benson, J.E.	Flynn	Kroening	Neuville	Solon
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Halberg	Luther	Piper	Vickerman
Chmielewski	Hottinger	Marty	Pogemiller	Waldorf
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

The President declared a quorum present.

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House 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.

There has been appointed as such committee on the part of the House:

Wenzel, Bauerly and Omann.

Senate File No. 2728 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 10, 1992

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House 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.

There has been appointed as such committee on the part of the House:

Krueger, Kinkel and Pellow.

Senate File No. 2430 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 10, 1992

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House 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.

There has been appointed as such committee on the part of the House:

Winter, Steensma and Dille.

Senate File No. 2257 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 10, 1992

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting

of 3 members of the House, on the amendments adopted by the House 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.

There has been appointed as such committee on the part of the House:

Farrell, Beard and Dille.

Senate File No. 2136 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 10, 1992

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House 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.

There has been appointed as such committee on the part of the House:

Jefferson, Sarna and Boo.

Senate File No. 1722 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 10, 1992

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2113:

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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Orenstein; Johnson, A. and Seaberg have been appointed as such committee on the part of the House.

House File No. 2113 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 10, 1992

Mr. Cohen moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2113, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 2848.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 10, 1992

FIRST READING OF HOUSE BILLS

The following bill was read the first time and referred to the committee indicated.

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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2505, now on General Orders.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports pertaining to appointments. The motion prevailed.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1878: A bill for an act relating to workers' compensation; regulating insurance; regulating the assigned risk plan; creating a health and safety fund; providing for fraud prevention; requiring the department of labor and industry to assist employees; providing for accident prevention and injury reduction; eliminating subsequent injury registration and reimbursement; amending Minnesota Statutes 1990, sections 79.251, by adding subdivisions; 79.252, subdivisions 1 and 3; 176.106, subdivision 6; 176.129, subdivision 10; 176.130, subdivisions 8 and 9; 176.138; 176.139, subdivision 2; 176.181, subdivision 3, and by adding a subdivision; 176.182; 176.183; 176.185, subdivision 5a; 176.194, subdivisions 4 and 5; 176.221, subdivisions 3 and 3a; 176.231, subdivision 10; 176.261; 176A.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 79; and 176; repealing Minnesota Statutes 1990, section 176.131.

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

Page 4, lines 5 and 6, delete "FUND" and insert "ACCOUNT"

Page 4, line 7, delete "*fund*" and insert "*account*"

Page 6, line 20, delete "*action*" and insert "*section*"

Page 7, line 5, delete the new language and strike "fund" and insert "*assigned risk safety account*"

Page 7, lines 16 and 25, delete "*fund*" and insert "*account*"

Page 7, line 31, delete the new language

Page 7, line 32, delete "*safety*" and strike "fund" and insert "*assigned risk safety account*"

Page 8, line 34, delete the new language and strike "fund" and insert "*assigned risk safety account*"

Page 9, line 28, delete the new language and strike "fund" and insert "*assigned risk safety account*"

Page 11, line 22, delete "*fund*" and insert "*account*"

Page 12, line 20, delete the new language and strike "fund" and insert "*assigned risk safety account*"

Page 15, line 19, delete the new language and strike "fund" and insert "*assigned risk safety account*"

Page 16, lines 4 and 27, delete the new language and strike "fund" and insert "*assigned risk safety account*"

Page 17, line 15, delete "*fund*" and insert "*account*"

Page 18, line 2, delete the new language

Page 18, line 3, strike "fund" and insert "*assigned risk safety account*"

Amend the title as follows:

Page 1, line 4, delete "a health and safety fund" and insert "an assigned risk safety account"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2509: 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; 239.06; 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.

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

Page 2, after line 33, 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 3, line 1, delete the second "*a*" and insert "*an oxygenated gasoline*"

Page 4, lines 8 and 21, delete "*registered*" and insert "*approved*"

Page 5, delete section 22

Page 7, line 11, delete "*waiver to*" and insert "*temporary exemption from*"

Page 10, line 12, delete "*and decimal fractions*"

Page 13, line 11, after "*with*" insert "*a detergent additive,*"

Page 13, line 12, delete "*with*"

Page 13, line 20, 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 21 to 25

Page 13, line 29, after "*gasoline*" insert "*after the gasoline-ethanol blend has been sold, transferred, or otherwise removed from a refinery or terminal*"

Page 15, line 11, 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 25, delete everything after "*commission*"

Page 16, delete lines 26 and 27

Page 16, line 28, 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 31, delete "*30*" and insert "*120*"

Page 17, line 25, delete "*15 through February 15*" and insert "*1 through January 31*"

Page 22, line 8, delete "*registered*" and insert "*approved*"

Page 26, delete section 53

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 3 and 4, delete "appropriating money;"

Page 1, line 6, delete "239.06;"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1512: A bill for an act relating to the state budget; requiring the commissioner of finance to prepare performance budgets; prescribing their contents; requiring the commissioner of administration to prepare a functional analysis of state government; amending Minnesota Statutes 1990, section 16A.095, by adding subdivisions; repealing Minnesota Statutes 1990, section 16A.095, subdivision 3.

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

Delete everything after the enacting clause and insert:

"Section 1. [PERFORMANCE BUDGET.]

It is the intent of the legislature to use outcome-based indicators and performance measures as criteria for making budget allocation decisions. As a first step in moving toward performance-based budgeting, the commissioner shall require at least five executive agencies to submit performance budgets for the 1994-1995 biennium. The commissioner shall consult with the chair of the senate finance committee and the chair of the house of representatives appropriations committee regarding the selection of the agencies and the format to be used for the performance budgets. The designated executive agencies shall prepare their budgets in the format specified by the commissioner. The format must require:

(1) clear and specific statements of what has been achieved during the prior two fiscal years, including measurable outcomes that resulted from program activities;

(2) narrative discussions comparing performance outcomes to the performance objectives established for the prior two fiscal years;

(3) assessments of whether the program outcomes for the prior two fiscal years should be ranked as more than adequate, adequate, or less than adequate;

(4) a statement of goals for the coming biennium;

(5) performance objectives that must include a specific statement of what is expected to be achieved within the next budget period; and

(6) performance indicators that must include specific measurable outcomes that will result from the program activity."

Delete the title and insert:

"A bill for an act relating to the state budget; requiring the commissioner of finance to prepare performance budgets; prescribing their contents."

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2030: 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; and Minnesota Statutes 1991 Supplement, section 239.78; proposing coding for new law in Minnesota Statutes, chapters 116 and 239.

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

Page 2, line 24, delete "PROPANE" and insert "LIQUID PETROLEUM GAS"

Page 2, lines 25 and 27, delete "*propane*" and insert "*liquid petroleum gas*"

Page 2, line 28, delete "*public service*" and insert "*revenue for deposit in the general fund*"

Page 2, line 29, delete "APPROPRIATION" and insert "APPROPRIATIONS"

Page 2, delete lines 30 and 31

Page 2, line 32, delete everything before "*is*" and insert:

"*(a) $296,000*"

Page 2, delete lines 33 to 35

Page 2, line 36, delete "*or other state agency*"

Page 3, delete line 3

Page 3, line 4, before "*Of*" insert "*(b)*" and delete "*$350,000*" and insert "*$330,000*"

Page 3, line 5, delete "*energy and*"

Page 3, delete lines 6 and 7 and insert "*commissioner of jobs and training*"

Page 3, line 9, delete "*propane*" and insert "*liquid petroleum gas*" in both places

Amend the title as follows:

Page 1, lines 7 and 8, delete "to energy and conservation account" and insert "for low-income energy assistance program and"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2451: A bill for an act relating to Dakota county; providing financing for transportation planning activities; authorizing a regional railroad authority to transfer light rail money.

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

Page 1, line 8, delete "*Notwithstanding any law to the contrary,*"

Page 1, line 10, before the first comma, insert "*generated by local property tax levies and state grants*"

Page 1, line 11, delete "*studies*" and insert "*purposes*"

Page 1, line 12, delete "*department*" and insert "*commissioner*" and delete "*may*" and insert "*shall*"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2095: A bill for an act relating to the environment; pollution control; clarifying and distinguishing organizational duties of the board of the pollution control agency; 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; requiring a report; amending Minnesota Statutes 1990, sections 116.02, subdivisions 1, 2, 3, 4, and by adding a subdivision; and 116.70, subdivision 3; Minnesota Statutes 1991 Supplement, section 116.07, subdivision 4d; proposing coding for new law in Minnesota Statutes, chapter 116.

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

Page 11, line 27, delete ", *clause (4),*"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2143: A bill for an act relating to game and fish; providing for agricultural crop protection assistance; providing for issuance of deer licenses to certain owners of agricultural land in consideration for allowing access for hunting; appropriating money; amending Minnesota Statutes 1990, section 97A.441, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 97A.

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

Page 1, lines 14 and 17, delete "*sod*" and insert "*turf*"

Page 2, line 14, after the period, insert "*The total value of deterrent materials provided to a single landowner under this subdivision must not exceed $3,000.*"

Page 2, line 32, delete "*a fee, a bonus*" and insert "*an additional fee, a*"

Page 2, line 33, before "*deer*" insert "*a second*" and after "*firearms*" insert "*under section 97B.301, subdivision 4,*"

Page 2, line 35, delete "*bonus*" and insert "*the commissioner made these*" and delete "*are*"

Page 2, line 36, delete "*bonus*"

Page 3, line 2, delete "*bonus*" and insert "*the*"

Page 3, line 3, delete "*bonus deer*"

Page 3, line 6, delete "APPROPRIATION" and insert "APPROPRIATIONS"

Page 3, after line 6, insert:

"*(a) $250,000 is appropriated from the game and fish fund to the commissioner of natural resources to implement the technical assistance program under section 1, subdivision 2.*"

Page 3, line 7, delete "*$ . . . . . *" and insert "*(b) $200,000*"

Page 3, line 8, delete "*implement*" and insert "*purchase deterrent materials to be provided to landowners under*" and delete the period and insert ", *subdivision 3.*

(c) The approved complement of the department of natural resources is increased by two game and fish fund positions."

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2732: 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.

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

Pages 22 and 23, delete section 18

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete "appropriating money;"

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

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

H.F. No. 2147 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2147	2042				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2147 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2147 and

insert the language after the enacting clause of S.F. No. 2042, the first engrossment; further, delete the title of H.F. No. 2147 and insert the title of S.F. No. 2042, the first engrossment.

And when so amended H.F. No. 2147 will be identical to S.F. No. 2042, and further recommends that H.F. No. 2147 be given its second reading and substituted for S.F. No. 2042, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 2854 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2854	1376				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2854 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2854 and insert the language after the enacting clause of S.F. No. 1376; further, delete the title of H.F. No. 2854 and insert the title of S.F. No. 1376.

And when so amended H.F. No. 2854 will be identical to S.F. No. 1376, and further recommends that H.F. No. 2854 be given its second reading and substituted for S.F. No. 1376, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 2261 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2261	2402				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2261 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2261 and insert the language after the enacting clause of S.F. No. 2402, the first engrossment; further, delete the title of H.F. No. 2261 and insert the title of S.F. No. 2402, the first engrossment.

And when so amended H.F. No. 2261 will be identical to S.F. No. 2402,

and further recommends that H.F. No. 2261 be given its second reading and substituted for S.F. No. 2402, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 2025 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2025	1916				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2025 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2025 and insert the language after the enacting clause of S.F. No. 1916, the first engrossment; further, delete the title of H.F. No. 2025 and insert the title of S.F. No. 1916, the first engrossment.

And when so amended H.F. No. 2025 will be identical to S.F. No. 1916, and further recommends that H.F. No. 2025 be given its second reading and substituted for S.F. No. 1916, and that the Senate File be indefinitely postponed.

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

Mr. Dahl from the Committee on Education, to which were referred the following appointments as reported in the Journal for February 24, 1992:

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

Kathryn Balstad Brewer

STATE BOARD FOR COMMUNITY COLLEGES

Craig Shaver

STATE BOARD OF TECHNICAL COLLEGES

Joan "Jody" Olson

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Dahl from the Committee on Education, to which was referred the following appointment as reported in the Journal for February 27, 1992:

STATE BOARD OF TECHNICAL COLLEGES

Terance Smith

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Dahl from the Committee on Education, to which were referred the following appointments as reported in the Journal for March 20, 1992:

BOARD OF THE MINNESOTA CENTER FOR ARTS EDUCATION

Philip C. Brunelle
Jean W. Greener
Sheila Livingston

STATE BOARD FOR COMMUNITY COLLEGES

Margaret Dolan

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Dahl from the Committee on Education, to which was referred the following appointment as reported in the Journal for March 25, 1992:

STATE BOARD OF EDUCATION

George Jernberg

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Dahl from the Committee on Education, to which were referred the following appointments as reported in the Journal for March 26, 1992:

MINNESOTA HIGHER EDUCATION COORDINATING BOARD

Sharon L. Bailey-Bok
Carl W. Cummins III
Edward F. Zachary

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

SECOND READING OF SENATE BILLS

S.F. Nos. 1878, 2509, 1512, 2030, 2451, 2095, 2143 and 2732 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2147, 2854, 2261 and 2025 were read the second time.

MOTIONS AND RESOLUTIONS

Ms. Berglin moved that the name of Mr. Knaak be added as a co-author to S.F. No. 2603. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Spear moved that the following members be excused for a Conference Committee on H.F. No. 1849 at 1:30 p.m.:

Messrs. Marty, Kelly, McGowan, Spear and Ms. Ranum. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Johnson, D.J. moved that the following members be excused for a Conference Committee on H.F. No. 2940 at 12:30 p.m.:

Mrs. Brataas, Ms. Reichgott, Messrs. Frederickson, D.J.; Pogemiller and Johnson, D.J. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

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

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

S.F. No. 2418 and H.F. No. 2435, which the committee recommends to pass.

S.F. No. 2376, which the committee recommends to pass with the following amendments offered by Messrs. Morse and Lessard:

Mr. Morse moved to amend S.F. No. 2376 as follows:

Page 2, after line 14, insert:

"Sec. 4. [97A.026] [AGRICULTURAL CROP PROTECTION ASSISTANCE.]

Subdivision 1. [DEFINITIONS.] *(a) For the purposes of this section, "agricultural crops" means annually seeded crops, legumes, fruit orchards, tree farms and nurseries, turf farms, and apiaries.*

(b) For the purposes of this section, "specialty crops" means fruit

orchards, vegetables, tree farms and nurseries, turf farms, and apiaries.

Subd. 2. [TECHNICAL ASSISTANCE.] *The commissioner shall establish a statewide program to provide technical assistance to persons for the protection of agricultural crops from destruction by wild animals. As part of the program, the commissioner shall develop and identify the latest and most effective abatement techniques; acquire appropriate demonstration supplies and materials required to meet specialized needs; train property owners, field staff, public land managers, extension agents, pest control operators, and others; provide technical manuals and brochures; and provide field personnel with supplies and materials for damage abatement demonstrations and short-term assistance and for the establishment of food or lure crops where appropriate.*

Subd. 3. [DETERRENT MATERIALS ASSISTANCE.] *(a) A person may apply to the commissioner for deterrent materials assistance in controlling destruction of specialty crops by wild animals. Subject to the availability of money appropriated for this purpose, the commissioner shall provide suitable deterrent materials, at no cost to the applicant, for the protection of specialty crops when the commissioner estimates that the benefit from the use of the deterrent materials is greater than twice the cost of providing the materials. Deterrent materials may include repellents or fencing materials. The total value of deterrent materials provided to a single landowner under this subdivision must not exceed $3,000. The landowner is responsible for implementing the deterrent system, including the placement and operation of repellents or the erection and maintenance of fences.*

(b) In providing assistance to landowners under this subdivision, the commissioner shall prioritize projects based on their relative benefit-cost ratios and shall give first priority to fencing projects required by court order issued on or before May 1, 1992.

(c) If a landowner who has received assistance under this subdivision in the form of materials with a design life of more than five years sells the property within five years after installation of the materials, the landowner shall reimburse the commissioner for the value of the materials, prorated over the remainder of the five-year period."

Page 2, after line 27, insert:

"Sec. 6. Minnesota Statutes 1990, section 97A.441, is amended by adding a subdivision to read:

Subd. 7. [OWNERS OR TENANTS OF AGRICULTURAL LAND.] *(a) The commissioner may issue, without an additional fee, a license to take a second deer with firearms under section 97B.301, subdivision 4, to a person who is an owner or tenant and lives on at least 40 acres of agricultural land, as defined in section 97B.001, in an area where the commissioner has made these licenses available. Landowners and tenants applying for a license under this subdivision must receive preference over other applicants for the licenses.*

(b) Persons who obtain a license under paragraph (a) must allow public deer hunting on their land during that deer hunting season."

Page 4, after line 2, insert:

"Sec. 13. [APPROPRIATIONS.]

(a) $250,000 is appropriated from the game and fish fund to the commissioner of natural resources to implement the technical assistance program under section 4, subdivision 2.

(b) $200,000 is appropriated from the general fund to the commissioner of natural resources to purchase deterrent materials to be provided to landowners under section 4, subdivision 3.

(c) The approved complement of the department of natural resources is increased by two game and fish fund positions."

Page 4, line 4, delete "*Section 10 is*" and insert "*Sections 6 and 12 are*"

Renumber the sections in sequence

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 17, as follows:

Those who voted in the affirmative were:

Beckman	DeCramer	Johnston	Morse	Stumpf
Benson, D.D.	Finn	Kelly	Pappas	Traub
Berg	Frederickson, D.R.	Larson	Piper	Vickerman
Bernhagen	Halberg	Luther	Price	
Bertram	Hughes	Mehrkens	Riveness	
Davis	Johnson, D.E.	Moe, R.D.	Sams	
Day	Johnson, J.B.	Mondale	Solon	

Those who voted in the negative were:

Adkins	Flynn	Laidig	Neuville	Terwilliger
Belanger	Frank	Lessard	Pariseau	
Benson, J.E.	Knaak	McGowan	Ranum	
Berglin	Kroening	Metzen	Renneke	

The motion prevailed. So the amendment was adopted.

Mr. Lessard moved to amend S.F. No. 2376 as follows:

Page 2, after line 27, insert:

"Sec. 5. Minnesota Statutes 1991 Supplement, section 97A.475, subdivision 2, is amended to read:

Subd. 2. [RESIDENT HUNTING.] Fees for the following licenses, to be issued to residents only, are:

(1) for persons under age 65 to take small game, $10;

(2) for persons age 65 or over, $5;

(3) to take turkey, $16;

(4) *for persons age 16 or over* to take deer with firearms, $22;

(5) *for persons under age 16 to take deer with firearms, $11;*

(6) for persons age 16 or over to take deer by archery, $22;

~~(6)~~ *(7) for persons under age 16 to take deer by archery, $11;*

(8) to take a second deer under section 97B.301, subdivision 4, $11;

(9) to take moose, for a party of not more than six persons, $275;

~~(7)~~ *(10)* to take bear, $33;

~~(8)~~ *(11)* to take elk, for a party of not more than two persons, $220; and

~~(9)~~ *(12)* to take antlered deer in more than one zone, $44."

Page 3, after line 17, insert:

"Sec. 9. Minnesota Statutes 1990, section 97B.301, subdivision 4, is amended to read:

Subd. 4. [TAKING TWO DEER.] The commissioner may, by order, allow a person to take two deer. The commissioner shall prescribe the conditions for taking the second deer including:

(1) taking by firearm or archery; *and*

(2) obtaining an additional license~~; and~~

~~(3) payment of a fee not more than the fee for a firearms deer license~~."

Page 4, after line 3, insert:

"*Sections 5 and 9 are effective for the licensing year beginning March 1, 1992, and for each licensing year thereafter.*"

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 4, after "contests;" insert "deer license fees for residents under age 16 and for licenses to take a second deer;"

Page 1, line 9, after "97B.071;" insert "97B.301, subdivision 4;"

Page 1, line 11, delete "section" and insert "sections" and before the period, insert "; and 97A.475, subdivision 2"

The motion prevailed. So the amendment was adopted.

Mr. Lessard then moved to amend S.F. No. 2376 as follows:

Page 1, after line 12, insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 84.085, is amended by adding a subdivision to read:

Subd. 1a. [ADVANCE OF MATCHING FUNDS.] *The commissioner may advance funds appropriated for fish and wildlife programs to government agencies, the National Fish and Wildlife Foundation, federally recognized Indian tribes and bands, and private, nonprofit organizations for the purposes of securing nonstate matching funds for projects involving acquisition and improvement of, and research and management relating to, fish and wildlife habitat. The commissioner shall execute agreements or contracts with the matching parties under section 16B.06 before advancing any state funds. The agreement or contract must contain provisions for return of the state's share and the match funds within a period of time specified by the commissioner. The state's funds and the nonstate matching funds must be deposited in a separate account and spent solely for the purposes set forth in the agreement or contract. The commissioner shall enter into agreements or contracts only with parties deemed by the commissioner to be dedicated to the purposes of the project.*"

Page 4, line 4, before "*Section*" insert "*Section 1 is effective July 1, 1992.*"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Morse moved to amend S.F. No. 2376 as follows:

Page 3, after line 22, insert:

"Sec. 9. Minnesota Statutes 1990, section 97C.355, subdivision 2, is amended to read:

Subd. 2. [LICENSE REQUIRED.] A person may not take fish from a dark house or fish house unless the house is licensed and has a metal license tag attached to the exterior as prescribed by the commissioner, *except as provided in this subdivision*. The commissioner must issue a metal tag that is at least two inches in diameter with a 3/16 inch hole in the center with a dark house or fish house license. The metal tag must be stamped with a number to correspond with the license and the year of issue. *A dark house or fish house license is not required of a resident on boundary waters where the adjacent state does not charge a fee for the same activity.*"

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 6, after "seasons;" insert "dark house and fish house licenses on certain boundary waters;"

Page 1, line 10, before "97C.375" insert "97C.355, subdivision 2;"

The motion prevailed. So the amendment was adopted.

S.F. No. 2144, which the committee recommends to pass with the following amendment offered by Mr. Merriam:

Page 3, line 9, delete "*$116,500,000*" and insert "*$62,000,000*"

Page 3, line 10, delete "*$87,400,000*" and insert "*$44,000,000*"

Page 3, line 11, delete "*$29,100,000*" and insert "*$18,000,000*"

Page 3, line 18, delete "*$63,000,000*" and insert "*$30,000,000*" and delete everything after "*1995*"

Page 3, line 19, delete everything before the period

The motion prevailed. So the amendment was adopted.

S.F. No. 738, which the committee recommends to pass with the following amendments offered by Messrs. Merriam, Morse and McGowan:

Mr. Merriam moved to amend S.F. No. 738 as follows:

Page 5, line 11, delete "*$500 for each facility*" and insert "*$200 for zero releases and transfers annually, $400 for more than zero releases and transfers but not exceeding 25,000 pounds annually, and $800 for releases and transfers exceeding 25,000 pounds annually*"

The motion prevailed. So the amendment was adopted.

Mr. Morse moved to amend S.F. No. 738 as follows:

Page 1, after line 10, insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 115E.04, subdivision 2, is amended to read:

Subd. 2. [TIMING.] *(a)* A person required to be prepared under section 115E.03, *other than a person who owns or operates a motor vehicle, rolling stock, or a facility that stores less than 250,000 gallons of oil or a hazardous substance,* shall complete the response plan required by this section by March 1, 1993, unless one of the commissioners orders the person to demonstrate preparedness at an earlier date under section 115E.05. Plans must be updated every three years. Plans must be updated before three years following a significant discharge, upon significant change in vessel or facility operation or ownership, upon significant change in the national or area contingency plans under the Oil Pollution Act of 1990, or upon change in the capabilities or role of a person named in a plan who has an important response role.

(b) A person who owns or operates a motor vehicle, rolling stock, or a facility that stores less than 250,000 gallons of oil or a hazardous substance shall complete the response plan required by this section by January 1, 1994."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. McGowan moved to amend S.F. No. 738 as follows:

Page 3, line 9, delete "*and*"

Page 3, line 10, after "*representatives,*" insert "*and representatives of affected parties,*"

Page 3, line 16, delete "*and*"

Page 3, line 17, before the semicolon, insert "*, and other factors*"

The motion prevailed. So the amendment was adopted.

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

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 2181 a Special Order to be heard immediately.

SPECIAL ORDER

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.

Ms. Ranum moved to amend H.F. No. 2181, the unofficial engrossment, as follows:

Page 23, after line 24, insert:

"*Subd. 5.* [DUTY; EVIDENCE.] *Sections 12 to 16 do not create a duty to perform a background check.*"

The motion prevailed. So the amendment was adopted.

Ms. Ranum then moved to amend H.F. No. 2181, the unofficial engrossment, as follows:

Page 25, line 28, delete "*except that*" and insert "*when maintained by a person subject to chapter 13, or may be released only with the subject's consent, if maintained by a person not subject to chapter 13.*"

Page 29, line 22, delete "*private*"

The motion prevailed. So the amendment was adopted.

Mr. Marty moved to amend H.F. No. 2181, the unofficial engrossment, as follows:

Page 4, after line 32, insert:

"Sec. 4. Minnesota Statutes 1990, section 13.69, is amended by adding a subdivision to read:

Subd. 3. [COMMERCIAL LISTS.] *The commissioner of public safety may not release data on individuals contained in driver's license or motor vehicle registration records if the data that are released will be used for commercial purposes as part of a list for mailing or telephone solicitation. This subdivision does not apply to the release of data to a motor vehicle manufacturer or its designee for the purpose of notifying purchasers of a motor vehicle recall.*"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Knaak moved to amend the Marty amendment to H.F. No. 2181 as follows:

Page 1, line 6, after "COMMERCIAL" insert "OR POLITICAL"

Page 1, line 9, after "*commercial*" insert "*or political*"

The question was taken on the adoption of the Knaak amendment to the Marty amendment.

The roll was called, and there were yeas 49 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, J.B.	Merriam	Price
Beckman	Day	Johnston	Metzen	Ranum
Belanger	DeCramer	Kelly	Moe, R.D.	Renneke
Benson, D.D.	Dicklich	Knaak	Mondale	Riveness
Benson, J.E.	Finn	Larson	Neuville	Spear
Bernhagen	Flynn	Lessard	Olson	Stumpf
Bertram	Frank	Luther	Pappas	Terwilliger
Brataas	Hottinger	Marty	Pariseau	Traub
Chmielewski	Hughes	McGowan	Piper	Vickerman
Cohen	Johnson, D.E.	Mehrkens	Pogemiller	

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

The question recurred on the Marty amendment, as amended.

The roll was called, and there were yeas 18 and nays 35, as follows:

Those who voted in the affirmative were:

Beckman	Finn	Hottinger	Piper	Spear
Chmielewski	Flynn	Luther	Price	Traub
Davis	Gustafson	Marty	Ranum	
Dicklich	Halberg	Pappas	Sams	

Those who voted in the negative were:

Adkins	Brataas	Hughes	Mehrkens	Olson
Belanger	Cohen	Johnson, D.E.	Merriam	Pariseau
Benson, D.D.	Day	Johnston	Metzen	Renneke
Benson, J.E.	DeCramer	Knaak	Moe, R.D.	Riveness
Berg	Frank	Kroening	Mondale	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Neuville	Terwilliger
Bertram	Frederickson, D.R.	McGowan	Novak	Vickerman

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

Mr. Merriam moved to amend H.F. No. 2181, the unofficial engrossment, as follows:

Page 31, after line 14, insert:

"Sec. 32. [REPEALER.]

Laws 1990, chapter 566, section 9, is repealed."

Page 31, line 19, after the period, insert "*Section 32 is effective July 31, 1992.*"

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 2181 was read the third time, as amended, and placed on its final passage.

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

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

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Mehrkens	Reichgott
Beckman	Davis	Johnson, D.J.	Merriam	Renneke
Belanger	Day	Johnson, J.B.	Metzen	Riveness
Benson, D.D.	Finn	Johnston	Moe, R.D.	Sams
Benson, J.E.	Flynn	Knaak	Morse	Solon
Berg	Frank	Kroening	Neuville	Spear
Berglin	Frederickson, D.J.	Langseth	Novak	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Olson	Terwilliger
Bertram	Gustafson	Lessard	Pappas	Traub
Brataas	Halberg	Luther	Pariseau	Vickerman
Chmielewski	Hottinger	Marty	Piper	Waldorf
Cohen	Hughes	McGowan	Ranum	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Order of Business of Messages From the House. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1399, and repassed said bill in accordance with the report of the Committee, so adopted.

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.

Senate File No. 1399 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 13, 1992

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2800:

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 House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Ogren, Greenfield, Gruenes, Cooper and Stanius have been appointed as such committee on the part of the House.

House File No. 2800 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 13, 1992

Ms. Berglin moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2800, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

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

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 850: 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 as Minnesota Statutes, chapter 336A; repealing Minnesota Statutes 1990, sections 223A.02; 223A.03; 223A.04; 223A.05; 223A.06; and 223A.07.

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

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.

(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 2, lines 1 and 20, delete "*3*" and insert "*4*"

Page 4, line 19, delete "*6*" and insert "*7*"

Page 6, line 27, delete "*9*" and insert "*10*"

Page 9, line 26, delete "*11*" and insert "*12*"

Page 10, lines 8 and 30, delete "*11*" and insert "*12*"

Page 14, lines 13, 15, and 36, delete "*11*" and insert "*12*"

Page 15, line 3, delete "*11*" and insert "*12*"

Page 15, delete section 17

Page 15, delete section 19

Page 15, line 36, delete "FARM PRODUCTS FILING ACCOUNT" and insert "AMOUNT" and delete "*$ . . . . .* " and insert "*$357,000*"

Page 16, line 1, after "*appropriated*" insert "*to the secretary of state*" and delete everything after "*fund*"

Page 16, line 2, delete everything before "*for*"

Page 16, line 3, delete "*to*"

Page 16, line 4, delete everything before the period

Page 16, line 6, delete " . . . . . *persons*" and insert "*five positions*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "increasing the surcharge on uniform commercial code filings and searches;"

Page 1, line 5, after the semicolon, insert "amending Minnesota Statutes 1991 Supplement, section 336.9-413;"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

H.F. No. 57: A bill for an act relating to taxation; property; making technical corrections to, and clarifications to, the calculation of certain special levies, the calculation of the levy limit base, the calculation of the amount of market value reductions in certain property tax discrimination actions, certain special levy referendum provisions, and to the effective dates of certain aid reductions; amending Minnesota Statutes 1990, sections 275.50, subdivision 5; 275.51, subdivision 3f; and 278.05, subdivision 4; Laws 1990, chapter 604, article 3, sections 49, subdivision 3; 50, subdivision 3; 51, subdivision 3; 59, subdivision 2; and 61, subdivision 2; and article 4, section 22.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 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 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;

(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)~~ *(14)* 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.~~;

(15) a person who is a drug dependent person as defined in section 254A.02, subdivision 5, and that condition prevents the person from obtaining or retaining employment. 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;

(16) a person who is unable to obtain or retain employment because the person is functionally illiterate and the person is participating in a literacy program, GED, or high school assigned by the county agency; and

(17) a person 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 certification of the illness, and the person cooperates with an annual review by the county agency.

A person under clause (16) must participate in the education program and must actively search for work, as provided in the person's employability development plan. If a person under clause (16) fails to comply with education and work search requirements, the person is subject to the penalties under section 256D.101.

(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. 2. 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~~. *If orientation is available within three weeks after the date eligibility is determined, initial payment will not be made until the registrant attends orientation to the work readiness program.*

(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. 3. 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~~ *subdivisions 1 and* 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 *time periods outlined in section 256D.101, subdivision 4, and 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. 4. Minnesota Statutes 1990, section 256D.051, is amended by adding a subdivision to read:

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

Sec. 5. [256D.091] [GRANT DIVERSION.]

Subdivision 1. [DEFINITIONS.] *(a) "Diverted grant" means the amount of the general assistance grant or work readiness assistance payment, not exceeding the standard of assistance for one person, that is available for a wage subsidy.*

(b) "Net monthly wage" means the income remaining to a registrant after taking the disregards and exclusions from income under section 256D.06.

(c) "Registrant" means a recipient of general assistance or work assistance who is participating in a grant diversion employment and employment-related program.

Subd. 2. [GRANT DIVERSION PROGRAM.] *(a) The county agency may establish a grant diversion program for payment of all or a part of a recipient's general assistance or work readiness grant 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 county agency may administer and deliver grant diversions directly or may contract for delivery of the program according to section 268.871.*

(b) The county agency shall assess a registrant's continued eligibility for general assistance or work readiness assistance before the end of the registrant's grant diversion period.

(c) The county agency shall submit fiscal and summary reports required by the commissioner.

Subd. 3. [REGISTRANT PARTICIPATION.] *(a) A recipient may refuse employment or employment-related training under the grant diversion program unless the recipient lacks a work history or local work reference and the recipient's employability plan requires participation in a community*

investment program.

(b) A recipient may participate in a grant diversion program for up to four months.

(c) During participation in the grant diversion program, a registrant must submit to the county agency the monthly food stamp eligibility household report form.

Subd. 4. [CONTRACT WITH GRANT DIVERSION EMPLOYER.] *The county agency or the local service unit shall enter into a written contract with a grant diversion employer. The contract must include:*

(1) the period of time the diverted grant is available;

(2) the amount of the monthly diverted grant;

(3) the method of payment of the diverted grant;

(4) data gathering and reporting requirements;

(5) agreement by the employer not to terminate or reduce the working hours of current employees in order to participate in the grant diversion program;

(6) agreement by the employer to provide the registrant the same or a comparable level of wages, fringe benefits, and workers' compensation coverage that are provided other employees; and

(7) agreement by the employer to hire the registrant at the end of the grant diversion period.

Subd. 5. [NOTICE TO REGISTRANT.] *The county agency or local service unit shall provide the registrant written notice of the terms of the registrant's grant diversion program, including:*

(1) the requirement to complete the period of subsidized employment or employment-related training specified in the contract;

(2) the date of the first day of employment or employment-related training;

(3) the name, address, and occupational title of the employer;

(4) the hourly wage and the number of work hours per week;

(5) the effect of participation on work readiness eligibility;

(6) the maximum period of participation and the months the registrant's grant will be diverted;

(7) the amount of the diverted grant and the amount of any residual assistance grant; and

(8) the actions to be taken if the registrant fails to complete the grant diversion participation period.

The county agency shall maintain a copy of the notice in the registrant's case file.

Subd. 6. [GRANT DIVERSION MONTHLY PAYMENT.] *(a) The county agency shall calculate and pay the diverted grant directly to the registrant's employer or shall reimburse an employment and training service provider that has paid the employer. The amount of monthly payment available to an employer under the grant diversion program must not exceed the monthly standard of assistance for one person.*

(b) If a registrant is receiving assistance as a member of an assistance unit, the monthly payment to the assistance unit may be reduced only by the amount of the assistance standard for one person.

(c) Notwithstanding any change in resources, household, or income of the registrant or the registrant's assistance unit, eligibility for work readiness and the amount of monthly payment is not subject to change during the grant diversion period if the registrant is participating in the grant diversion program as required in the notice provided under subdivision 5.

Subd. 7. [MEDICAL CARE.] *A registrant is eligible for general assistance medical care during the term of the grant diversion contract.*

Subd. 8. [CHILD CARE.] *A recipient who is the sole adult in an assistance unit with one or more children under 12 years of age must not be referred to the grant diversion program during hours the child is in the home unless the county agency pays any child care expenses that exceed the child care deduction from earned income.*

Subd. 9. [DISQUALIFICATION.] *A registrant who fails without good cause to complete the grant diversion period specified in the contract must be disqualified from receiving assistance as provided in section 256D.101.*

Sec. 6. Minnesota Statutes 1990, section 256D.101, is amended by adding a subdivision to read:

Subd. 4. [PENALTIES.] *Failure by a registrant to comply with work readiness requirements results in the registrant being terminated from the program for the following time periods:*

(1) a first occurrence of noncompliance without good cause within a 12-month period results in termination of the registrant from the program until compliance with the failed requirements;

(2) a second occurrence without good cause within a 12-month period results in termination of the registrant from the program until compliance with the failed requirements, or three months, whichever is longer; and

(3) a third or subsequent occurrence of noncompliance without good cause within a 12-month period results in termination of the registrant from the program until compliance with the failed requirements, or six months, whichever is longer.

If the registrant complies with the requirements before the effective date of termination, the time penalties in this section do not apply.

Sec. 7. Minnesota Statutes 1991 Supplement, section 268.551, subdivision 3, is amended to read:

Subd. 3. [ELIGIBLE APPLICANT.] "Eligible applicant" means a person who:

(1) has been a resident of this state for at least one month;

(2) is unemployed;

(3) is not receiving and is not eligible to receive unemployment compensation; and

(4) *(i)* is a targeted young person as defined in Laws 1990, chapter 562, article 4, section 12, between the ages of 14 and 21, who, because of a lack of personal resources and skills, needs assistance in setting and realizing education goals and in becoming a contributing member of the community;

or

(ii) belongs to a category of individuals that have a national unemployment rate that is determined by the Bureau of Labor Statistics to be at least twice that of the state unemployment rate for all individuals.

Sec. 8. Minnesota Statutes 1991 Supplement, section 268.552, is amended by adding a subdivision to read:

Subd. 1a. [CREATION OF ADDITIONAL PROGRAM.] *The commissioner shall provide wage subsidies to eligible applicants described in section 268.551, subdivision 3, clause (4)(ii), for work with an employer in the manner and amount specified in this section.*

Sec. 9. Minnesota Statutes 1991 Supplement, section 268.552, subdivision 2, is amended to read:

Subd. 2. [AMOUNT AND DURATION OF SUBSIDY.] The maximum subsidy is $4 per hour for wages and $1 per hour for fringe benefits *for eligible applicants described in section 268.551, subdivision 3, clause (4)(i), and $5 per hour for wages and $1 per hour for fringe benefits for eligible applicants described in section 268.551, subdivision 3, clause (4)(ii).* The subsidy for an eligible applicant may be paid 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 to applicants they employ.

Sec. 10. Minnesota Statutes 1990, section 268.676, subdivision 1, is amended to read:

Subdivision 1. [AMONG JOB APPLICANTS.] *(a)* At least 80 percent of funds allocated among eligible job applicants statewide must be allocated to:

(1) *applicants who are receiving work readiness benefits;*

(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 are not eligible for a federally subsidized jobs program*; 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 shall be the order set out in paragraph (a).

Sec. 11. 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 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, is ~~$4~~ *$5* 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 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 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 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 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 under this paragraph shall be for a maximum of 1,040 hours over a maximum period of 26 weeks per job applicant.

Sec. 12. 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) funds received by a business shall be used only as permitted under sections 268.672 to 268.682;

(b) the business has submitted information to the local service unit or its contractor (1) describing the duties and proposed compensation of each employee proposed to be hired under the program; and (2) 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) 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-sponsored health insurance coverage that is available to employees on a group basis or other employer-sponsored 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) 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) the business will cooperate with the local service unit and the commissioner in collecting data to assess the result of wage subsidies; and

(f) the business is in compliance with all applicable affirmative action, fair labor, health, safety, and environmental standards.

Sec. 13. 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. 14. 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. 15. 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 or part of $500 of modified adjusted gross income in excess of $100,000 for an individual filing a married joint return, $50,000 for a married person filing a separate return, $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. The amount of the addition under this clause may not exceed the exemption deducted in computing federal taxable income.

Sec. 16. Minnesota Statutes 1991 Supplement, 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, ~~8.5~~ *8.7* 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, ~~8.5~~ *8.7* 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, ~~8.5~~ *8.7* 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. 17. [REVISOR INSTRUCTION.]

The revisor is directed to change the words "emergency jobs program" wherever they appear in Minnesota Statutes and refer to the emergency jobs program under Minnesota Statutes, sections 268.672 to 268.686, to "Minnesota employment economic development program."

Sec. 18. [APPROPRIATION.]

$7,000,000 is appropriated from the general fund to the commissioner of human services to meet the cost of extending eligibility for the work readiness program under sections 1 to 6.

$2,000,000 is appropriated from the general fund to the commissioner of jobs and training for the biennium ending June 30, 1993, for the purposes of section 8.

$10,000,000 is appropriated from the general fund to the commissioner of jobs and training for the Minnesota employment economic development program.

Sec. 19. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] *The sums indicated in this section are appropriated from the general fund to the agency indicated for fiscal year 1993.*

Subd. 2. [VIOLENCE PREVENTION PROGRAM AID AND GRANTS.] *To the department of education for community violence prevention aid and violence prevention program grants:*

$4,925,000 1993

Up to $50,000 of the appropriation may be used to provide assistance to and coordination of community violence prevention programs and violence prevention grant programs.

Subd. 3. [LEARNING READINESS AID.] *To the department of education for learning readiness aid under Minnesota Statutes, section 124.2615:*

$24,050,000 1993

$50,000 of the appropriation is available to the department of education to use for administration of the learning readiness program.

Notwithstanding Minnesota Statutes, section 124.14, subdivision 7, any excess appropriation in fiscal year 1993 shall be used to reduce any deficiency in the appropriation for learning readiness in fiscal year 1992.

Sec. 20. [REPEALER.]

Minnesota Statutes 1990, sections 256D.052, as amended by Laws 1991, chapter 292, article 5, sections 43 and 44; 256D.09, subdivision 3; and 268.6751, subdivision 2, are repealed.

Sec. 21. [EFFECTIVE DATE.]

Sections 15 and 16 are effective for taxable years beginning after December 31, 1991."

Delete the title and insert:

"A bill for an act relating to jobs and training; amending general assistance eligibility; providing for continuous eligibility for work readiness; providing for start work grants; establishing a grant diversion program; providing for wage subsidy programs; reducing deductions for personal exemptions; increasing income tax rates; providing funding for violence prevention and learning readiness programs; appropriating money; amending Minnesota Statutes 1990, sections 256D.051, by adding a subdivision; 256D.101, by adding a subdivision; 268.676, subdivision 1; 268.677, subdivision 1; 268.681, subdivisions 1 and 2; 268.682, subdivision 3; Minnesota Statutes 1991 Supplement, sections 256D.05, subdivision 1; 256D.051, subdivisions 1 and 1a; 268.551, subdivision 3; 268.552, subdivision 2, and by adding a subdivision; 290.01, subdivision 19a; 290.06, subdivision 2c; proposing coding for new law in Minnesota Statutes, chapter 256D; repealing Minnesota Statutes 1990, sections 256D.052, as amended; 256D.09, subdivision 3; and 268.6751, subdivision 2."

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

Mr. Merriam from the Committee on Finance, to which was referred

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.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 299A.41, subdivision 3, is amended to read:

Subd. 3. [KILLED IN THE LINE OF DUTY.] "Killed in the line of duty" does not include deaths from natural causes. *"Killed in the line of duty" includes the death of an officer caused by accidental means while the officer is acting in the course and scope of duties as a public safety officer.*

Sec. 2. Minnesota Statutes 1990, section 299A.41, subdivision 4, is amended to read:

Subd. 4. [PUBLIC SAFETY OFFICER.] "Public safety officer" includes:

(1) a peace officer defined in section 626.84, *subdivision 1, paragraph (c) or (f)*;

(2) a correction officer employed at a correctional facility and charged with maintaining the safety, security, discipline, and custody of inmates at the facility;

(3) a firefighter employed on a full-time basis by the state or by a fire department of a governmental subdivision of the state, who is engaged in the hazards of firefighting;

(4) a legally enrolled member of a volunteer fire department or member of an independent nonprofit firefighting corporation who is engaged in the hazards of firefighting;

(5) a good samaritan while complying with the request or direction of a public safety officer to assist the officer;

(6) a reserve police officer or a reserve deputy sheriff while acting under the supervision and authority of a political subdivision;

(7) a driver or attendant with a licensed basic or advanced life support transportation service who is engaged in providing emergency care; and

(8) a first responder who is certified by the commissioner of health to perform basic emergency skills before the arrival of a licensed ambulance service and who is a member of an organized service recognized by a local political subdivision to respond to medical emergencies to provide initial medical care before the arrival of an ambulance.

Sec. 3. [299A.47] [CLAIMS LIMITATION.]

Claims for benefits from the public safety officer's death benefit account made by or on behalf of a survivor of a public safety officer must be filed within two years after the date of death of the officer.

Sec. 4. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Amend the title as follows:

Page 1, line 4, delete "and data classification"

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

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

H.F. No. 2501 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2501	2496				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2501 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2501 and insert the language after the enacting clause of S.F. No. 2496, the first engrossment; further, delete the title of H.F. No. 2501 and insert the title of S.F. No. 2496, the first engrossment.

And when so amended H.F. No. 2501 will be identical to S.F. No. 2496, and further recommends that H.F. No. 2501 be given its second reading and substituted for S.F. No. 2496, and that the Senate File be indefinitely postponed.

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

SECOND READING OF SENATE BILLS

S.F. No. 850 was read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 57, 2250 and 2501 were read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that S.F. No. 2107 be withdrawn from the Committee on Rules and Administration. The motion prevailed.

Mr. Moe, R.D. moved that the report from the Committee on Employment as to S.F. No. 2107, shown in the Journal for March 18, 1992, be adopted, and that S.F. No. 2107 be given its second reading and placed on General Orders. The motion prevailed.

S.F. No. 2107: A bill for an act relating to workers' compensation; providing for comprehensive reform; regulating benefits; providing for medical cost control; requiring improved safety measures; regulating attorneys; providing for more efficient administrative procedures; eliminating the second injury fund; regulating insurance; reforming the assigned risk plan; regulating fraud; imposing penalties; amending Minnesota Statutes 1990, sections 79.251, by adding subdivisions; 79.252, subdivisions 1 and 3; 176.011, subdivisions 3, 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, subdivision 6; 176.111, subdivision 18; 176.129, subdivision 10; 176.130, subdivisions 8 and 9; 176.135, subdivisions 1, 5, 6, and 7; 176.136, subdivisions 1, 2, and by adding subdivisions; 176.138; 176.139, subdivision 2; 176.155, subdivision 1; 176.181, subdivision 3, and by adding a subdivision; 176.182; 176.183; 176.185, subdivision 5a; 176.194, subdivisions 4 and 5; 176.221, subdivisions 3 and 3a; 176.231, subdivision 10; 176.261; 176.421, subdivision 1; 176.461; 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; 609.52, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 79; and 176; repealing Minnesota Statutes 1990, sections 176.131; 176.135, subdivision 3; and 176.136, subdivision 5.

S.F. No. 2107 was read the second time.

Mr. Moe, R.D. moved that H.F. No. 57, on General Orders, be stricken and laid on the table. The motion prevailed.

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

CALENDAR

H.F. No. 2106: A bill for an act relating to financial institutions; currency exchanges; imposing distance limitations and operating restrictions; requiring local approval of licenses; amending Minnesota Statutes 1990, sections 53A.02; 53A.04; and 53A.05.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	Mehrkens	Reichgott
Beckman	Day	Johnson, D.J.	Metzen	Renneke
Belanger	DeCramer	Johnson, J.B.	Moe, R.D.	Riveness
Benson, D.D.	Dicklich	Johnston	Morse	Sams
Benson, J.E.	Finn	Kelly	Neuville	Samuelson
Berg	Flynn	Knaak	Novak	Solon
Berglin	Frank	Kroening	Olson	Spear
Bernhagen	Frederickson, D.J.	Langseth	Pappas	Stumpf
Bertram	Frederickson, D.R.	Larson	Pariseau	Terwilliger
Brataas	Gustafson	Lessard	Piper	Traub
Chmielewski	Halberg	Luther	Pogemiller	Vickerman
Cohen	Hottinger	Marty	Price	Waldorf
Dahl	Hughes	McGowan	Ranum	

So the bill passed and its title was agreed to.

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.

Ms. Ranum moved that H.F. No. 1738, No. 3 on the Calendar, be stricken and placed at the top of General Orders. The motion prevailed.

S.F. No. 2463: A bill for an act relating to insurance; solvency; making various technical corrections; requiring notice; regulating business transacted with a producer controlled insurer; modifying various provisions relating to the guaranty association; amending Minnesota Statutes 1990, sections 60A.03, subdivision 6; 60A.10, subdivision 4; 61B.03, subdivision 5; 61B.06, subdivision 7; and 61B.12, by adding subdivisions; Minnesota Statutes 1991 Supplement, sections 60A.031, subdivision 1; 60A.092, subdivision 3; 60A.11, subdivisions 13 and 20; 60A.112; 60A.12, subdivision 10; 60A.124; 60D.17, subdivision 1; 61A.28, subdivision 1; and 61B.12, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 60C; and 60J; repealing Minnesota Statutes 1991 Supplement, sections 60J.01; 60J.02; 60J.03; 60J.04; 60J.05; and 72A.206.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	Mehrkens	Ranum
Beckman	Day	Johnson, D.J.	Metzen	Reichgott
Belanger	DeCramer	Johnson, J.B.	Moe, R.D.	Renneke
Benson, D.D.	Dicklich	Johnston	Mondale	Riveness
Benson, J.E.	Finn	Kelly	Morse	Samuelson
Berg	Flynn	Knaak	Neuville	Solon
Berglin	Frank	Kroening	Novak	Spear
Bernhagen	Frederickson, D.J.	Langseth	Olson	Stumpf
Bertram	Frederickson, D.R.	Larson	Pappas	Traub
Brataas	Gustafson	Lessard	Pariseau	Vickerman
Chmielewski	Halberg	Luther	Piper	Waldorf
Cohen	Hottinger	Marty	Pogemiller	
Dahl	Hughes	McGowan	Price	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Hughes	Mehrkens	Reichgott
Beckman	Davis	Johnson, D.E.	Metzen	Renneke
Belanger	Day	Johnson, D.J.	Moe, R.D.	Riveness
Benson, D.D.	DeCramer	Johnson, J.B.	Mondale	Sams
Benson, J.E.	Dicklich	Johnston	Morse	Samuelson
Berg	Finn	Kelly	Neuville	Solon
Berglin	Frank	Knaak	Novak	Spear
Bernhagen	Frederickson, D.J.	Kroening	Pappas	Stumpf
Bertram	Frederickson, D.R.	Langseth	Piper	Terwilliger
Brataas	Gustafson	Larson	Pogemiller	Traub
Chmielewski	Halberg	Lessard	Price	Vickerman
Cohen	Hottinger	McGowan	Ranum	Waldorf

Ms. Flynn, Mr. Luther and Ms. Olson voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 2750: A bill for an act relating to retirement; St. Paul fire department and police relief associations; increasing service pension amounts; limiting future benefit reductions; amending Laws 1955, chapters 151, section 9, subdivisions 5, as amended, and 6, as amended; and 375, sections 21, as amended, and 22, as amended.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Ranum
Beckman	DeCramer	Johnson, J.B.	Metzen	Reichgott
Belanger	Dicklich	Johnston	Moe, R.D.	Renneke
Benson, D.D.	Finn	Kelly	Mondale	Riveness
Benson, J.E.	Flynn	Knaak	Morse	Sams
Berg	Frank	Kroening	Neuville	Samuelson
Berglin	Frederickson, D.J.	Laidig	Novak	Solon
Bernhagen	Frederickson, D.R.	Langseth	Olson	Spear
Bertram	Gustafson	Larson	Pappas	Stumpf
Brataas	Halberg	Lessard	Pariseau	Terwilliger
Chmielewski	Hottinger	Luther	Piper	Traub
Cohen	Hughes	Marty	Pogemiller	Vickerman
Dahl	Johnson, D.E.	McGowan	Price	Waldorf

So the bill passed and its title was agreed to.

H.F. No. 2849: A bill for an act relating to state parks; authorizing the commissioner of natural resources to negotiate a special fee structure for the Split Rock Lighthouse state historic site within Split Rock Lighthouse state park; amending Minnesota Statutes 1990, section 85.053, by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moe, R.D.	Riveness
Belanger	Dicklich	Kelly	Mondale	Sams
Benson, D.D.	Finn	Knaak	Morse	Samuelson
Benson, J.E.	Flynn	Kroening	Neuville	Solon
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Halberg	Luther	Piper	Vickerman
Chmielewski	Hottinger	Marty	Pogemiller	Waldorf
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Metzen	Reichgott
Beckman	Day	Johnson, J.B.	Moe, R.D.	Renneke
Belanger	DeCramer	Johnston	Mondale	Riveness
Benson, D.D.	Dicklich	Kelly	Morse	Sams
Benson, J.E.	Finn	Knaak	Neuville	Samuelson
Berg	Flynn	Kroening	Novak	Solon
Berglin	Frank	Laidig	Olson	Spear
Bernhagen	Frederickson, D.J.	Langseth	Pappas	Stumpf
Bertram	Frederickson, D.R.	Lessard	Pariseau	Terwilliger
Brataas	Halberg	Marty	Piper	Traub
Chmielewski	Hottinger	McGowan	Pogemiller	Vickerman
Cohen	Hughes	Mehrkens	Price	Waldorf
Dahl	Johnson, D.E.	Merriam	Ranum	

Messrs. Gustafson and Larson voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 2378: A bill for an act relating to public safety; exempting newly installed automatic fire-safety sprinklers from sales and property taxes; amending Minnesota Statutes 1990, sections 273.11, by adding a subdivision; and 297A.25, by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moe, R.D.	Riveness
Belanger	Dicklich	Kelly	Mondale	Sams
Benson, D.D.	Finn	Knaak	Morse	Samuelson
Benson, J.E.	Flynn	Kroening	Neuville	Solon
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Halberg	Luther	Piper	Vickerman
Chmielewski	Hottinger	Marty	Pogemiller	Waldorf
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 2792: A bill for an act relating to higher education; making miscellaneous changes to higher education provisions; amending Minnesota Statutes 1990, section 136.60, by adding a subdivision; 136A.1354, subdivision 4; 136A.29, subdivision 9; 169.965, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 136A.101, subdivision 8; 136A.1353, subdivision 4; and Laws 1987, chapter 396, article 12, section 6, subdivision 2; repealing Minnesota Statutes 1991 Supplement, section 135A.50; and Laws 1991, chapter 356, article 3, section 14.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moe, R.D.	Riveness
Belanger	Dicklich	Kelly	Mondale	Sams
Benson, D.D.	Finn	Knaak	Morse	Samuelson
Benson, J.E.	Flynn	Kroening	Neuville	Solon
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Halberg	Luther	Piper	Vickerman
Chmielewski	Hottinger	Marty	Pogemiller	Waldorf
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 695: 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; 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, subdivisions 11 and 14; 174.30, subdivision 2; 221.011, subdivisions 20, 21, 25, and by adding a subdivision; 221.021; 221.031, subdivisions 1, 2, 2a, 3, 3a, 6, and by adding subdivisions; 221.033, subdivisions 1, 2, and by adding subdivisions; 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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	Mehrkens	Price
Beckman	Day	Johnson, D.J.	Merriam	Ranum
Belanger	DeCramer	Johnson, J.B.	Metzen	Reichgott
Benson, D.D.	Dicklich	Johnston	Moe, R.D.	Renneke
Benson, J.E.	Finn	Kelly	Mondale	Riveness
Berg	Flynn	Knaak	Morse	Sams
Berglin	Frank	Kroening	Neuville	Samuelson
Bernhagen	Frederickson, D.J.	Laidig	Novak	Solon
Bertram	Frederickson, D.R.	Langseth	Olson	Spear
Brataas	Gustafson	Larson	Pappas	Stumpf
Chmielewski	Halberg	Lessard	Pariseau	Terwilliger
Cohen	Hottinger	Luther	Piper	Traub
Dahl	Hughes	Marty	Pogemiller	Vickerman

Mr. McGowan voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 2232: A bill for an act relating to courts; requiring the state to reimburse counties for certain extradition expenses from any forfeited bail of the defendant or probationer that had been forwarded to the state treasury as required by law; amending Minnesota Statutes 1990, section 485.018, subdivision 5.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moe, R.D.	Riveness
Belanger	Dicklich	Kelly	Mondale	Sams
Benson, D.D.	Finn	Knaak	Morse	Samuelson
Benson, J.E.	Flynn	Kroening	Neuville	Solon
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Halberg	Luther	Piper	Vickerman
Chmielewski	Hottinger	Marty	Pogemiller	Waldorf
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 2103: A bill for an act relating to drivers' licenses; increasing fees; requiring more secure cards; amending Minnesota Statutes 1990, section 171.06, subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 46 and nays 20, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kelly	Merriam	Reichgott
Beckman	DeCramer	Knaak	Moe, R.D.	Spear
Belanger	Flynn	Kroening	Morse	Stumpf
Benson, D.D.	Frederickson, D.J.	Laidig	Neuville	Traub
Benson, J.E.	Frederickson, D.R.	Langseth	Olson	Vickerman
Berg	Gustafson	Larson	Pappas	Waldorf
Bernhagen	Hottinger	Luther	Pariseau	
Brataas	Hughes	Marty	Piper	
Dahl	Johnson, D.E.	McGowan	Price	
Davis	Johnson, D.J.	Mehrkens	Ranum	

Those who voted in the negative were:

Berglin	Dicklich	Johnson, J.B.	Mondale	Sams
Bertram	Finn	Johnston	Novak	Samuelson
Chmielewski	Frank	Lessard	Renneke	Solon
Cohen	Halberg	Metzen	Riveness	Terwilliger

So the bill passed and its title was agreed to.

H.F. No. 765: A bill for an act relating to certain state employees; establishing eligibility for state-paid insurance after retirement in certain circumstances.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnston	Moe, R.D.	Riveness
Beckman	Dicklich	Kelly	Mondale	Sams
Benson, D.D.	Finn	Knaak	Morse	Samuelson
Benson, J.E.	Flynn	Kroening	Neuville	Solon
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Halberg	Luther	Piper	Vickerman
Chmielewski	Hottinger	Marty	Pogemiller	Waldorf
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	
Day	Johnson, J.B.	Metzen	Renneke	

So the bill passed and its title was agreed to.

H.F. No. 31: A bill for an act relating to public safety; creating the Minnesota advisory council on fire protection systems; requiring licensing and certifying of the fire protection industry; providing for rules and an exemption; providing for fees; imposing a penalty; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 299M.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Merriam	Ranum
Beckman	DeCramer	Johnston	Metzen	Reichgott
Belanger	Dicklich	Kelly	Moe, R.D.	Renneke
Benson, D.D.	Finn	Knaak	Mondale	Riveness
Benson, J.E.	Flynn	Kroening	Morse	Sams
Berglin	Frank	Laidig	Neuville	Samuelson
Bernhagen	Frederickson, D.J.	Langseth	Novak	Solon
Bertram	Frederickson, D.R.	Larson	Olson	Spear
Brataas	Gustafson	Lessard	Pappas	Stumpf
Chmielewski	Hottinger	Luther	Pariseau	Terwilliger
Cohen	Hughes	Marty	Piper	Traub
Dahl	Johnson, D.E.	McGowan	Pogemiller	Vickerman
Davis	Johnson, D.J.	Mehrkens	Price	

Mr. Halberg voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 2781: A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moe, R.D.	Riveness
Belanger	Dicklich	Kelly	Mondale	Sams
Benson, D.D.	Finn	Knaak	Morse	Samuelson
Benson, J.E.	Flynn	Kroening	Neuville	Solon
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Halberg	Luther	Piper	Vickerman
Chmielewski	Hottinger	Marty	Pogemiller	Waldorf
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 2655: A bill for an act relating to agriculture; making certain political subdivisions of the state eligible for reimbursement from the agricultural chemical response and reimbursement account; amending Minnesota Statutes 1990, section 18E.02, subdivision 5.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, D.J.	Mehrkens	Ranum
Beckman	DeCramer	Johnson, J.B.	Merriam	Reichgott
Belanger	Dicklich	Johnston	Metzen	Renneke
Benson, D.D.	Finn	Kelly	Moe, R.D.	Riveness
Benson, J.E.	Flynn	Knaak	Mondale	Sams
Berglin	Frank	Kroening	Morse	Samuelson
Bernhagen	Frederickson, D.J.	Laidig	Neuville	Solon
Bertram	Frederickson, D.R.	Langseth	Novak	Spear
Brataas	Gustafson	Larson	Olson	Stumpf
Chmielewski	Halberg	Lessard	Pappas	Terwilliger
Cohen	Hottinger	Luther	Piper	Traub
Dahl	Hughes	Marty	Pogemiller	Vickerman
Davis	Johnson, D.E.	McGowan	Price	Waldorf

Mr. Berg and Mrs. Pariseau voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 2012: A bill for an act relating to crimes; enforcing mandatory insurance requirement for vehicles; providing for penalties; providing for loss of driver's license and motor vehicle registration; appropriating money; amending Minnesota Statutes 1990, sections 169.791; 169.792; 169.793; 169.796; and 171.19; Minnesota Statutes 1991 Supplement, sections 168.041, subdivision 4; 169.795; 171.29, subdivision 1; and 171.30, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 169; repealing Minnesota Statutes 1990, section 169.792, subdivision 9; and Minnesota Statutes 1991 Supplement, section 168.041, subdivision 1a.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knaak	Mondale	Sams
Beckman	Flynn	Kroening	Morse	Samuelson
Belanger	Frank	Laidig	Neuville	Solon
Benson, D.D.	Frederickson, D.J.	Langseth	Novak	Spear
Benson, J.E.	Frederickson, D.R.	Larson	Olson	Stumpf
Berglin	Gustafson	Lessard	Pappas	Terwilliger
Bernhagen	Halberg	Luther	Piper	Traub
Bertram	Hottinger	Marty	Pogemiller	Vickerman
Brataas	Hughes	McGowan	Price	Waldorf
Cohen	Johnson, D.E.	Mehrkens	Ranum	
Dahl	Johnson, J.B.	Merriam	Reichgott	
Day	Johnston	Metzen	Renneke	
DeCramer	Kelly	Moe, R.D.	Riveness	

Messrs. Berg and Finn voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 2662: A bill for an act relating to commerce; regulating the real estate, education, research, and recovery fund; amending Minnesota Statutes 1990, sections 82.19, by adding a subdivision; and 82.34, subdivisions 3, 4, 7, 9, 11, 13, and 14; proposing coding for new law in Minnesota Statutes, chapter 80A; repealing Minnesota Statutes 1990, section 82.34, subdivision 20.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 8, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, J.B.	Mondale	Sams
Beckman	DeCramer	Kelly	Morse	Samuelson
Belanger	Finn	Knaak	Neuville	Solon
Benson, D.D.	Flynn	Kroening	Novak	Spear
Berg	Frank	Laidig	Pappas	Stumpf
Berglin	Frederickson, D.J.	Lessard	Pariseau	Terwilliger
Bernhagen	Frederickson, D.R.	Luther	Piper	Traub
Bertram	Halberg	Marty	Pogemiller	Vickerman
Brataas	Hottinger	McGowan	Price	Waldorf
Chmielewski	Hughes	Merriam	Ranum	
Cohen	Johnson, D.E.	Metzen	Reichgott	
Dahl	Johnson, D.J.	Moe, R.D.	Riveness	

Those who voted in the negative were:

Benson, J.E.	Gustafson	Larson	Olson	Renneke
Day	Johnston	Mehrkens		

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that H.F. No. 57 be taken from the table. The motion prevailed.

H.F. No. 57: A bill for an act relating to taxation; property; making technical corrections to, and clarifications to, the calculation of certain special levies, the calculation of the levy limit base, the calculation of the amount of market value reductions in certain property tax discrimination actions, certain special levy referendum provisions, and to the effective dates of certain aid reductions; amending Minnesota Statutes 1990, sections 275.50, subdivision 5; 275.51, subdivision 3f; and 278.05, subdivision 4;

Laws 1990, chapter 604, article 3, sections 49, subdivision 3; 50, subdivision 3; 51, subdivision 3; 59, subdivision 2; and 61, subdivision 2; and article 4, section 22.

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 57 and that the rules of the Senate be so far suspended as to give H.F. No. 57, its third reading and place it on its final passage. The motion prevailed.

Mr. Johnson, D.J. moved to amend H.F. No. 57, the unofficial engrossment, as follows:

Page 21, line 19, delete "*$7,000,000*" and insert "*$10,850,000*"

Page 21, line 35, delete "*$4,925,000*" and insert "*$4,675,000*"

The motion prevailed. So the amendment was adopted.

CALL OF THE SENATE

Mr. Johnson, D.J. imposed a call of the Senate for the balance of the proceedings on H.F. No. 57. The Sergeant at Arms was instructed to bring in the absent members.

H.F. No. 57 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 40 and nays 26, as follows:

Those who voted in the affirmative were:

Adkins	Finn	Kelly	Morse	Riveness
Beckman	Flynn	Kroening	Novak	Sams
Berglin	Frank	Lessard	Pappas	Samuelson
Bertram	Frederickson, D.J.	Luther	Piper	Solon
Chmielewski	Hottinger	Marty	Pogemiller	Spear
Cohen	Hughes	Metzen	Price	Stumpf
DeCramer	Johnson, D.J.	Moe, R.D.	Ranum	Vickerman
Dicklich	Johnson, J.B.	Mondale	Reichgott	Waldorf

Those who voted in the negative were:

Belanger	Davis	Johnston	Mehrkens	Terwilliger
Benson, D.D.	Day	Knaak	Merriam	Traub
Benson, J.E.	Frederickson, D.R.	Laidig	Neuville	
Berg	Gustafson	Langseth	Olson	
Bernhagen	Halberg	Larson	Pariseau	
Brataas	Johnson, D.E.	McGowan	Renneke	

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Dicklich moved that the following members be excused for a Conference Committee on H.F. No. 2121 at 3:45 p.m.:

Messrs. Dahl, DeCramer, Dicklich, Laidig and Ms. Pappas. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Merriam moved that the following members be excused for a Conference Committee on H.F. No. 1903 at 3:45 p.m.:

Messrs. Merriam; Morse; Johnson, D.E.; Stumpf and Vickerman. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 1938: Ms. Pappas, Messrs. Kelly and Knaak.

H.F. No. 2800: Ms. Berglin, Mr. Benson, D.D.; Ms. Piper, Messrs. Knaak and Hottinger.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1948, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1948 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 13, 1992

CONFERENCE COMMITTEE REPORT ON 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.

April 10, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 1948, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 1948 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [61A.073] [LIFE INSURANCE FOR THE BENEFIT OF CHARITY.]

Subdivision 1. [CHARITABLE BENEFICIARY OR OWNER PERMITTED.] *Subject to the terms of the policy, an organization described in section 170(c) of the Internal Revenue Code of 1986, as amended through December 31, 1991, shall have an insurable interest in the life of an individual insured under a life insurance policy, if the organization:*

(1) has become the beneficiary or owner of a previously issued policy insuring the life of the individual; or

(2) is the original beneficiary or original owner of a newly issued policy insuring the life of the individual, if the individual signs the application or consents in writing to the issuance of the policy.

Subd. 2. [APPLICABILITY.] *This section applies to life insurance policies issued by life companies and fraternal benefit societies.*

Sec. 2. [61A.074] [INSURABLE INTERESTS.]

Subdivision 1. [CORPORATION OR TRUSTEE.] *A corporation or the trustee of a trust providing life, health, disability, retirement, or similar benefits to employees of one or more corporations, and acting in a fiduciary capacity with respect to the employees, retired employees, or their dependents or beneficiaries, has an insurable interest in the lives of employees for whom the benefits are to be provided. The written consent of the insured is required if the insurance purchased under this subdivision is payable to the corporation or to the trustee.*

Subd. 2. [OTHER INSURABLE INTERESTS.] *Subdivision 1 does not limit the right of a corporation or trustee to insure the life of an individual that is otherwise insurable under common law or any statute. This section shall not be interpreted as in any way modifying the common law doctrine of insurable interest, except as expressly provided in subdivision 1.*

Sec. 3. [309.72] [ACQUISITION OF INTERESTS IN INSURANCE.]

An organization described in section 170(c) of the Internal Revenue Code of 1986, as amended through December 31, 1991, may purchase, accept, or otherwise acquire an interest in a life insurance policy as beneficiary or owner, as provided in section 61A.073.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 and 3 are effective the day following final enactment and are intended to clarify and confirm the effect and intent of prior law. Section 2 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to life insurance; authorizing policies for the benefit of a charity; authorizing policies for the benefit of a corporation or a trustee; proposing coding for new law in Minnesota Statutes, chapters 61A; and 309."

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

House Conferees: (Signed) Phil Carruthers, Wes Skoglund, Terry M. Dempsey

Senate Conferees: (Signed) James P. Metzen, Sam G. Solon, Cal Larson

Mr. Metzen moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1948 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 1948 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 49 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Hottinger	Larson	Pogemiller
Beckman	Cohen	Hughes	Lessard	Price
Belanger	Davis	Johnson, D.E.	Luther	Reichgott
Benson, D.D.	Day	Johnson, D.J.	Mehrkens	Renneke
Benson, J.E.	Finn	Johnson, J.B.	Metzen	Riveness
Berg	Flynn	Johnston	Moe, R.D.	Sams
Berglin	Frederickson, D.J.	Knaak	Mondale	Terwilliger
Bernhagen	Frederickson, D.R.	Kroening	Novak	Traub
Bertram	Gustafson	Laidig	Pariseau	Waldorf
Brataas	Halberg	Langseth	Piper	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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.

Senate File No. 2194 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 13, 1992

Ms. Reichgott moved that the Senate do not concur in the amendments by the House to S.F. No. 2194, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2728 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON 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.

April 10, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2728, 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. 2728 be further amended as follows:

Page 1, line 23, after "*adopt*" insert "*emergency and permanent*"

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*"

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

Senate Conferees: (Signed) Dallas C. Sams, Gene Waldorf, Earl W. Renneke

House Conferees: (Signed) Stephen G. Wenzel, Jerry J. Bauerly, Bernie P. Omann

Mr. Sams moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2728 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2728 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 43 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Hughes	Metzen	Reichgott
Beckman	Davis	Johnson, J.B.	Moe, R.D.	Renneke
Belanger	Day	Johnston	Mondale	Riveness
Benson, D.D.	Finn	Kroening	Novak	Sams
Benson, J.E.	Frederickson, D.J.	Langseth	Olson	Solon
Berg	Frederickson, D.R.	Larson	Pariseau	Traub
Bernhagen	Gustafson	Lessard	Piper	Waldorf
Bertram	Halberg	Luther	Pogemiller	
Chmielewski	Hottinger	Mehrkens	Price	

Ms. Berglin, Mrs. Brataas, Ms. Flynn and Mr. Knaak voted in the negative.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2430 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON 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.

April 12, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2430, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 2430 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 115C.01, is amended to read:

115C.01 [CITATION.]

~~Sections 115C.01 to 115C.10~~ *This chapter* may be cited as the "petroleum tank release cleanup act."

Sec. 2. Minnesota Statutes 1990, section 115C.02, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to ~~sections 115C.02 to 115C.10~~ *this chapter*.

Sec. 3. 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. 4. 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 work, plumbing, carpentry, and equipment.*

Sec. 5. 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. 6. [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. 7. [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. 8. 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, in which case the amount returned must be prorated in proportion to 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. 9. 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 must be reported to the board by the parties to the agreement.

Sec. 10. [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) An applicant who applies for reimbursement must use a registered consultant and contractor in order to be eligible for reimbursement.

(d) The commissioner must inform any person who notifies the agency of a release under section 115.061 that the person must use a registered consultant or contractor to qualify for reimbursement and that a list of registered consultants and contractors is available from the board.

(e) Work performed by an unregistered consultant or contractor is ineligible for reimbursement.

(f) Work performed by a consultant or contractor prior to being removed from the registration list may be reimbursed by the board.

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 sanctions under paragraph (c) on a consultant or contractor for 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 prohibited under section 115C.045;

(3) engaging in conduct likely to deceive or defraud, or demonstrating 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 a consultant or contractor of a proposed sanction 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 sanctions in terms sufficient to put the consultant or contractor on notice of the conduct on which the proposed sanctions are based;

(3) the reasons relied on under subdivision 2 for the proposed sanctions;

(4) the right to request a contested case hearing under chapter 14; and

(5) the potential effect of sanctions.

Subd. 4. [SANCTION ORDER.] *The board may impose sanctions after a hearing before the board if a contested case hearing has not been requested. The board's sanction order is final. The sanctions are effective 30 days after the board issues its order.*

Sec. 11. 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.

Sec. 12. [REPORT TO LEGISLATURE.]

The commissioners of the pollution control agency and commerce shall jointly prepare a report that:

(1) describes the corrective action costs for which reimbursement has been paid under Minnesota Statutes, section 115C.09; and

(2) lists reasonable charges for corrective action services, including consulting, contracting, and disposal services.

The report must be submitted by January 15, 1993, to the appropriate committees of the legislature."

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; requiring a report to the legislature; amending Minnesota Statutes 1990, sections 115C.01; 115C.02, subdivision 1, and 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."

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

Senate Conferees: (Signed) Dallas C. Sams, Harold "Skip" R. Finn, Steven G. Novak

House Conferees: (Signed) Rick Krueger, Anthony G. Kinkel, Dick Pellow

Mr. Sams moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2430 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2430 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 47 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Hottinger	Mehrkens	Renneke
Beckman	Cohen	Hughes	Metzen	Riveness
Belanger	Davis	Johnson, J.B.	Moe, R.D.	Sams
Benson, D.D.	Day	Johnston	Mondale	Solon
Benson, J.E.	Finn	Knaak	Novak	Terwilliger
Berg	Flynn	Kroening	Olson	Traub
Berglin	Frank	Langseth	Pariseau	Waldorf
Bernhagen	Frederickson, D.J.	Larson	Piper	
Bertram	Gustafson	Lessard	Pogemiller	
Brataas	Halberg	Luther	Price	

Mr. Frederickson, D.R. voted in the negative.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

Without objection, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Spear introduced—

S.F. No. 2795: A bill for an act relating to legislative enactments; providing for the correction of miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors of a noncontroversial nature; amending Minnesota Statutes 1991 Supplement, section 302A.402, subdivision 3.

Referred to the Committee on Judiciary.

Mr. Lessard introduced—

S.F. No. 2796: A resolution memorializing the President and Congress to continue management of Voyageurs National Park as a wilderness area.

Referred to the Committee on Environment and Natural Resources.

Mr. DeCramer introduced—

S.F. No. 2797: A bill for an act relating to drainage; defining as "repair" certain incidental straightening of tiles and use of larger tile sizes under certain circumstances; amending Minnesota Statutes 1990, section 103E.701, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Messrs. Hughes, Dahl, Dicklich, Ms. Reichgott and Mr. Mehrkens introduced—

S.F. No. 2798: A bill for an act relating to education; creating the Minnesota education finance act of 1992; proposing coding for new law in Minnesota Statutes, chapter 124A.

Referred to the Committee on Education.

Messrs. Solon; Metzen; Johnson, D.J.; Kroening and Bertram introduced—

S.F. No. 2799: A resolution memorializing the President, the Department of Defense, and the Congress of the United States to reconsider making any further cuts to the National Guard and to insure that the Army National Guard's end strength is reduced no lower than 425,450 persons.

Referred to the Committee on Veterans and General Legislation.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Executive and Official Communications.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

April 10, 1992

The Honorable Jerome Hughes
President of the Senate

Dear Senator Hughes:

The following appointment was made by the Metropolitan Council on October 17, 1991 and is hereby respectfully submitted to the Senate for confirmation as required by law:

REGIONAL TRANSIT BOARD

Ms. Ruby Hunt, 1148 Edgcumbe Road, St. Paul, Ramsey County, Minnesota, for a term expiring on the first Monday in January, 1993.

(Referred to the Committee on Metropolitan Affairs.)

Sincerely,
Mary E. Anderson, Chair

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

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

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

S.F. No. 1615 and H.F. No. 699, which the committee recommends to pass.

H.F. No. 2884, which the committee recommends to pass with the following amendment offered by Mr. Pogemiller:

Amend H.F. No. 2884, as amended pursuant to Rule 49, adopted by the Senate April 10, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2648.)

Page 15, after line 12, insert:

"Sec. 13. Minnesota Statutes 1991 Supplement, section 474A.047, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] An issuer may only use the proceeds from residential rental bonds if the proposed project meets one of the following:

(a) The proposed project is a single room occupancy project and all the units of the project will be occupied by individuals whose incomes at the time of their initial residency in the project are 50 percent or less of the greater of the statewide or county median income adjusted for household size as determined by the federal Department of Housing and Urban Development; ~~or~~

(b) The proposed project is a multifamily project where at least 75 percent of the units have two or more bedrooms and ~~(1)~~ at least one-third of the 75 percent have three or more bedrooms; or ~~(2)~~

(c) The proposed project *is a multifamily project that* meets the following requirements:

(i) the proposed project is the rehabilitation of an existing multifamily building which meets the requirements for minimum rehabilitation expenditures in section 42(e)(2) of the Internal Revenue Code;

(ii) the developer of the proposed project includes a managing general partner which is a nonprofit organization under chapter 317A and meets the requirements for a qualified nonprofit organization in section 42(h)(5) of the Internal Revenue Code; and

(iii) the proposed project involves participation by a local unit of government in the financing of the acquisition or rehabilitation of the project. At least 75 percent of the units of the multifamily project must be occupied by individuals or families whose incomes at the time of their initial residency in the project are 60 percent or less of the greater of the: (1) statewide median income or (2) county or metropolitan statistical area median income, adjusted for household size as determined by the federal Department of Housing and Urban Development.

The maximum rent for a proposed single room occupancy unit under paragraph (a) is 30 percent of the amount equal to 30 percent of the greater of the statewide or county median income for a one-member household as determined by the federal Department of Housing and Urban Development. The maximum rent for at least 75 percent of the units of a multifamily project under paragraph (b) is 30 percent of the amount equal to 50 percent of the greater of the statewide or county median income as determined by the federal Department of Housing and Urban Development based on a household size with one person per bedroom."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 1980, which the committee recommends to pass with the following amendments offered by Messrs. Solon and Luther:

Mr. Solon moved to amend H.F. No. 1980, as amended pursuant to Rule 49, adopted by the Senate April 2, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 1922.)

Page 4, lines 13 and 14, strike "reviewed as provided in subdivision 1" and insert "*appealed as provided in chapter 14*"

The motion prevailed. So the amendment was adopted.

Mr. Luther moved to amend H.F. No. 1980, as amended pursuant to Rule 49, adopted by the Senate April 2, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 1922.)

Page 1, after line 12, insert:

"Section 1. 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).*"

Page 9, after line 16, insert:

"Sec. 19. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment for accidental death benefits payable on deaths that occur on or after that date."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "clarifying interest on accidental death benefits;"

Page 1, line 4, after "sections" insert "61A.011, by adding a subdivision;"

The motion prevailed. So the amendment was adopted.

H.F. No. 2586, which the committee recommends to pass with the following amendment offered by Mr. Cohen:

Page 2, line 10, delete "*and*"

Page 2, line 11, delete the period and insert "*; and*

(5) river front enhancement for cultural, historical, and economic development purposes."

Page 2, line 12, after "*members*" insert "*who are residents of or have their principal place of business located within the city of Saint Paul and are*"

Page 2, lines 14 and 17, delete "*one member*" and insert "*three members*"

Page 2, lines 23 and 24, delete ", *who shall be the commission's chair*"

Page 2, line 29, delete "*eight*" and insert "*four*"

Page 2, lines 30 to 32, delete ", *who are residents of or have their principal place of business located within the city of Saint Paul*"

Page 3, line 5, before "*Members*" insert "*The commission shall select a chair from among its members.*"

The motion prevailed. So the amendment was adopted.

S.F. No. 2432, which the committee recommends to pass with the following amendment offered by Mr. Waldorf:

Page 3, line 11, delete "*or any*" and insert a period

Page 3, delete lines 12 to 14

The motion prevailed. So the amendment was adopted.

H.F. No. 2115, which the committee recommends to pass with the following amendment offered by Mr. Bertram:

Amend H.F. No. 2115, as amended pursuant to Rule 49, adopted by the Senate March 26, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2461.)

Delete everything after the enacting clause and insert:

"Section 1. [ST. LOUIS COUNTY; PARTITION FENCE CONTROVERSIES.]

Notwithstanding Minnesota Statutes, chapter 344, when an owner or occupant of land in St. Louis county applies to the fence viewers for settlement of a partition fence controversy under Minnesota Statutes, chapter 344, the fence viewers shall not require an owner or occupant who can establish to the fence viewers that he or she has no need for a fence to pay any share of the cost of construction or maintenance of the fence. If an owner or occupant is exempt from payment of any of the costs of a partition fence because the owner or occupant does not need the fence, but that owner's or occupant's circumstances change to include the need for a partition fence within seven years of completion of the partition fence, either owner or occupant may request the fence viewers to perform a reevaluation and reassignment of shares of the cost of construction and maintenance in accordance with Minnesota Statutes, section 344.06. If the landowners or occupants disagree about the need for a fence, it is a controversy under that section. A decision by the fence viewers of a controversy relating to a partition fence may include an assignment of shares of the cost of construction, repair, or maintenance of a partition fence in accordance with the need and benefit of each party. Except as provided in this section, all other controversies relating to partition fences shall conform to Minnesota Statutes, chapter 344.

Sec. 2. [LOCAL APPROVAL.]

This act is effective the day after the St. Louis county board complies with Minnesota Statutes, section 645.021, subdivision 3."

Delete the title and insert:

"A bill for an act relating to St. Louis county; providing for partition

fence disputes to include certain findings relating to the benefit and need of the parties; providing for the apportionment of the costs of the partition fence."

The motion prevailed. So the amendment was adopted.

H.F. No. 2750, which the committee recommends to pass with the following amendment offered by Ms. Reichgott:

Amend H.F. No. 2750, as amended pursuant to Rule 49, adopted by the Senate April 2, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2468.)

Page 5, line 33, after "*and*" insert "*information may be released for purposes mandated by local, state, or federal law; provided that*"

The motion prevailed. So the amendment was adopted.

H.F. No. 1957, which the committee recommends to pass with the following amendment offered by Mr. Neuville:

Amend H.F. No. 1957, the unofficial engrossment, as follows:

Page 1, after line 17, insert:

"Sec. 2. Minnesota Statutes 1990, section 163.07, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENT.] The county board of each county shall appoint and employ, as hereinafter provided, a county highway engineer who ~~shall~~ *may* have charge of the highway work of the county and the forces employed thereon, and who shall make and prepare all surveys, estimates, plans, and specifications which are required of the engineer. The county highway engineer may be removed by the county board during the term of office for which appointed only for incompetency or misconduct shown after a hearing upon due notice and upon stated charges. The burden of proving incompetency or misconduct shall rest upon the party alleging the same."

Page 2, line 18, delete "*2*" and insert "*3*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "elected officials" and insert "local government; clarifying the duties of the county highway engineer"

Page 1, line 5, delete "section" and insert "sections"

Page 1, line 6, before "and" insert "163.07, subdivision 1;"

The motion prevailed. So the amendment was adopted.

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

MEMBERS EXCUSED

Ms. Olson was excused from the Session of today from 12:00 noon to 2:30 p.m. and from 4:45 to 5:30 p.m. Mr. Novak was excused from the Session of today from 12:00 noon to 2:15 p.m. Mr. Hottinger was excused from the Session of today from 12:30 to 1:30 p.m. Ms. Berglin was excused

from the Session of today from 1:30 to 3:15 p.m. Ms. Pappas was excused from the Session of today from 1:30 to 2:30 p.m. Mr. Mondale was excused from the Session of today from 3:00 to 3:30 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Tuesday, April 14, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

NINETY-EIGHTH DAY

St. Paul, Minnesota, Tuesday, April 14, 1992

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Joseph M. Dokken.

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

Adkins	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moe, R.D.	Riveness
Belanger	Dicklich	Kelly	Mondale	Sams
Benson, D.D.	Finn	Knaak	Morse	Samuelson
Benson, J.E.	Flynn	Kroening	Neuville	Solon
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Halberg	Luther	Piper	Vickerman
Chmielewski	Hottinger	Marty	Pogemiller	Waldorf
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

The President declared a quorum present.

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 1935 and 2185.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 13, 1992

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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.

Senate File No. 1590 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 13, 1992

CONCURRENCE AND REPASSAGE

Mr. Stumpf moved that the Senate concur in the amendments by the House to S.F. No. 1590 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1590 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 51 and nays 0, as follows:

Those who voted in the affirmative were:

Beckman	Davis	Johnston	Moe, R.D.	Sams
Belanger	Day	Kroening	Mondale	Spear
Benson, D.D.	DeCramer	Laidig	Morse	Stumpf
Benson, J.E.	Finn	Langseth	Neuville	Terwilliger
Berg	Flynn	Larson	Pariseau	Traub
Berglin	Frank	Lessard	Piper	Vickerman
Bernhagen	Frederickson, D.R.	Luther	Pogemiller	Waldorf
Bertram	Hottinger	McGowan	Price	
Brataas	Hughes	Mehrkens	Ranum	
Cohen	Johnson, D.E.	Merriam	Renneke	
Dahl	Johnson, J.B.	Metzen	Riveness	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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.

Senate File No. 2499 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 13, 1992

Mr. Davis moved that the Senate do not concur in the amendments by the House to S.F. No. 2499, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the

House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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.

Senate File No. 979 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 13, 1992

CONCURRENCE AND REPASSAGE

Ms. Pappas moved that the Senate concur in the amendments by the House to S.F. No. 979 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 979 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Mehrkens	Renneke
Beckman	DeCramer	Johnston	Merriam	Riveness
Belanger	Finn	Kelly	Metzen	Sams
Benson, D.D.	Flynn	Knaak	Moe, R.D.	Samuelson
Benson, J.E.	Frank	Kroening	Mondale	Solon
Berg	Frederickson, D.R.	Laidig	Morse	Spear
Bernhagen	Halberg	Langseth	Pappas	Stumpf
Bertram	Hottinger	Larson	Pariseau	Terwilliger
Brataas	Hughes	Lessard	Pogemiller	Traub
Cohen	Johnson, D.E.	Luther	Price	Vickerman
Dahl	Johnson, D.J.	McGowan	Ranum	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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.

Senate File No. 2111 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 13, 1992

Mr. Solon moved that the Senate do not concur in the amendments by the House to S.F. No. 2111, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1985, 2804, 217, 2001 and 2437.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 13, 1992

FIRST READING OF HOUSE BILLS

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

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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1866.

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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2572, now on General Orders.

H.F. No. 217: 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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 394, now on General Orders.

H.F. No. 2001: A bill for an act relating to retirement; requiring the metropolitan airports commission to apply for certain state aid; providing an optional method for calculating annuities of certain members of the Minneapolis employees retirement fund; amending Minnesota Statutes 1990, sections 69.011, by adding a subdivision; 69.031, subdivision 5; and 422A.01, by adding subdivisions; Minnesota Statutes 1991 Supplement, section 69.011, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 422A.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1934, now on the Calendar.

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, sections 116.61, subdivision 1; and 116.70, subdivision 3; Minnesota Statutes 1991 Supplement, section 116.07, subdivision 4d; proposing coding for new law in Minnesota Statutes, chapter 116.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2095, now on General Orders.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1648: A bill for an act relating to the agricultural economy; authorizing certain obligations to assist in the use of agricultural industrial facilities in the city of Detroit Lakes; appropriating money.

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

Delete everything after the enacting clause and insert:

"Section 1. [PURPOSE.]

The purpose of sections 1 to 14 is to develop the state's agricultural resources by extending credit on real estate security; to foster long-term economic growth and job creation by financing an agricultural-industrial facility; to prevent the loss of jobs and encourage and promote the creation of additional jobs in the state in the agricultural industry and in other businesses in the state served or affected by the agricultural industry; to promote the continued growth, and reduce the potential for and effects of a decline of economic activity in the state; and to ensure the preservation, growth, and diversification of the tax base of the state. State bonds are

authorized to be issued and the proceeds of their sale are appropriated under the authority of the Minnesota Constitution, article XI, section 5, clause (h), and the proceeds must be applied in a manner consistent with this authority. In authorizing the financing of an agricultural-industrial facility, the legislature is acting in all respects for the benefit of the people of the state of Minnesota to serve the public purposes of developing the state's agricultural resources and fostering economic development within the state.

Sec. 2. [BOND ISSUE; SALE AUTHORIZATION.]

Subdivision 1. [GENERAL AUTHORIZATION; MAXIMUM PRINCIPAL AMOUNTS.] *The commissioner of finance may issue and sell bonds of the state in one or more series or issues for the purposes provided in this section in the aggregate principal amount of up to $5,000,000 under the bonding authority specified in Minnesota Statutes, section 41B.19, subdivision 1. Bonds issued under this subdivision, other than refunding bonds, must be counted against the bonding limit imposed under section 41B.19, subdivision 1. Bonds to refund the foregoing bonds may be issued in the aggregate principal amount of up to $5,000,000, as provided in section 4, subdivision 2. Unless the context otherwise clearly requires, the reference to bonds shall include refunding bonds. Proceeds of the bonds and investment income on the proceeds are appropriated for the purposes specified in this section and section 4, subdivision 2.*

Subd. 2. [LOAN, LEASE, AND REVENUE AGREEMENTS.] *The commissioner of finance may loan the proceeds of the bonds or enter into lease agreements or other revenue agreements for the financing of an agricultural-industrial facility located in the city of Detroit Lakes. The facility may be owned by or leased to and the loan or loans may be made to a public body or any other person, public or private. Any loan, or if no loan has been made, any lease for the facility must require payments which, if timely paid when due, will be sufficient to pay when due all principal, interest, and premium scheduled to be payable on the bonds or any refunding bonds, unless a default has occurred under the loan or lease or any prior loan or lease. Any lease may provide for an option of the lessee to purchase all or any part of the facility at any price which the commissioner of finance may approve. The commissioner may provide for servicing of the loans and agreements, the times they are payable and the amount of payments, the amount of the loans and agreements, their security, and other terms, conditions, and provisions necessary or convenient in connection with them. The commissioner may enter into all necessary contracts and security instruments. All property financed in whole or in part with sale proceeds of the bonds or investment income from the proceeds must be pledged as collateral for the loans made or bonds issued under this section so long as no default has occurred under a loan.*

Subd. 3. [NONPUBLIC DATA.] *Business plans, financial statements, customer lists, and market and feasibility studies submitted in connection with the provision of financial assistance are nonpublic data, as defined in Minnesota Statutes, section 13.02, subdivision 9. The commissioner may make the data accessible to any person, agency, or public entity if the commissioner determines that access is required under state or federal securities law. To the extent provided by an order of the commissioner of finance, the bonds shall be payable first from revenues derived from the loan of bond proceeds or the lease of the facility, or any other amounts provided for in section 5, subdivision 2.*

Subd. 4. [SECURITY.] *The bonds are directly secured by a pledge of the full faith, credit, and taxing power of the state and must be issued in accordance with the Minnesota Constitution, article XI, sections 4 to 7. Bonds issued under this section are not subject to Minnesota Statutes, section 16B.06.*

Subd. 5. [USE OF PROCEEDS.] *The proceeds of the bonds issued in a principal amount not to exceed $5,000,000 may be used to finance the costs of acquiring, renovating, improving, or equipping all or any portion of an agricultural-industrial facility for processing turkeys or other agricultural products, and facilities related and subordinate to the facility, located in the city of Detroit Lakes and any costs of issuance, reserves, credit enhancement, or an initial period of interest payments related to the bonds or the facility or working capital. The bond proceeds are appropriated to the commissioner for the purposes specified in this section. With the approval of the commissioner, the owner of the facility may place a mortgage or security interest lien on the facility or any interest in the facility. The mortgage is exempt from the mortgage registry tax imposed under Minnesota Statutes, chapter 287. In the event of a default under the loan, lease agreement, or other revenue agreement, the facility, or any part of the facility, may be leased or sold to another person for any lawful purpose, subject to the approval of the commissioner. The commissioner's approval is not required if the bond trustee has taken control of the facility as a result of a default.*

Sec. 3. [GENERAL POWERS.]

For the purpose of exercising the specific powers authorized under sections 1 to 14 and effectuating the other purposes of sections 1 to 14, the commissioner may:

(1) acquire, hold, pledge, assign, or dispose of real or personal property or any interest in property, including a mortgage or security interest in a facility described in section 2;

(2) enter into agreements, contracts, or other transactions with any federal or state agency or other governmental unit, 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 1 to 14;

(3) acquire real property, or an interest therein, by purchase or foreclosure;

(4) enter into agreements with lenders, borrowers, or the issuers of securities for the purpose of regulating the development and management of any property financed in whole or in part by the proceeds of bonds or loans; and

(5) 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 the commissioner considers necessary or desirable, to assist in the exercise of any of the powers authorized under sections 1 to 14 and to carry out the objectives of sections 1 to 14 and may pay for the services from bond proceeds or otherwise available department money.

Sec. 4. [APPLICABLE LAWS; REFUNDING BONDS.]

Subdivision 1. [BONDS.] *Minnesota Statutes, sections 16A.631 to*

16A.675, do not apply to the bonds authorized under section 2, except as provided in an order of the commissioner of finance or indenture authorizing the bonds, and except that Minnesota Statutes, sections 16A.641, 16.672, and 16A.675, other than section 16A.641, subdivisions 4 and 5, shall apply.

Subd. 2. [REFUNDING OF BONDS.] *The commissioner from time to time may issue bonds for the purpose of refunding any bonds then outstanding, including the payment of any redemption premiums thereon, any interest accrued or to accrue to the redemption date, and costs related to the issuance and sale of the bonds. The proceeds of any refunding bonds may, in the discretion of the commissioner, be applied to the purchase or payment at maturity of the bonds to be refunded, to the redemption of such outstanding bonds on any redemption date, or to pay interest on the refunding bonds and may, pending such application, be placed in escrow to be applied to such purchase, payment, or redemption. Any such escrowed proceeds, pending such use, may be invested and reinvested in obligations that are authorized investments under Minnesota Statutes, section 11A.24. The income earned or realized on any such investment may also be applied to the payment of the bonds to be refunded, interest or premiums on the refunded bonds, or to pay interest on the refunding bonds. After the terms of the escrow have been fully satisfied, any balance of such proceeds and any investment income may be returned to the general fund or, if applicable, the state bond fund, for use in any lawful manner.*

Subd. 3. [COMPLIANCE WITH FEDERAL LAW.] *The commissioner may covenant and agree with the holders of the bonds that the state will comply, insofar as possible, with the provisions of the United States Internal Revenue Code now or hereafter enacted that are applicable to the bonds and that establish conditions under which the interest to be paid on the bonds will not be includable in gross income for federal tax purposes. The bonds may be issued without regard to whether the interest to be paid on them is includable in gross income for federal tax purposes.*

Sec. 5. [AUTHORIZING ORDERS, TERMS, SALE, AND REVENUE SOURCES.]

Subdivision 1. [TERMS.] *The bonds must be authorized by an order or orders of the commissioner of finance, bear such date or dates, mature at such time or times, bear interest at such rate or rates, be in such denominations, be in such form, carry such registration privileges, be executed in such manner, be payable in lawful money of the United States, at such place or places within or without the state, and be subject to such terms of redemption or purchase prior to maturity as the order or orders may provide, or as may be provided in any indenture or indentures of trust. If, for any reason, whether existing at the date of issue of any bonds or at the date of making or purchasing any loan or securities from the proceeds or after that date, the interest on any bonds is or becomes subject to federal income taxation, this shall not impair or affect the validity of the provisions made for the security of the bonds. The bonds may be sold at public or private sale at a price or prices determined by the commissioner. The underwriting discount, spread, or commission paid or allowed to the underwriters of the bonds, however, must be an amount not in excess of the amount determined by the commissioner to be reasonable in the light of the risk assumed and the expenses of issuance, if any, required to be paid by the underwriters or prevailing market conditions and practices.*

Subd. 2. [SOURCES OF REVENUES.] *The bonds and interest payable*

thereon are payable from the following sources and are irrevocably appropriated for that purpose, but only to the extent provided in the order of the commissioner of finance or indenture authorizing or securing the bonds:

(1) revenues of any nature derived from the ownership, lease, operation, sale, foreclosure, or refinancing of a facility described in section 2;

(2) repayments of any loans made under sections 1 to 14;

(3) proceeds of any bonds;

(4) amounts in any account authorized by section 11 or 13;

(5) amounts payable under any insurance policy, guaranty, letter of credit, or other instrument securing the bonds;

(6) any other revenues which the commissioner may pledge but excluding state appropriations unless the appropriation was specifically designated for that purpose; and

(7) investment income on any of the sources specified in clauses (1) to (6).

Sec. 6. [OPTIONAL ORDER AND CONTRACT PROVISIONS.]

Any order of the commissioner of finance authorizing any bonds or any issue of bonds or any indenture may contain provisions, which may be a part of the contract with the holders of the bonds, as to the matters referred to in this section.

(a) It may pledge or create a lien on money or property and any money held in trust or otherwise by others to secure the payment of the bonds or of any series or issue of bonds and interest thereon and of any sums due to the trustee under the indenture, and may grant different priorities in the lien for different series of bonds, subject to any agreements with bondholders which exist.

(b) It may provide for the custody, collection, securing, investment, and payment of money.

(c) It may set aside reserves or sinking funds and provide for their regulation and disposition and may create other special funds into which money may be deposited.

(d) It may limit the loans and securities to which the proceeds of sale of bonds may be applied and may pledge repayments thereon to secure the payment of the bonds or of any series or issue of bonds.

(e) It may limit the issuance of additional bonds, the terms upon which additional bonds may be issued and secured, and the refunding of outstanding or other bonds.

(f) It may prescribe the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent to the amendment or abrogation, and the manner in which that consent may be given.

(g) It may vest in a trustee or trustees property, rights, powers, and duties in trust determined by the commissioner, which may include any or all of the rights, powers, and duties of the bondholders, or may limit the rights, powers, and duties of the trustee. It may make contracts with a trustee or trustees authorizing the trustee or trustees to invest in investments that may be invested in by the state board of investment under Minnesota Statutes,

section 11A.24, and apply, or dispose of and use money in any account.

(h) It may define the acts or omissions to act which constitute a default in the obligations and duties of the commissioner and may provide for the rights and remedies of the holders of bonds in the event of a default, and provide any other matters of like or different character, consistent with the general laws of the state and other provisions of sections 1 to 14, which in any way affect the security or protection of the bonds and the rights of the bondholders.

(i) It may incur obligations under the indenture or under any paying agency, bond registrar agreement, or escrow agreement to pay the compensation and expenses of the trustee, paying agent, bond registrar, or escrow agent for the bonds and to pay any sums required to be rebated to the United States to comply with applicable tax laws; and a sum sufficient to satisfy these obligations is annually appropriated to the commissioner from the general fund to the extent other revenues available for that purpose are insufficient.

Sec. 7. [PLEDGES; VALIDITY.]

Any pledge made by the commissioner of finance is valid and binding from the time the pledge is made. The money or property pledged and later received by the commissioner is immediately subject to the lien of the pledge without any physical delivery of the property or money or further act, and the lien of any pledge is valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the commissioner of finance, whether or not those parties have notice of the lien or pledge. Neither the order nor any other instrument by which a pledge is created need be recorded. Upon the finding of the commissioner of finance by order or in an indenture that all proceedings, actions, and events required for the valid issuance and sale of any issue of bonds have occurred, upon issuance all the proceedings, actions, or events shall be considered to have conclusively occurred at or prior to the issuance.

Sec. 8. [BONDS; NONLIABILITY OF INDIVIDUALS.]

The commissioner of finance and the commissioner's staff and any person executing the bonds are not personally liable on the bonds or subject to any personal liability or accountability by reason of their issuance.

Sec. 9. [BONDS; PURCHASE AND CANCELLATION.]

The commissioner of finance, subject to agreements with bondholders which may then exist, has power out of any funds available for the purpose to purchase bonds of the commissioner at a price not exceeding (a) if the bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment date thereon, or (b) if the bonds are not redeemable, the redemption price applicable on the first date after the purchase upon which the bonds become subject to redemption plus accrued interest to that date.

Sec. 10. [STATE PLEDGE AGAINST IMPAIRMENT OF CONTRACTS.]

The state pledges and agrees with the holders of any bonds that the state will not limit or alter the rights vested in the commissioner of finance to fulfill the terms of any agreements made with the bondholders, or in any way impair the rights and remedies of the holders until the bonds, together with interest on them, with interest on any unpaid installments of interest,

and all costs and expenses in connection with any action or proceeding by or on behalf of the bondholders, are fully met and discharged. The commissioner may include this pledge and agreement of the state in any agreement with the holders of bonds issued under sections 1 to 14.

Sec. 11. [FUNDS AND DEBT SERVICE ACCOUNTS.]

Subdivision 1. [FUNDS.] *The commissioner of finance or any trustee appointed by the commissioner under sections 1 to 14 shall establish and maintain an agricultural-industrial facilities fund for the facilities described in section 2. Except for amounts required by the commissioner to be deposited in a debt service account, proceeds of each issue of bonds authorized under section 2 must be deposited in a separate account, debt service reserve, or other account designated by the commissioner. Money in the account is appropriated to the commissioner. The commissioner or the owner of the facilities described in section 2 may withdraw proceeds of bonds for application to the appropriated purposes in the manner provided by order of the commissioner or in any indenture authorized by order of the commissioner. The commissioner may establish whatever accounts might be necessary to carry out the purposes of sections 1 to 14. All deposits into and disbursements from accounts for the purposes and from the sources of revenue authorized by sections 1 to 14 and provided in an order of the commissioner or an indenture or other agreement authorized by the commissioner are appropriated for that purpose.*

Subd. 2. [ACCOUNTS.] *The state treasurer or any trustee appointed by the commissioner of finance under sections 1 to 14 shall maintain permanently on official books and records debt service accounts separate from all other funds and accounts, to record all receipts and disbursements of money for principal and interest payments on each series of bonds. No later than the due date of each principal and interest payment on the bonds, the commissioner shall withdraw from the proceeds of the bonds, or from revenues on hand and available for the purpose, and shall deposit in the debt service accounts the amount, if any, required to be deposited in the account by the order of the commissioner or any indenture authorized by an order of the commissioner. All amounts in any debt service account are appropriated for the payment of principal, premiums, and interest for the bonds to which the account relates.*

Sec. 12. [POWERS AND DUTIES OF TRUSTEE.]

Subdivision 1. [GENERAL.] *The trustee, if any, designated in any indenture or order securing an issue of bonds may, in the trustee's own name, if so provided in the indenture or order:*

(1) enforce all rights of the bondholders, including the right to require the commissioner of finance to collect fees, charges, interest, and payments on leases, loans, or interests therein held by the commissioner and eligible securities purchased by it adequate to carry out any agreement as to, or pledge of, those fees, charges, and payments, and to require the commissioner to carry out any other agreements with the holders of the bonds and to perform the duties required under sections 1 to 14;

(2) bring suit upon the bonds;

(3) require the commissioner to account as if it were the trustee of any express trust for the holders of the bonds;

(4) enjoin any acts or things which may be unlawful or in violation of

the rights of holders of the bonds; or

(5) upon a default as defined in any bond, order, or indenture, declare all the bonds due and payable, enforce any remedy available under law, and if all defaults are made good, the trustee may annul the declaration and consequences.

Subd. 2. [ADDITIONAL POWERS.] *In addition to the powers in subdivision 1, the trustee has all of the powers necessary or appropriate for the exercise of any functions specifically set forth in this section or incident to the general representation of bondholders in the enforcement and protection of their rights.*

Subd. 3. [VENUE.] *The venue of any action or proceedings brought by a trustee is in Ramsey county.*

Sec. 13. [DEBT SERVICE RESERVE ACCOUNT.]

Subdivision 1. [AUTHORITY.] *The commissioner of finance or a trustee appointed by the commissioner may create, maintain, and establish a special account or accounts for the security of one or more or all series of the bonds, which accounts are known as debt service reserve accounts. The commissioner may pay into each debt service reserve account:*

(1) any money appropriated by the state only for the purposes of that account;

(2) any proceeds of sale of bonds to the extent provided in the order or indenture authorizing their issuance;

(3) any money directed to be transferred by the commissioner to that debt service reserve account; and

(4) any other money made available to the commissioner for the purpose of that account from any other source.

Subd. 2. [USE OF MONEY.] *The money held in or credited to each debt service reserve account, except as provided in this section, must be used solely for the payment of the principal of bonds of the commissioner as the bonds mature or otherwise become due, the purchase of the bonds, the payment of interest on the bonds, the payment of any premium required when the bonds are redeemed before maturity, the payment of trustee or paying agency or registrar fees and expenses, the reimbursement of any advance made from another fund or account, or the payment of any rebate amounts owing to the United States government in accordance with any applicable covenant to comply with federal tax laws; provided, that money in a debt service reserve account may not be withdrawn at any time in an amount which would reduce the amount of the account to less than any amount which the commissioner determines to be reasonably necessary for the purposes of the account, except for the purpose of paying principal, premium, or interest due on bonds secured by the account, for the payment of which other money is not available.*

Subd. 3. [LIMITATION.] *If the commissioner creates a debt service reserve account for the security of any series of bonds, the commissioner may not issue any additional bonds which are similarly secured if the amount of any of the debt service reserve accounts at the time of issuance does not equal or exceed the minimum amount, if any, required by the resolution creating that account, unless the commissioner deposits in each account at the time of issuance, from the proceeds of the bonds or otherwise, an amount*

which, together with the amount then in the account, will not be less than the minimum amount required.

Subd. 4. [EXCESS MONEY.] *To the extent consistent with the orders and indentures securing outstanding bonds, the commissioner may, at the close of any fiscal year, transfer to any other account from any debt service reserve account, any excess in that account over the amount considered by the commissioner to be reasonably necessary for the purpose of the account.*

Subd. 5. [CONSTRUCTION.] *Nothing in this section may be construed to limit the right of the commissioner to create and establish by order or indenture other accounts or security in addition to debt service reserve accounts which are necessary or desirable in connection with any bonds.*

Sec. 14. [CONSTRUCTION.]

Sections 1 to 14 are necessary for the welfare of the state of Minnesota and its inhabitants; therefore, they shall be liberally construed to effect their purpose.

Sec. 15. [DETROIT LAKES; FACILITIES.]

The commissioner of trade and economic development may assist the people of the city of Detroit Lakes to make economic use of agricultural-industrial facilities in the city. The commissioner may use all authority under existing law for this purpose. The commissioner may employ marketing analysts and other consultants as necessary."

Delete the title and insert:

"A bill for an act relating to the agricultural economy; authorizing the commissioner of finance to issue obligations to assist in the use of agricultural-industrial facilities in the city of Detroit Lakes."

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2205: A bill for an act relating to state land; authorizing private sale of certain land in Washington county; authorizing environmental cleanup of the land; authorizing alteration of marginal lands; designating the old Sibley county courthouse as an historical interpretive center; amending Minnesota Statutes 1990, section 138.56, by adding a subdivision.

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

Pages 4 and 5, delete section 4

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete everything after "lands" and insert a period

Page 1, delete lines 6 to 8

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2229: 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.

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

Page 8, after line 32, insert:

"Sec. 10. [APPROPRIATION.]

$61,000 is appropriated from the general fund to the commissioner of human services for purposes of section 8, subdivisions 4 to 6, to be available for the fiscal year ending June 30, 1993."

Page 8, line 34, before the period, insert ", *except that section 8, subdivisions 4 to 6, and section 10 are effective July 1, 1992*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "appropriating money;"

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

Mr. Merriam from the Committee on Finance, to which was referred

S.F. No. 1894: A bill for an act relating to the environment; forgiving advances and loans made under a pilot litigation loan project relating to wastewater treatment.

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

Page 1, delete lines 7 to 13 and insert:

"*The city of Morton need not repay money advanced to the city under the municipal litigation loan pilot project established in Laws 1988, chapter 686, article 1, section 69.*"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2428: A bill for an act relating to energy; requiring the use of energy-efficient lighting for highways, streets, and parking lots; establishing minimum energy efficiency standards for lamps, motors, showerheads, faucets, and replacement commercial heating, ventilating, and air conditioning equipment; requiring continuing education in energy efficiency standards in building codes for licensed building contractors, remodelers, and specialty contractors; authorizing rulemaking; amending Minnesota Statutes 1990,

section 216C.19, subdivisions 1, 13, and by adding subdivisions; and Minnesota Statutes 1991 Supplement, section 326.87, subdivision 1.

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

Page 1, line 29, after "*fixtures*" insert ", *excluding roadway sign lighting*,"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1858: A bill for an act relating to waste management; requiring recycling of fluorescent lamps in state buildings; amending Minnesota Statutes 1990, section 16B.24, by adding a subdivision.

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

Page 1, line 11, delete "*rented*" and insert "*leased*"

Page 1, line 22, after "*1992*" insert ", *and applies to leases entered into or renewed after that date*"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1866: 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.

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

Page 3, line 27, delete "*with the title of*"

Page 3, delete line 28 and insert ", *or a memorandum approved by the commissioner that summarizes the agreement, with the county recorder or registrar of titles of the county where the property is located.*"

Page 7, line 16, delete " . . . . . " and insert "*seven*"

Page 7, line 20, delete "*$ . . . . . *" and insert "*$545,000*"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2692: 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.

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

Page 1, lines 21 and 23, delete "*funds*" and insert "*money*"

Page 2, lines 3 and 13, delete "*fund*" and insert "*account*"

Page 2, line 7, delete "*funds*" and insert "*contributions*"

Page 2, line 12, delete "FUND" and insert "ACCOUNT"

Page 2, line 15, delete the first "*funds*" and insert "*contributions*" and delete the second "*funds*" and insert "*receipts*"

Page 2, lines 18, 21, and 24, delete "*funds*" and insert "*money*"

Page 2, line 19, delete "*fund are*" and insert "*account is*"

Amend the title as follows:

Page 1, line 6, delete "fund" and insert "account"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1958: A bill for an act relating to water; requiring criteria for water deficiency declarations; prohibiting the use of groundwater for surface water level maintenance; requiring review of water appropriation permits; requiring contingency planning for water shortages; changing water appropriation permit requirements; requiring changes to the metropolitan area water supply plan; requiring reports to the legislature; 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; 115.03, subdivision 1; 473.175, subdivision 1; 473.851; 473.858, by adding a subdivision; and 473.859, subdivisions 3 and 4, and by adding a subdivision; Minnesota Statutes 1991 Supplement, section 473.156, subdivision 1.

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

Page 1, after line 18, 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 14, after "*all*" insert "*municipal*"

Page 3, line 15, after "*permits*" insert "*in the metropolitan area*"

Page 3, after line 16, insert:

"*(3) develop a plan for reviewing permits outside the metropolitan area on a regular basis;*"

Page 3, line 17, delete "*(3)*" and insert "*(4)*"

Page 3, line 22, delete "*(4)*" and insert "*(5)*" and delete "*and implement*"

Page 3, line 24, delete "*(5)*" and insert "*(6)*"

Page 3, line 31, after "*existing*" insert "*municipal*" and after "*permits*" insert "*in the metropolitan area*"

Page 10, lines 12 to 20, delete the new language

Page 10, line 21, delete "*headwaters,*" and delete "*or contamination*"

Page 10, delete line 22 and insert:

"(3) recommend *long-term* approaches to resolving"

Page 14, line 24, delete everything after "*The*" and insert "*metropolitan council,*"

Page 14, line 25, after "*resources*" insert ", *and the commissioner of agriculture*"

Page 14, line 36, delete "*1 to 15*" and insert "*2 to 16*"

Page 15, line 3, delete "*9 to 15*" and insert "*10 to 16*"

Page 15, delete section 18

Renumber the sections in sequence

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;"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2146: A bill for an act relating to once-through cooling systems; providing grants for retrofitting and conversion; amending Minnesota Statutes 1990, section 103G.271, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 103G.271, subdivision 6.

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

Page 3, line 19, after the stricken "50" insert "75" and reinstate the stricken "percent of the" and delete "*fees must be*" and strike "deposited in" and delete "*a*"

Page 3, lines 20 and 21, delete the new language and strike the old language

Page 3, line 22, strike "assistance as"

Page 3, lines 27 and 28, delete the new language and insert "*fees must be credited to a special account and are appropriated to the Minnesota*

public facilities authority for loans under section 446A.21"

Pages 3 and 4, delete section 2 and insert:

"Sec. 2. [446A.21] [ONCE-THROUGH COOLING CONVERSION LOANS.]

Subdivision 1. [BONDS AND NOTES.] *(a) The authority shall provide loans, including no interest loans, to public and private entities for the capital costs incurred for the replacement of once-through cooling systems with environmentally acceptable cooling systems.*

(b) The authority may issue its bonds and notes in the manner provided under sections 446A.12 to 446A.20 to provide money needed for the purposes of this section over and above the amount appropriated to it for these purposes. The principal amount of bonds and notes issued and outstanding under this section may not exceed $40,000,000 at any time. The bonds and notes issued to make loans under this section are not general obligation bonds. Section 446A.15, subdivision 6, does not apply to the bonds and notes. The bonding authority authorized under this section is in addition to the bonding authority authorized under section 446A.12, subdivision 1, and the limitation on the amount of bonding authority imposed under section 446A.12, subdivision 1, does not apply to the bonds issued under this section. The legislature intends not to appropriate money from the general fund to pay for these bonds.

(c) Money appropriated to the authority and money provided under section 446A.04, subdivision 3, for once-through cooling conversion may be used by the authority for debt service on bonds and notes, purchasing insurance, subsidizing below market interest rates, and providing loans under this section.

Subd. 2. [ADMINISTRATION.] *(a) An entity may apply to the authority for a loan. Within ten days of receipt, the authority shall submit the application to the commissioner of public service to determine whether the proposed cooling system meets the energy efficiency criteria of the department. The commissioner of public service shall certify to the authority whether the project meets the applicable energy efficiency criteria. The commissioner of public service shall adopt rules establishing energy efficiency criteria for replacement cooling systems.*

(b) Within the limitation of available funds, the authority may award a loan to a certified entity if the authority determines that the entity has demonstrated the ability to repay the loan under the terms negotiated under subdivision 3.

(c) The authority shall give priority to nonprofit organizations and school districts in making loans.

Subd. 3. [LOAN CONDITIONS.] *A loan made under this section may be made for up to 100 percent of the cost of once-through cooling system replacement for which the entity is liable. A loan may be made at or below market interest rates and at a term not to exceed 20 years.*

Subd. 4. [LOAN PAYMENTS.] *Loan repayments of principal and interest received by the authority are appropriated to the authority to make new loans."*

Amend the title as follows:

Page 1, lines 2 and 3, delete "providing grants for retrofitting and conversion" and insert "authorizing the Minnesota public facilities authority to issue bonds and make loans for the replacement of once-through cooling systems"

Page 1, delete line 4

Page 1, line 5, delete "subdivision;"

Page 1, line 6, before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 446A"

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

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

H.F. No. 2848 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2848	2505				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2848 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2848 and insert the language after the enacting clause of S.F. No. 2505, the second engrossment; further, delete the title of H.F. No. 2848 and insert the title of S.F. No. 2505, the second engrossment.

And when so amended H.F. No. 2848 will be identical to S.F. No. 2505, and further recommends that H.F. No. 2848 be given its second reading and substituted for S.F. No. 2505, and that the Senate File be indefinitely postponed.

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 897: A bill for an act relating to driving while intoxicated; making it a crime to refuse to submit to testing under the implied consent law; expanding the scope of the administrative plate impoundment law; authorizing the forfeiture of vehicles used to commit certain repeat DWI offenses; increasing certain license revocation periods; revising the implied consent advisory; imposing waiting periods on the issuance of limited licenses; increasing certain fees; updating laws relating to operating a snowmobile, all-terrain vehicle, motorboat, or aircraft, and to hunting, while intoxicated; imposing penalties for hunting while intoxicated; appropriating money; amending Minnesota Statutes 1990, sections 84.91; 84.911; 86B.331; 86B.335, subdivisions 1, 2, 4, 5, and 6; 97A.421, subdivision 4; 97B.065; 168.042, subdivisions 1, 2, 4, 10, and 11; 169.121, subdivisions 1a, 3, 3a, 3b, 3c, 4, and 5; 169.123, subdivision 4; 169.126, subdivision 1; 169.129; 360.0752, subdivision 6, and by adding a subdivision; and

360.0753, subdivisions 2, 7, and 9; Minnesota Statutes 1991 Supplement, sections 169.121, subdivision 5a; 169.123, subdivision 2; 169.126, subdivision 2; 169.1265, subdivision 3; 171.29, subdivision 2; 171.30, subdivision 2a; and 171.305, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 97B; and 169; repealing Minnesota Statutes 1990, section 169.126, subdivision 4c.

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

Page 11, line 3, delete "*$150*" and insert "*$125*"

Page 11, line 24, delete everything after "*charge*"

Page 11, line 25, delete everything before the period

Pages 22 and 23, delete section 22

Page 26, after line 25, insert:

"*(a) $23,000 is appropriated from the trunk highway fund to the commissioner of public safety for the purposes of sections 2 and 25.*

(b) $22,000 is appropriated from the general fund to the supreme court administrator for the purposes of section 15."

Page 26, line 26, delete "$ . . . . . " and insert "*(c) $500,000*"

Page 26, line 34, before "*Sections*" insert "*Sections 13, 18, 19, and 28 are effective July 1, 1992.*" and before "*27*" insert "*12, 14 to 17, and 20 to*"

Renumber the sections of article 1 in sequence

Page 48, line 11, delete "*or*"

Page 52, line 3, after the semicolon, insert "*and*"

Amend the title as follows:

Page 1, lines 24 and 25, delete "171.29, subdivision 2;"

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1648, 2205, 2229, 1894, 2428, 1858, 1866, 2692, 1958, 2146 and 897 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 2848 was read the second time.

MOTIONS AND RESOLUTIONS

Mr. Merriam introduced—

Senate Concurrent Resolution No. 11: A Senate concurrent resolution urging certain committees of the Senate and the House of Representatives to conduct an evaluation of funding for community action agency programs.

WHEREAS, 41 community action agencies, which were launched by the Economic Opportunity Act of 1964, have helped thousands of Minnesotans exit poverty; and

WHEREAS, community action agencies provide a broad range of self-sufficiency economic opportunity programs that target seniors, the working poor, Head Start parents, newly unemployed, dislocated workers, and those on public assistance not eligible for STRIDE; and

WHEREAS, 55 percent of funding for these core community action agency programs (at least $5 million each year) will be lost by September 30, 1993, because of congressional action to eliminate transfer funds from the low-income home and energy assistance program to the community services block grant program; and

WHEREAS, the loss of these transfer funds will eliminate necessary self-sufficiency economic opportunity programs and will in some areas close community action agencies; NOW, THEREFORE,

BE IT RESOLVED by the Senate of the State of Minnesota, the House of Representatives concurring, that the House and Senate Human Services and Tax Committees and the Human Resources Divisions of the House Appropriations and Senate Finance Committees evaluate the funding problem, include the Commissioners of Finance and Jobs and Training in the process, and recommend long-term solutions to the legislature by January 15, 1993.

BE IT FURTHER RESOLVED that the Secretary of the Senate is directed to prepare an enrolled copy of this resolution, to be authenticated by his signature and those of the Chair of the Senate Rules and Administration Committee, the Speaker of the House of Representatives, and the Chief Clerk of the House of Representatives, and transmit it to the chairs of the House and Senate Human Services and Tax Committees and the Human Resources Divisions of the House Appropriations and Senate Finance Committees.

Mr. Merriam moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

CALENDAR

S.F. No. 2376: A bill for an act relating to game and fish; management of aquatic vegetation and ginseng; rules for stamp design contests; deer license fees for residents under age 16 and for licenses to take a second deer; use of live ammunition in dog training; red or blaze orange hunting clothing; nonresident rough fish taking; raccoon seasons; dark house and fish house licenses on certain boundary waters; and muskie size limits; providing for agricultural crop protection assistance; authorizing advance of matching funds; appropriating money; amending Minnesota Statutes 1990, sections 84.091, subdivisions 1 and 3; 97A.045, subdivision 7; 97A.441, by adding a subdivision; 97B.005, subdivisions 2 and 3; 97B.071; 97B.301, subdivision 4; 97B.621, subdivision 1; 97C.355, subdivision 2; 97C.375; and 97C.405; Minnesota Statutes 1991 Supplement, sections 84.085, by adding a subdivision; 84.091, subdivision 2; and 97A.475, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter

97A.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Merriam	Riveness
Beckman	DeCramer	Johnston	Metzen	Sams
Belanger	Finn	Kelly	Moe, R.D.	Solon
Benson, D.D.	Flynn	Knaak	Mondale	Spear
Benson, J.E.	Frank	Kroening	Morse	Stumpf
Berg	Frederickson, D.J.	Laidig	Pappas	Terwilliger
Berglin	Frederickson, D.R.	Langseth	Pariseau	Traub
Bernhagen	Gustafson	Larson	Piper	Vickerman
Bertram	Halberg	Lessard	Pogemiller	Waldorf
Brataas	Hottinger	Luther	Price	
Cohen	Hughes	McGowan	Ranum	
Davis	Johnson, D.E.	Mehrkens	Renneke	

Messrs. Dicklich and Johnson, D.J. voted in the negative.

So the bill passed and its title was agreed to.

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.

With the unanimous consent of the Senate, Mr. Luther moved to amend the Luther amendment to H.F. No. 1980, adopted by the Senate April 13, 1992, as follows:

Page 1, lines 9 and 10, delete "*Notwithstanding any other law to the contrary,*"

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

H.F. No. 1980 was read the third time, as amended, and placed on its final passage.

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

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

Those who voted in the affirmative were:

Adkins	Dicklich	Johnson, J.B.	Metzen	Sams
Beckman	Finn	Johnston	Moe, R.D.	Solon
Belanger	Flynn	Kelly	Mondale	Spear
Benson, D.D.	Frank	Knaak	Morse	Stumpf
Benson, J.E.	Frederickson, D.J.	Kroening	Pappas	Terwilliger
Berg	Frederickson, D.R.	Laidig	Pariseau	Traub
Bernhagen	Gustafson	Langseth	Piper	Vickerman
Bertram	Halberg	Larson	Pogemiller	Waldorf
Brataas	Hottinger	Lessard	Price	
Cohen	Hughes	Luther	Ranum	
Day	Johnson, D.E.	McGowan	Renneke	
DeCramer	Johnson, D.J.	Mehrkens	Riveness	

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

H.F. No. 2115: A bill for an act relating to partition fences; providing for apportionment of cost of a partition fence; amending Minnesota Statutes 1990, sections 344.03, subdivision 1; and 344.06; proposing coding for new law in Minnesota Statutes, chapter 344.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 51 and nays 6, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, D.E.	Metzen	Sams
Beckman	Dicklich	Johnson, D.J.	Moe, R.D.	Solon
Belanger	Finn	Johnson, J.B.	Mondale	Spear
Benson, J.E.	Flynn	Knaak	Pappas	Terwilliger
Berg	Frank	Laidig	Pariseau	Traub
Berglin	Frederickson, D.J.	Langseth	Piper	Vickerman
Bernhagen	Frederickson, D.R.	Larson	Pogemiller	Waldorf
Bertram	Gustafson	Lessard	Price	
Brataas	Halberg	Luther	Ranum	
Cohen	Hottinger	McGowan	Renneke	
Day	Hughes	Mehrkens	Riveness	

Those who voted in the negative were:

Benson, D.D.	Johnston	Kroening	Morse	Stumpf
Davis				

So the bill passed and its title was agreed to.

H.F. No. 1957: A bill for an act relating to elected officials; restricting compensation for local elected officials; providing for terms for Cook county hospital district board members; amending Minnesota Statutes 1990, section 43A.17, by adding a subdivision; and Laws 1989, chapter 211, section 8, subdivision 3.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Day	Johnson, D.E.	McGowan	Ranum
Beckman	DeCramer	Johnson, D.J.	Mehrkens	Renneke
Belanger	Dicklich	Johnson, J.B.	Merriam	Riveness
Benson, D.D.	Finn	Johnston	Metzen	Sams
Benson, J.E.	Flynn	Kelly	Moe, R.D.	Solon
Berg	Frank	Knaak	Mondale	Spear
Berglin	Frederickson, D.J.	Kroening	Morse	Stumpf
Bernhagen	Frederickson, D.R.	Laidig	Pappas	Terwilliger
Bertram	Gustafson	Langseth	Pariseau	Traub
Brataas	Halberg	Larson	Piper	Vickerman
Cohen	Hottinger	Lessard	Pogemiller	Waldorf
Davis	Hughes	Luther	Price	

So the bill passed and its title was agreed to.

S.F. No. 2418: A bill for an act relating to retirement; St. Paul police relief association; validating a change in the date on which personal and benefit payments are made.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Day	Johnson, D.E.	McGowan	Ranum
Beckman	DeCramer	Johnson, D.J.	Mehrkens	Renneke
Belanger	Dicklich	Johnson, J.B.	Merriam	Riveness
Benson, D.D.	Finn	Johnston	Metzen	Sams
Benson, J.E.	Flynn	Kelly	Moe, R.D.	Solon
Berg	Frank	Knaak	Mondale	Spear
Berglin	Frederickson, D.J.	Kroening	Morse	Stumpf
Bernhagen	Frederickson, D.R.	Laidig	Pappas	Terwilliger
Bertram	Gustafson	Langseth	Pariseau	Traub
Brataas	Halberg	Larson	Piper	Vickerman
Cohen	Hottinger	Lessard	Pogemiller	Waldorf
Davis	Hughes	Luther	Price	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, D.J.	Mehrkens	Renneke
Beckman	Dicklich	Johnson, J.B.	Merriam	Riveness
Belanger	Finn	Johnston	Metzen	Sams
Benson, D.D.	Flynn	Kelly	Moe, R.D.	Solon
Benson, J.E.	Frank	Knaak	Mondale	Spear
Berg	Frederickson, D.J.	Kroening	Morse	Terwilliger
Berglin	Frederickson, D.R.	Laidig	Pappas	Traub
Bernhagen	Gustafson	Langseth	Pariseau	Vickerman
Bertram	Halberg	Larson	Piper	Waldorf
Brataas	Hottinger	Lessard	Pogemiller	
Cohen	Hughes	Luther	Price	
Davis	Johnson, D.E.	McGowan	Ranum	

So the bill passed and its title was agreed to.

S.F. No. 2144: 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; stating the intent of the legislature; requiring a report; amending Minnesota Statutes 1990, section 473.39.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Merriam	Renneke
Beckman	DeCramer	Johnston	Metzen	Riveness
Belanger	Finn	Kelly	Moe, R.D.	Sams
Benson, D.D.	Flynn	Knaak	Mondale	Solon
Benson, J.E.	Frank	Kroening	Morse	Spear
Berg	Frederickson, D.J.	Laidig	Olson	Stumpf
Berglin	Frederickson, D.R.	Langseth	Pappas	Terwilliger
Bernhagen	Gustafson	Larson	Pariseau	Traub
Bertram	Halberg	Lessard	Piper	Vickerman
Brataas	Hottinger	Luther	Pogemiller	Waldorf
Cohen	Hughes	McGowan	Price	
Davis	Johnson, D.J.	Mehrkens	Ranum	

So the bill passed and its title was 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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Day	Johnson, D.E.	Marty	Ranum
Beckman	DeCramer	Johnson, D.J.	Mehrkens	Renneke
Belanger	Dicklich	Johnson, J.B.	Metzen	Riveness
Benson, D.D.	Finn	Johnston	Moe, R.D.	Sams
Benson, J.E.	Flynn	Kelly	Mondale	Solon
Berg	Frank	Knaak	Morse	Spear
Berglin	Frederickson, D.J.	Kroening	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Laidig	Pappas	Terwilliger
Bertram	Gustafson	Langseth	Pariseau	Traub
Brataas	Halberg	Larson	Piper	Vickerman
Cohen	Hottinger	Lessard	Pogemiller	Waldorf
Davis	Hughes	Luther	Price	

So the bill passed and its title was agreed to.

H.F. No. 2586: A bill for an act providing for a study of the civic and cultural functions of downtown Saint Paul.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, D.J.	McGowan	Ranum
Beckman	Dicklich	Johnson, J.B.	Mehrkens	Renneke
Belanger	Finn	Johnston	Metzen	Riveness
Benson, D.D.	Flynn	Kelly	Moe, R.D.	Sams
Benson, J.E.	Frank	Knaak	Mondale	Solon
Berglin	Frederickson, D.J.	Kroening	Morse	Spear
Bernhagen	Frederickson, D.R.	Laidig	Olson	Stumpf
Bertram	Gustafson	Langseth	Pappas	Traub
Brataas	Halberg	Larson	Pariseau	Vickerman
Cohen	Hottinger	Lessard	Piper	Waldorf
Davis	Hughes	Luther	Pogemiller	
Day	Johnson, D.E.	Marty	Price	

Mr. Berg voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 2432: 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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Day	Kelly	Moe, R.D.	Sams
Beckman	DeCramer	Knaak	Mondale	Solon
Belanger	Frank	Kroening	Morse	Spear
Benson, D.D.	Frederickson, D.J.	Laidig	Olson	Stumpf
Benson, J.E.	Frederickson, D.R.	Langseth	Pappas	Terwilliger
Berg	Gustafson	Larson	Pariseau	Traub
Berglin	Halberg	Lessard	Piper	Vickerman
Bernhagen	Hottinger	Luther	Pogemiller	Waldorf
Bertram	Hughes	McGowan	Price	
Brataas	Johnson, D.E.	Mehrkens	Ranum	
Cohen	Johnson, J.B.	Merriam	Renneke	
Davis	Johnston	Metzen	Riveness	

Messrs. Dicklich, Finn, Ms. Flynn and Mr. Johnson, D.J. voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1615: A bill for an act relating to game and fish; reducing deer license fees for residents under age 16 and for licenses to take a second deer; amending Minnesota Statutes 1990, section 97B.301, subdivision 4; Minnesota Statutes 1991 Supplement, section 97A.475, subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, J.B.	Mehrkens	Ranum
Beckman	Dicklich	Johnston	Merriam	Renneke
Belanger	Finn	Kelly	Metzen	Riveness
Benson, D.D.	Frank	Knaak	Moe, R.D.	Sams
Benson, J.E.	Frederickson, D.J.	Kroening	Mondale	Solon
Berg	Frederickson, D.R.	Laidig	Morse	Stumpf
Bernhagen	Gustafson	Langseth	Olson	Terwilliger
Bertram	Halberg	Larson	Pappas	Traub
Brataas	Hottinger	Lessard	Pariseau	Vickerman
Cohen	Hughes	Luther	Piper	Waldorf
Davis	Johnson, D.E.	Marty	Pogemiller	
Day	Johnson, D.J.	McGowan	Price	

So the bill passed and its title was agreed to.

S.F. No. 738: A bill for an act relating to public safety; requiring registration and payment of an annual fee to transport hazardous materials; authorizing the commissioner of transportation to adopt rules; requiring the commissioner of public safety to implement a state hazardous materials

incident response plan; appropriating money; amending Minnesota Statutes 1991 Supplement, section 115E.04, subidivision 2; proposing coding for new law in Minnesota Statutes, chapters 221; 299A; and 299K.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Day	Johnson, D.J.	McGowan	Ranum
Beckman	DeCramer	Johnson, J.B.	Mehrkens	Renneke
Belanger	Dicklich	Johnston	Merriam	Riveness
Benson, D.D.	Finn	Kelly	Metzen	Sams
Benson, J.E.	Flynn	Knaak	Mondale	Solon
Berg	Frank	Kroening	Morse	Spear
Berglin	Frederickson, D.J.	Laidig	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Langseth	Pappas	Terwilliger
Bertram	Gustafson	Larson	Pariseau	Traub
Brataas	Halberg	Lessard	Piper	Vickerman
Cohen	Hughes	Luther	Pogemiller	Waldorf
Davis	Johnson, D.E.	Marty	Price	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 44 and nays 14, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, D.E.	McGowan	Renneke
Beckman	Finn	Johnson, J.B.	Moe, R.D.	Sams
Benson, D.D.	Flynn	Kelly	Morse	Solon
Benson, J.E.	Frank	Kroening	Pappas	Spear
Berg	Frederickson, D.J.	Laidig	Pariseau	Stumpf
Berglin	Frederickson, D.R.	Langseth	Piper	Terwilliger
Bernhagen	Gustafson	Larson	Pogemiller	Traub
Bertram	Hottinger	Lessard	Price	Waldorf
Brataas	Hughes	Luther	Ranum	

Those who voted in the negative were:

Belanger	DeCramer	Johnston	Merriam	Riveness
Cohen	Dicklich	Knaak	Metzen	Vickerman
Davis	Johnson, D.J.	Mehrkens	Olson	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S.F. No. 2229 and that the rules of the Senate be so far suspended as to give S.F. No. 2229, now on General Orders, its third reading and place it

on its final passage. The motion prevailed.

S.F. No. 2229: 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; appropriating money; 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.

Mr. Spear moved that S.F. No. 2229 be laid on the table. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Spear moved that the following members be excused for a Conference Committee on H.F. No. 1849 at 2:00 p.m.:

Messrs. Kelly, Marty, McGowan, Spear and Ms. Ranum. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Merriam moved that the following members be excused for a Conference Committee on H.F. No. 1903 at 2:30 p.m.:

Messrs. Johnson, D.E.; Merriam; Morse; Stumpf and Vickerman. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

GENERAL ORDERS

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

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

S.F. Nos. 2451 and 850, which the committee recommends to pass.

H.F. No. 2269, which the committee recommends to pass, subject to the following motions:

Mr. Riveness moved to amend H.F. No. 2269, as amended pursuant to Rule 49, adopted by the Senate April 10, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2271.)

Page 1, line 25, delete "*for*"

Page 1, delete line 26

Page 2, delete lines 1 and 2

Page 2, line 3, delete "*east, (3)*"

The motion prevailed. So the amendment was adopted.

Mrs. Pariseau moved to amend H.F. No. 2269, as amended pursuant to Rule 49, adopted by the Senate April 10, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2271.)

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1990, section 473.155, subdivision 3, is amended to read:

Subd. 3. [SEARCH AREA.] By January 1, 1992, the council, in consultation with the airports commission, shall designate a search area for a major new airport. *Before designating a final airport site, the council shall complete a study comparing the feasibility and cost of expanding the current airport with relocating and developing a new airport site.*

Sec. 2. Minnesota Statutes 1990, section 473.1551, subdivision 1, is amended to read:

Subdivision 1. [CANDIDATE SEARCH AREAS PROTECTION.] (a) The provisions of this subdivision apply within areas designated by the metropolitan council as candidates for selection as a search area for a new major airport under section 473.155, subdivision 3. ~~The~~ *However, these provisions shall not apply until the council has completed the feasibility and cost study required in section 473.155, subdivision 3. Thereafter these* provisions *will* apply until the council has selected a search area under section 473.155, subdivision 3.

(b) All land within the candidate search areas not zoned for other use is zoned for use exclusively for agricultural purposes, except that a prior nonconforming use established with reference to any lot or parcel of land may be continued.

(c) A local government unit in the metropolitan area may not permit a change in zoning, a zoning variance, or a conditional use, including planned unit developments, that the local unit or the metropolitan council determines is inconsistent with the comprehensive plan for the local government unit adopted in accordance with sections 473.175 and 473.851 to 473.871, or any other authority. Before approving an application or proposal for a change in zoning, zoning variance, or conditional use, the local government unit shall submit the application or proposal to the metropolitan council for review and approval or disapproval. The council may disapprove the application or proposal only if the council determines that it is inconsistent with the comprehensive plan of the local unit.

(d) The council shall give notice to the metropolitan airports commission of all submittals under paragraph (c). The commission may comment to the council on any submittal.

(e) The council shall approve or disapprove a submittal within 90 days following receipt by the council, unless a time extension is mutually agreed to by the council and the submitting unit. The commission has 45 days after notification to comment. The council and the commission shall establish administrative procedures for expedited disposition of proposals or applications that do not warrant metropolitan review.

(f) If a candidate search area includes land within a local unit of government outside of the metropolitan area, the metropolitan council and the local unit may enter into an agreement for the joint exercise of powers necessary to determine whether a proposed change in zoning, zoning variance, or conditional use will be compatible with the development and operation of a major airport.

Sec. 3. Minnesota Statutes 1990, section 473.1551, subdivision 2, is amended to read:

Subd. 2. [SEARCH AREA PROTECTION.] (a) *The provisions of this subdivision shall not apply until the council has completed the feasibility and cost study required under section 473.155, subdivision 3. Thereafter* the provisions of this subdivision *will* apply within the search area for a new major airport selected by the council under section 473.155, subdivision 3. ~~The provisions~~, *and will continue to* apply until one year after the report to the legislature on long-range airport development required by section 473.618.

(b) Land zoned by subdivision 1, paragraph (b), continues to be zoned exclusively for agricultural purposes, unless a change is authorized under paragraphs (c) and (d).

(c) A local government unit in the metropolitan area may not permit a change in zoning, a zoning variance, or a conditional use, including planned unit developments, that the local unit determines is inconsistent either with the local unit's criteria for approving changes in land use or with the comprehensive plan of the local unit adopted in accordance with sections 473.175 and 473.851 to 473.871. The local unit may deny an application or proposal for a change in zoning, zoning variance, or conditional use under this paragraph without review by the metropolitan council. Before making a final decision to approve an application or proposal, the local unit shall submit it to the metropolitan council for review and approval or disapproval as provided in paragraph (d).

(d) The metropolitan council may disapprove an application or proposal submitted under paragraph (c) only if the council determines that it is inconsistent with the comprehensive plan of the local government unit adopted under sections 473.175 and 473.851 to 473.871, a metropolitan system plan as defined by section 473.852, subdivision 8, or the development and operation of a new major airport in the search area. A local government unit in the metropolitan area may not permit a change in zoning, a zoning variance, or a conditional use, including planned unit developments, that the metropolitan council has disapproved.

(e) A governmental agency or unit may not construct a public building or facility, including transportation, sewer, and park facilities, within the search area until it has submitted the plan for the building or facility to the metropolitan council for review and comment.

(f) The council shall give notice to the metropolitan airports commission of all submittals under this subdivision. The commission may comment to the council on any submittal.

(g) The council shall approve or disapprove a submittal within 90 days following receipt by the council, unless a time extension is mutually agreed to by the council and the submitting government agency or unit. The commission has 45 days after notification to comment. The council and the

commission shall establish administrative procedures for expedited disposition of proposals or applications that do not warrant metropolitan review."

Page 3, after line 3, insert:

"Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 19 and nays 33, as follows:

Those who voted in the affirmative were:

Benson, D.D.	Gustafson	Knaak	Mehrkens	Price
Benson, J.E.	Halberg	Laidig	Metzen	Renneke
Bernhagen	Johnson, D.E.	Larson	Olson	Terwilliger
Dahl	Johnston	McGowan	Pariseau	

Those who voted in the negative were:

Adkins	Dicklich	Johnson, D.J.	Merriam	Ranum
Beckman	Finn	Johnson, J.B.	Moe, R.D.	Reichgott
Berg	Flynn	Kroening	Mondale	Riveness
Bertram	Frank	Langseth	Morse	Sams
Cohen	Frederickson, D.J.	Lessard	Novak	Vickerman
Davis	Hottinger	Luther	Pappas	
DeCramer	Hughes	Marty	Pogemiller	

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

Mr. Langseth moved to amend H.F. No. 2269, as amended pursuant to Rule 49, adopted by the Senate April 10, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2271.)

Page 2, line 11, delete "*25*" and insert "*20*"

Page 2, line 14, delete "*30*" and insert "*20*"

Page 2, line 17, delete "*35*" and insert "*20*"

Page 2, line 20, delete "*40*" and insert "*20*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 34 and nays 24, as follows:

Those who voted in the affirmative were:

Beckman	Davis	Halberg	Larson	Renneke
Benson, D.D.	Dicklich	Hughes	Lessard	Sams
Benson, J.E.	Finn	Johnson, J.B.	Mehrkens	Samuelson
Berg	Frank	Johnston	Metzen	Stumpf
Bernhagen	Frederickson, D.J.	Knaak	Moe, R.D.	Terwilliger
Bertram	Frederickson, D.R.	Laidig	Olson	Vickerman
Dahl	Gustafson	Langseth	Pariseau	

Those who voted in the negative were:

Adkins	Flynn	Luther	Novak	Riveness
Belanger	Hottinger	Marty	Pappas	Spear
Berglin	Johnson, D.J.	Merriam	Piper	Traub
Cohen	Kelly	Mondale	Price	Waldorf
DeCramer	Kroening	Morse	Ranum	

The motion prevailed. So the amendment was adopted.

S.F. No. 1015, which the committee recommends to pass with the following amendments offered by Messrs. Vickerman and Price:

Mr. Vickerman moved to amend S.F. No. 1015 as follows:

Page 8, after line 22, insert:

"Sec. 11. Minnesota Statutes 1990, section 169.01, is amended by adding a subdivision to read:

Subd. 77. [RECREATIONAL VEHICLE COMBINATION.] *"Recreational vehicle combination" means a combination of vehicles consisting of a pickup truck as defined in section 168.011, subdivision 29, attached by means of a fifth-wheel coupling to a camper-semitrailer which has hitched to it a trailer carrying a watercraft as defined in section 86B.005, subdivision 18. For purposes of this subdivision:*

(a) A "fifth-wheel coupling" is a coupling, approved by the commissioner of public safety, between a camper-semitrailer and a towing pickup truck in which a portion of the weight of the camper-semitrailer is carried over or forward of the rear axle of the towing pickup.

(b) A "camper-semitrailer" is a trailer, other than a manufactured home as defined in section 327B.01, subdivision 13, designed for human habitation and used for vacation or recreational purposes for limited periods."

Page 11, after line 1, insert:

"Sec. 15. 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 to 9:30 a.m. and 3:30 to 6:30 p.m.

Sec. 16. 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."

Page 11, line 3, delete "*Section 1 is*" and insert "*Sections 1, 11, 15, and 16 are*"

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Price moved to amend S.F. No. 1015 as follows:

Page 1, after line 15, insert:

"Section 1. Minnesota Statutes 1990, section 103F.351, is amended by adding a subdivision to read:

Subd. 6. [SCENIC CORRIDOR.] *(a) A county state-aid highway that passes through or adjacent to and serves as a corridor to the lower St. Croix wild and scenic river district must be designated a natural preservation route under section 162.021. Design standards for the route must provide for the preservation to the greatest extent possible of the existing profile, alignment, recovery areas, and cross-section of the existing highway, and for minimizing the acquisition of real property for reconstruction.*

(b) A county may not reconstruct a route designated under paragraph (a) where the reconstruction project would (1) materially change the existing profile, alignment, recovery area, or cross-section of the existing highway, or (2) require the acquisition of any significant amount of real property, unless the project has been approved by the commissioner as provided in this subdivision. On receiving a request for approval of the project, the commissioner shall refer the request to the appropriate advisory committee established under section 162.021, subdivision 5, paragraph (b). The advisory committee shall, after holding at least one public hearing in the area affected by the project, consider the request and make a recommendation to the commissioner. Following receipt of the committee's recommendation, the commissioner shall issue an order approving or disapproving the project, or approving it with any modifications the commissioner determines will best preserve the highway's scenic, environmental, or historic characteristics. The county may not proceed with the reconstruction project except in conformity with the commissioner's order. In any administrative or judicial proceeding regarding the project, the party proposing the change has the burden of justifying the change, and, if the change is for a reason other than to preserve the scenic, historical, or environmental characteristics of the highway corridor, has the burden of showing that the reasons for the change clearly outweigh the applicable scenic, historical, or environmental considerations."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "designating a natural preservation route within the lower St. Croix wild and scenic river district in Washington county;"

Page 1, line 8, after "sections" insert "103F.351, by adding a subdivision;"

The motion prevailed. So the amendment was adopted.

H.F. No. 2147, which the committee recommends to pass with the following amendment offered by Mr. Dahl:

Amend H.F. No. 2147, as amended pursuant to Rule 49, adopted by the Senate April 13, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2042.)

Page 1, line 12, before "*A*" insert "*Subdivision 1.* [PROHIBITION.]"

Page 1, line 17, after "*facility*" insert "*other than a facility at which mercury is recovered for reuse or recycling*"

Page 1, line 19, after "*system*" insert ", *as defined in section 115.01, subdivision 8*"

Page 1, after line 19, insert:

"*Subd. 2.* [ENFORCEMENT.] *(a) A violation of subdivision 1 is subject to enforcement under section 115.071, except that section 115.071, subdivision 3, does not apply.*

(b) A violation of subdivision 1 is not subject to enforcement under section 116.072."

Page 2, line 6, delete "*required under federal law*" and insert ", *as defined in United States Code, title 42, section 11049,*"

Page 2, line 13, after "*system*" insert ", *as defined in section 115.01, subdivision 8*"

Page 2, line 23, delete "*that*" and insert "*of the presence of*" and delete "*is present*"

Page 2, line 24, delete everything after "*and*" and insert "*of the prohibition in section 1:*"

Page 2, delete lines 25 to 27

Page 2, line 30, delete the comma

Page 2, line 34, before "*When*" insert "*(a)*" and delete "*any one of the items*" and insert "*an item*"

Page 2, line 36, delete everything after "*ensure*" and insert "*compliance with section 1.*"

Page 3, delete lines 1 and 2

Page 3, line 3, before "*A*" insert "*(b)*"

Page 3, line 4, delete "*any of the items*" and insert "*an item*"

Page 3, lines 7 and 15, delete everything after "*managed*" and insert "*in compliance with section 1.*"

Page 3, delete line 8

Page 3, line 16, delete everything before "*A*"

Page 3, delete lines 22 and 23 and insert:

"*Subd. 7.* [BAN; TOYS OR GAMES.] *A person may not sell for resale or at retail in this state a toy or game that, excluding batteries, contains more than 0.025 percent mercury by weight. A retailer who violates this subdivision is subject only to a warning for the first offense. Until January 1, 1993, a retailer may sell stock that was in inventory as of August 1, 1992.*

Subd. 8. [ENFORCEMENT.] *(a) A violation of this section is subject to enforcement under section 115.071, except that section 115.071, subdivision 3, does not apply.*

(b) A violation of this section is not subject to enforcement under section 116.072."

Page 3, line 32, delete "*is*" and insert "*are reused,*" and after "*recycled*" insert a comma and delete "*prevented from*"

Page 3, line 33, delete "*placement*" and insert "*managed to ensure they are not placed*" and after "*or*" insert "*a*"

Page 3, line 34, delete "*systems*" and insert "*system, as defined in section 115.01, subdivision 8*"

The motion prevailed. So the amendment was adopted.

H.F. No. 2280, which the committee recommends to pass with the following amendments offered by Messrs. Gustafson and Dicklich:

Mr. Gustafson moved to amend H.F. No. 2280, as amended pursuant to Rule 49, adopted by the Senate April 10, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2193.)

Page 4, after line 13, insert:

"Sec. 4. [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 4, line 14, delete "4" and insert "5"

Page 4, line 15, delete "*3*" and insert "*4*"

The motion prevailed. So the amendment was adopted.

Mr. Dicklich moved to amend H.F. No. 2280, as amended pursuant to Rule 49, adopted by the Senate April 10, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2193.)

Page 1, after line 4, insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 103F.535, subdivision 1, is amended to read:

Subdivision 1. [RESERVATION OF MARGINAL LAND AND WETLANDS.] (a) ~~Notwithstanding any other law,~~ Marginal land and wetlands are withdrawn from sale ~~by the state~~ *or exchange* unless ~~use of the marginal land or wetland is restricted by a conservation easement as provided in this section.~~

(1) notice of the existence of the nonforested marginal land or wetlands, in a form prescribed by the board of water and soil resources, is provided to prospective purchasers; and

(2) the deed contains a restrictive covenant, in a form prescribed by the board of water and soil resources, that precludes enrollment of the land in a state-funded program providing compensation for conservation of marginal land or wetlands.

(b) This section does not apply to transfers of land by the board of water and soil resources to correct errors in legal descriptions under section 103F.515, subdivision 8, or to transfers by the commissioner of natural resources for:

(1) land that is currently in nonagricultural commercial use if a ~~conservation easement~~ *restrictive covenant* would interfere with the commercial use;

(2) land in platted subdivisions;

(3) conveyances of land to correct errors in legal descriptions under section 84.0273;

(4) exchanges of nonagricultural land with the federal government, or exchanges of Class A, Class B, and Class C nonagricultural land with local units of government under sections 94.342, 94.343, 94.344, and 94.349;

(5) land transferred to political subdivisions for public purposes under sections 84.027, subdivision 10, and 94.10; and

(6) land not needed for trail purposes that is sold to adjacent property owners and lease holders under section 85.015, subdivision 1, paragraph (b).

(c) This section does not apply to transfers of land by the commissioner of administration or transportation or by the Minnesota housing finance agency, or to transfers of tax-forfeited land under chapter 282 if:

(1) the land is in platted subdivisions; or

(2) the conveyance is a transfer to correct errors in legal descriptions.

(d) This section does not apply to transfers of land by the commissioner of administration or by the Minnesota housing finance agency for:

(1) land that is currently in nonagricultural commercial use if a ~~conservation easement~~ *restrictive covenant* would interfere with the commercial use; or

(2) land transferred to political subdivisions for public purposes under sections 84.027, subdivision 10, and 94.10."

Page 4, after line 13, insert:

"Sec. 5. [SALE OF TAX-FORFEITED LAND IN CHISAGO COUNTY.]

(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.

Sec. 6. [PRIVATE SALE OF TAX-FORFEITED LAND; ST. LOUIS COUNTY.]

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, 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 equal to 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.

Sec. 7. [RELEASE AND ALTERATION OF CONSERVATION EASEMENTS.]

Conservation easements existing under Minnesota Statutes, section 103F.535, as of the effective date of this act may be altered, released, or terminated by the board of water and soil resources after consultation with the commissioners of agriculture and natural resources. The board may alter, release, or terminate a conservation easement only if the board determines that the public interest and general welfare are better served by the alteration, release, or termination.

Sec. 8. [REPEALER.]

Minnesota Statutes 1990, section 103F.535, subdivisions 2, 3, and 4, are repealed."

Page 4, line 15, delete "*3*" and insert "*8*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, before "authorizing" insert "relating to state lands; changing provisions relating to withdrawal of certain lands from sale or exchange;"

Page 1, line 3, delete "and" and after "Itasca" insert ", and Chisago" and before the period, insert "; amending Minnesota Statutes 1991 Supplement, section 103F.535, subdivision 1; repealing Minnesota Statutes 1990, section 103F.535, subdivisions 2, 3, and 4"

The motion prevailed. So the amendment was adopted.

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

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2430, and repassed said bill in accordance with the report of the Committee, so 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.

Senate File No. 2430 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 14, 1992

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

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.

There has been appointed as such committee on the part of the House:

Dawkins, Pugh and Swenson.

Senate File No. 1938 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 14, 1992

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2728, and repassed said bill in accordance with the report of the Committee, so adopted.

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.

Senate File No. 2728 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 14, 1992

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2181:

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 House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Carruthers, Swenson and Pugh have been appointed as such committee on the part of the House.

House File No. 2181 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 14, 1992

Ms. Ranum moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2181, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1910:

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 House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Rest, Abrams and Hasskamp have been appointed as such committee on the part of the House.

House File No. 1910 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 14, 1992

Ms. Reichgott moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1910, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 2113: Messrs. Cohen, Solon and Mehrkens.

S.F. No. 2111: Messrs. Solon, Knaak and Ms. Reichgott.

H.F. No. 2181: Ms. Ranum, Messrs. Neuville and Merriam.

S.F. No. 2499: Messrs. Davis, Solon and Chmielewski.

S.F. No. 2194: Ms. Reichgott, Messrs. Waldorf and Frederickson, D.R.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 2107 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 2107: A bill for an act relating to workers' compensation; providing for comprehensive reform; regulating benefits; providing for medical cost control; requiring improved safety measures; regulating attorneys; providing for more efficient administrative procedures; eliminating the second injury fund; regulating insurance; reforming the assigned risk plan; regulating fraud; imposing penalties; amending Minnesota Statutes 1990, sections 79.251, by adding subdivisions; 79.252, subdivisions 1 and 3; 176.011, subdivisions 3, 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, subdivision 6; 176.111, subdivision 18; 176.129, subdivision 10; 176.130, subdivisions 8 and 9; 176.135, subdivisions 1, 5, 6, and 7; 176.136, subdivisions 1, 2, and by adding subdivisions; 176.138; 176.139, subdivision 2; 176.155, subdivision 1; 176.181, subdivision 3, and by adding a subdivision; 176.182; 176.183; 176.185, subdivision 5a; 176.194, subdivisions 4 and 5; 176.221, subdivisions 3 and 3a; 176.231, subdivision 10; 176.261; 176.421, subdivision 1; 176.461; 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; 609.52, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 79; and 176; repealing Minnesota Statutes 1990, sections 176.131; 176.135, subdivision 3; and 176.136, subdivision 5.

Mr. Chmielewski moved to amend S.F. No. 2107 as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

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, holiday pay and vacation pay and the 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;*

~~(12)~~ *(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.

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 the statewide average annual wage as described in subdivision 20 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, holiday pay and vacation pay and the 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 industry 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.] *(a)* 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~~ *(b)* During the year commencing on October 1, ~~1979~~ *1992*, and each year thereafter, ~~commencing on October 1,~~ the maximum weekly compensation payable is *105 percent of* the statewide average weekly wage for the period ending December 31~~,~~ of the preceding year.

~~(2)~~ *(c)* The minimum weekly compensation ~~benefits for temporary total disability shall be not less than 50~~ *payable is 20* 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.~~

(d) 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 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 6, is amended to read:

Subd. 6. [MINORS; *APPRENTICES.*] *(a)* If any employee entitled to the benefits of this chapter is ~~a minor or is~~ an apprentice of any age and sustains

a personal injury arising out of and in the course of employment resulting in permanent total or a compensable permanent partial disability, for the purpose of computing the compensation to which the employee is entitled for the injury, the compensation rate for temporary total, temporary partial, a permanent total disability or economic recovery compensation shall be the ~~statewide average weekly wage~~ *maximum rate for temporary total disability under subdivision 1.*

(b) If any employee entitled to the benefits of this chapter is a minor and sustains a personal injury arising out of and in the course of employment resulting in permanent total disability, for the purpose of computing the compensation to which the employee is entitled for the injury, the compensation rate for a permanent total disability shall be the maximum rate for temporary total disability under subdivision 1.

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 *or compensation judge* 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 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 176.132, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBLE RECIPIENTS.] (a) An employee who has suffered personal injury prior to October 1, 1983 for which benefits are payable under section 176.101 and who has been totally disabled for more than 104 weeks shall be eligible for supplementary benefits as prescribed in this section after 104 weeks have elapsed and for the remainder of the total disablement. Regardless of the number of weeks of total disability, no totally disabled person *who has suffered personal injury prior to October 1, 1983*, is ineligible for supplementary benefits after four years have elapsed since the first date of the total disability, ~~except as provided by clause (b),~~ provided that all periods of disability are caused by the same injury.

(b) An employee who has suffered personal injury after October 1, 1983, *and before October 1, 1992*, is eligible to receive supplementary benefits after the employee has been receiving temporary total or permanent total benefits for 208 weeks. Regardless of the number of weeks of total disability, no person *who has suffered personal injury on or after October 1, 1983, and before October 1, 1992*, who is receiving temporary total compensation shall be ineligible for supplementary benefits after four years have elapsed since the first date of the total disability, provided that all periods of disability are caused by the same injury.

(c) An employee who has suffered a personal injury on or after October 1, 1992, and is permanently totally disabled as defined in section 176.101, subdivisions 4 and 5, is eligible to receive supplementary benefits after the employee has been receiving temporary total or permanent total benefits for 208 weeks. Regardless of the number of weeks of total disability, no person who is receiving permanent total compensation shall be ineligible for supplementary benefits after four years have elapsed since the first date of the total disability, provided that all periods of disability are caused by the same injury.

Sec. 11. Minnesota Statutes 1990, section 176.179, is amended to read:

176.179 [~~PAYMENTS OF COMPENSATION RECEIVED IN GOOD FAITH~~ *RECOVERY OF OVERPAYMENTS.*]

Notwithstanding section 176.521, subdivision 3, or any other provision of this chapter to the contrary, except as provided in this section, no lump sum or weekly payment, or settlement, which is voluntarily paid to an injured employee or the survivors of a deceased employee in apparent or seeming accordance with the provisions of this chapter by an employer or insurer, or is paid pursuant to an order of the workers' compensation division, a compensation judge, or court of appeals relative to a claim by an injured employee or the employee's survivors, and received in good faith by the employee or the employee's survivors shall be refunded to the paying employer or insurer in the event that it is subsequently determined that the payment was made under a mistake in fact or law by the employer or insurer. When the payments have been made to a person who is entitled to receive further payments of compensation for the same injury, the mistaken compensation may be taken as a full credit against future lump sum benefit entitlement and as a partial credit against future weekly benefits. The credit applied against further payments of temporary total disability, temporary partial disability, permanent total disability, retraining benefits, death benefits, or weekly payments of economic recovery or impairment compensation shall not exceed 20 percent of the amount that would otherwise be payable.

A credit may not be applied against medical expenses due or payable.

Where the commissioner or compensation judge determines that the mistaken compensation was not received in good faith, the commissioner or compensation judge may order reimbursement of the compensation. For purposes of this section, a payment is not received in good faith if it is obtained through fraud, or if the employee knew that the compensation was paid under mistake of fact or law, and the employee has not refunded the mistaken compensation.

Sec. 12. 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 or after October 1, 1992, 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. 13. 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 the injury.*

Sec. 14. [EFFECTIVE DATE.]

Section 3 is effective January 1, 1993. The rest of the article is effective October 1, 1992.

ARTICLE 2

LEGAL AND JUDICIAL

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

Subdivision 1. [APPROVAL.] (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. 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. [SCHEDULE; RULES.] *(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. [176.1311] [SECOND INJURY FUND DATA.]

No person shall, directly or indirectly, provide the names of persons who have registered a preexisting physical impairment under section 176.131 to an employer with the intent of assisting the employer to discriminate against those persons who have so registered with respect to hiring or other terms and conditions of employment.

A violation of this section is a gross misdemeanor.

Sec. 6. [176.178] [FRAUD.]

Any person who, with intent to defraud, receives workers' compensation

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.

Sec. 7. [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 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. There is no appeal from the order. Any determination by a settlement judge may not be considered as evidence in any other proceeding and the issues decided are not res judicata in any other proceeding.*

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

Sec. 8. [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. 9. [176.325] [CERTIFIED QUESTION.]

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

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

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

Subd. 2. [EXPEDITED DECISION.] *It is the legislature's intent that the Minnesota supreme court resolve the certified question as expeditiously as possible, after compliance by the parties with any requirements of 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. 3. [NOTICE.] *The commissioner or chief administrative law judge shall notify all persons who request to be notified of a certification under this section.*

Sec. 10. Minnesota Statutes 1990, section 176.421, subdivision 1, is amended to read:

Subdivision 1. [TIME FOR TAKING; GROUNDS.] When a petition has been heard before a compensation judge, within 30 days after a party in interest has been served with notice of an award or disallowance of compensation, or other order affecting the merits of the case, the party may appeal to the workers' compensation court of appeals on any of the following grounds:

(1) the order does not conform with this chapter; or

(2) the compensation judge committed an error of law; or

(3) the findings of fact and order were *clearly erroneous and* unsupported by substantial evidence in view of the entire record as submitted; or

(4) the findings of fact and order were procured by fraud, or coercion, or other improper conduct of a party in interest.

Sec. 11. Minnesota Statutes 1990, section 176.461, is amended to read:

176.461 [SETTING ASIDE AWARD.]

Except when a writ of certiorari has been issued by the supreme court and the matter is still pending in that court or if as a matter of law the determination of the supreme court cannot be subsequently modified, the workers' compensation court of appeals, for cause, at any time after an award, upon application of either party and not less than five working days after written notice to all interested parties, may set the award aside and grant a new hearing and refer the matter for a determination on its merits to the chief administrative law judge for assignment to a compensation judge, who shall make findings of fact, conclusions of law, and an order of award or disallowance of compensation or other order based on the pleadings and the evidence produced and as required by the provisions of this chapter or rules adopted under it.

As used in this section, the phrase "for cause" is limited to the following:

(1) a mutual mistake of fact;

(2) newly discovered evidence;

(3) fraud; or

(4) a substantial change in medical condition since the time of the award that was clearly not anticipated and could not reasonably have been anticipated at the time of the award.

Sec. 12. 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. 13. 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. 14. 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 without 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 medically unnecessary, inappropriate, or excessive; 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. 15. [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, 1993, 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. 16. [EFFECTIVE DATE.]

Section 4 is effective the day following final enactment. The rest of the article is effective July 1, 1992.

ARTICLE 3

ADMINISTRATIVE, SAFETY, INSURANCE

Section 1. [79.081] [MANDATORY DEDUCTIBLES.]

Subdivision 1. [PREMIUM REDUCTION.] *Each insurer, including the assigned risk plan, issuing a policy of insurance, must make available to an employer, upon request, 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. Each insurer shall notify its agents authorized to write workers' compensation insurance about the availability and terms and conditions of deductibles required by*

this section, using a brochure in a format approved by the commissioner.

Subd. 2. [PROCEDURE FOR PAYING DEDUCTIBLE.] *If an insured employer chooses a deductible, the insured employer is liable for the amount of the deductible. The insurer shall administer the claim as provided in the terms and conditions of the insurance policy and seek reimbursement from the insured employer for the deductible. 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 labor and industry.*

Subd. 5. [NO EMPLOYEE LIABILITY.] *Nothing in this section alters the obligation of the employer to provide the benefits required by this chapter. An employee is not responsible to pay all or a part of the deductible chosen by an employer.*

Sec. 2. [79.085] [SAFETY PROGRAMS.]

All insurers shall provide safety programs that include safety consultations for insureds.

Sec. 3. [79.096] [ACCESS TO RATE MAKING DATA.]

The rating association must make available for inspection on request of any person any data it possesses related to the calculation of indicated pure premium rates.

Sec. 4. Minnesota Statutes 1990, section 79.251, is amended by adding a subdivision to read:

Subd. 4a. [MEDICAL COST CONTAINMENT.] *The assigned risk plan must consider utilizing managed care plans certified under section 176.1351 with respect to its covered employees. 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, inappropriate, or excessive services to the commissioner of labor and industry.

Sec. 5. Minnesota Statutes 1990, section 79.251, is amended by adding a subdivision to read:

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.*

Sec. 6. 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. *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. 7. 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 review board may apply for and obtain any licensure required in any other state to issue that coverage.

Sec. 8. [79.253] [ASSIGNED RISK SAFETY ACCOUNT.]

Subdivision 1. [CREATION OF ACCOUNT.] *There is created the assigned risk safety account as a separate account in the special compensation fund in the state treasury. Income earned by funds in the account must be credited to the account. Principal and income of the account are annually appropriated to the commissioner of labor and industry and must be used for grants and loans under this section.*

Subd. 2. [USE OF FUNDS; SAFETY ASSESSMENTS.] *The assigned risk plan shall, through persons under contract with the plan, perform on-site surveys of employers insured by the assigned risk plan and recommend practices and equipment to employers designed to reduce the risk of injury to employees. The recommendations may include that the employer form a joint labor-management safety committee. The plan shall generally survey employers in the following priority:*

(1) employers with poor safety records for their industry based on their premium modification factor or other factors;

(2) employers whose workers' compensation premium classification assigned to the greatest portion of the payroll for the employer has a premium rate in the top 25 percent of premium rates for all classes; and

(3) all other employers.

Subd. 3. [INCENTIVES AND PENALTIES.] *The assigned risk plan shall develop a premium rating system subject to approval by the commissioner of commerce that provides a reduction in premium rates for employers that follow safety recommendations made under this section and an increase in rates for employers that do not. The system must be sensitive to the economic ability of an employer to implement particular recommendations.*

Subd. 4. [GRANTS AND LOANS.] *The commissioner of labor and industry may make grants or loans to employers for the cost of implementing safety recommendations made under this section.*

Subd. 5. [RULES.] *The commissioner of labor and industry may adopt rules necessary to implement this section.*

Sec. 9. [79.255] [WORKERS' COMPENSATION INSURANCE; LESSORS OF EMPLOYEES.]

Subdivision 1. [REGISTRATION REQUIRED.] *A corporation, partnership, sole proprietorship, or other business entity which provides staff, personnel, or employees to be employed in this state to other businesses pursuant to a lease arrangement or agreement shall, before becoming eligible to be issued a policy of workers' compensation insurance or becoming eligible to secure coverage on a multiple coordinated policies basis, register with the commissioner of commerce. The registration shall:*

(1) identify the name of the lessor;

(2) identify the address of the principal place of business of the lessor and the address of each office it maintains within this state;

(3) include the lessor's taxpayer or employer identification number;

(4) include a list by jurisdiction of each and every name that the lessor has operated under in the preceding five years including any alternative names and names of predecessors and, if known, successor business entities;

(5) include a list of each person or entity who owns a five percent or greater interest in the employee leasing business at the time of application and a list of each person who formerly owned a five percent or greater interest in the employee leasing company or its predecessors, successors, or alter egos in the preceding five years; and

(6) include a list of each and every cancellation or nonrenewal of workers' compensation insurance which has been issued to the lessor or any predecessor in the preceding five years. The list shall include the policy or certificate number, name of insurer or other provider of coverage, date of cancellation, and reason for cancellation. If coverage has not been canceled or nonrenewed, the registration shall include a sworn affidavit signed by the chief executive officer of the lessor attesting to that fact.

Subd. 2. [INELIGIBILITY TO REGISTER.] *Any lessor of employees whose workers' compensation insurance has been terminated within the past five years in any jurisdiction due to a determination that an employee leasing arrangement was being utilized to avoid premium otherwise payable by lessees shall be ineligible to register with the commissioner or to remain registered, if previously registered.*

Subd. 3. [NOTICE OF CHANGE.] *Persons filing registration statements pursuant to this section shall notify the commissioner as to any changes in*

any information required to be provided under this section.

Subd. 4. [LIST MAINTAINED.] *The commissioner shall maintain a list of those lessors of employees who are registered with the commissioner.*

Subd. 5. [FORMS OF REGISTRATION.] *The commissioner may prescribe forms necessary to promote the efficient administration of this section.*

Subd. 6. [ADVERTISING PROHIBITION.] *No organization registered under this section shall directly or indirectly reference that registration in any advertisements, marketing material, or publications.*

Subd. 7. [CRIMINAL PENALTIES.] *Any corporation, partnership, sole proprietorship, or other form of business entity and any officer, director, general partner, agent, representative, or employee of theirs who knowingly utilizes or participates in any employee leasing agreement, arrangement, or mechanism for the purpose of depriving one or more insurers of premium otherwise properly payable is guilty of a misdemeanor.*

Subd. 8. [APPLICATION OF SECTION.] *Any lessor of employees that was doing business in this state prior to enactment of this section shall register with the commissioner within 30 days of the effective date of this section.*

Sec. 10. Minnesota Statutes 1990, section 176.106, subdivision 6, is amended to read:

Subd. 6. [PENALTY.] At a conference, if the insurer does not provide a specific reason for nonpayment of the items in dispute, the commissioner may assess a penalty of $300 payable to the ~~special compensation fund~~ *assigned risk safety account*, unless it is determined that the reason for the lack of specificity was the failure of the insurer, upon timely request, to receive information necessary to remedy the lack of specificity. This penalty is in addition to any penalty that may be applicable for nonpayment.

Sec. 11. Minnesota Statutes 1990, section 176.129, subdivision 10, is amended to read:

Subd. 10. [PENALTY.] Sums paid to the commissioner pursuant to this section shall be in the manner prescribed by the commissioner. The commissioner may impose a penalty *payable to the assigned risk safety account* of up to 15 percent of the amount due under this section but not less than $500 in the event payment is not made in the manner prescribed.

Sec. 12. Minnesota Statutes 1990, section 176.130, subdivision 8, is amended to read:

Subd. 8. [PENALTIES; WOOD MILLS.] If the assessment provided for in this chapter is not paid on or before February 15 of the year when due and payable, the commissioner may impose penalties as provided in section 176.129, subdivision 10, *payable to the assigned risk safety account.*

Sec. 13. Minnesota Statutes 1990, section 176.130, subdivision 9, is amended to read:

Subd. 9. [FALSE REPORTS.] Any person or entity that, for the purpose of evading payment of the assessment or avoiding the reimbursement, or any part of it, makes a false report under this section shall pay to the ~~special compensation fund~~ *assigned risk safety account*, in addition to the assessment, a penalty of 50 percent of the amount of the assessment. A person who knowingly makes or signs a false report, or who knowingly submits

other false information, is guilty of a misdemeanor.

Sec. 14. Minnesota Statutes 1990, section 176.138, is amended to read:

176.138 [MEDICAL DATA; ACCESS.]

(a) Notwithstanding any other state laws related to the privacy of medical data or any private agreements to the contrary, the release in writing, by telephone discussion, or otherwise of medical data related to a current claim for compensation under this chapter to the employee, employer, or insurer who are parties to the claim, or to the department of labor and industry, shall not require prior approval of any party to the claim. This section does not preclude the release of medical data under section 175.10 or 176.231, subdivision 9. Requests for pertinent data shall be made, and the date of discussions with medical providers about medical data shall be confirmed, in writing to the person or organization that collected or currently possesses the data. Written medical data that exists at the time the request is made shall be provided by the collector or possessor within seven working days of receiving the request. Nonwritten medical data may be provided, but is not required to be provided, by the collector or possessor. In all cases of a request for the data or discussion with a medical provider about the data, except when it is the employee who is making the request, the employee shall be sent written notification of the request by the party requesting the data at the same time the request is made or a written confirmation of the discussion. This data shall be treated as private data by the party who requests or receives the data and the party receiving the data shall provide the employee or the employee's attorney with a copy of all data requested by the requester.

(b) Medical data which is not directly related to a current injury or disability shall not be released without prior authorization of the employee.

(c) The commissioner may impose a penalty of up to $200 payable to the ~~special compensation fund~~ *assigned risk safety account* against a party who does not timely release data as required in this section. A party who does not treat this data as private pursuant to this section is guilty of a misdemeanor. This paragraph applies only to written medical data which exists at the time the request is made.

(d) Workers' compensation insurers and self-insured employers may, for the sole purpose of identifying duplicate billings submitted to more than one insurer, disclose to health insurers, including all insurers writing insurance described in section 60A.06, subdivision 1, clause (5)(a), nonprofit health service plan corporations subject to chapter 62C, health maintenance organizations subject to chapter 62D, and joint self-insurance employee health plans subject to chapter 62H, computerized information about dates, coded items, and charges for medical treatment of employees and other medical billing information submitted to them by an employee, employer, health care provider, or other insurer in connection with a current claim for compensation under this chapter, without prior approval of any party to the claim. The data may not be used by the health insurer for any other purpose whatsoever and must be destroyed after verification that there has been no duplicative billing. Any person who is the subject of the data which is used in a manner not allowed by this section has a cause of action for actual damages and punitive damages for a minimum of $5,000.

Sec. 15. Minnesota Statutes 1990, section 176.139, subdivision 2, is amended to read:

Subd. 2. [FAILURE TO POST; PENALTY.] The commissioner may assess a penalty of $300 against the employer payable to the ~~special compensation fund~~ *assigned risk safety account* if, after notice from the commissioner, the employer violates the posting requirement of this section.

Sec. 16. 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 week 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 state treasury and credited to the assigned risk safety account. 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 revenue recapture act in chapter 270A.

(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. 17. 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 and 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. 18. Minnesota Statutes 1990, section 176.182, is amended to read:

176.182 [BUSINESS LICENSES OR PERMITS; COVERAGE REQUIRED.]

Every state or local licensing agency shall withhold the issuance or renewal of a license or permit to operate a business in Minnesota until the applicant presents acceptable evidence of compliance with the workers' compensation insurance coverage requirement of section 176.181, subdivision 2, by providing the name of the insurance company, the policy number, and dates of coverage or the permit to self-insure. The commissioner shall assess a penalty to the employer of $1,000 payable to the ~~special compensation fund~~ *assigned risk safety account*, if the information is not reported or is falsely reported.

Neither the state nor any governmental subdivision of the state shall enter into any contract for the doing of any public work before receiving from all other contracting parties acceptable evidence of compliance with the workers' compensation insurance coverage requirement of section 176.181, subdivision 2.

This section shall not be construed to create any liability on the part of the state or any governmental subdivision to pay workers' compensation benefits or to indemnify the special compensation fund, an employer, or insurer who pays workers' compensation benefits.

Sec. 19. 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~~ *subdivision 1 or 2*, "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 in the amount of 60 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 recapture act in chapter 270A. 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.*

(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. 20. Minnesota Statutes 1990, section 176.185, subdivision 5a, is amended to read:

Subd. 5a. [PENALTY FOR IMPROPER WITHHOLDING.] An employer who violates subdivision 5 after notice from the commissioner is subject to a penalty of 200 percent of the amount withheld from or charged the employee. The penalty shall be imposed by the commissioner. Fifty percent of this penalty is payable to the ~~special compensation fund~~ *assigned risk safety account* and 50 percent is payable to the employee.

Sec. 21. Minnesota Statutes 1990, section 176.194, subdivision 4, is amended to read:

Subd. 4. [PENALTIES.] The penalties for violations of clauses (1) through (6) are as follows:

1st through 5th violation of each paragraph	written warning
6th through 10th violation of each paragraph	$2,500 per violation in excess of five
11th through 30th violation of each paragraph	$5,000 per violation in excess of ten

For violations of clauses (7) and (8), the penalties are:

1st through 5th violation of each paragraph	$2,500 per violation
6th through 30th violation of each paragraph	$5,000 per violation in excess of five

The penalties under this section may be imposed in addition to other penalties under this chapter that might apply for the same violation. The penalties under this section are assessed by the commissioner and are payable to the ~~special compensation fund~~ *assigned risk safety account*. A party may object to the penalty and request a formal hearing under section 176.85. If an entity has more than 30 violations within any 12-month period, in addition to the monetary penalties provided, the commissioner may refer the matter to the commissioner of commerce with recommendation for

suspension or revocation of the entity's (a) license to write workers' compensation insurance; (b) license to administer claims on behalf of a self-insured, the assigned risk plan, or the Minnesota insurance guaranty association; (c) authority to self-insure; or (d) license to adjust claims. The commissioner of commerce shall follow the procedures specified in section 176.195.

Sec. 22. 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. 23. Minnesota Statutes 1990, section 176.221, subdivision 3, is amended to read:

Subd. 3. [PENALTY.] If the employer or insurer does not begin payment of compensation within the time limit prescribed under subdivision 1 or 8, the commissioner may assess a penalty, payable to the ~~special compensation fund~~ *assigned risk safety account*, which shall be a percentage of the amount of compensation to which the employee is entitled to receive up to the date compensation payment is made.

The amount of penalty shall be determined as follows:

Numbers of days late	Penalty
1 - 15	25 percent of compensation due, not to exceed $375.
16 - 30	50 percent of compensation due, not to exceed $1,140.
31 - 60	75 percent of compensation due, not to exceed $2,878.
61 or more	100 percent of compensation due, not to exceed $3,838.

The penalty under this section is in addition to any penalty otherwise provided by statute.

Sec. 24. Minnesota Statutes 1990, section 176.221, subdivision 3a, is amended to read:

Subd. 3a. [PENALTY.] In lieu of any other penalty under this section, the commissioner may assess a penalty of up to $1,000 *payable to the assigned risk safety account* for each instance in which an employer or insurer does not pay benefits or file a notice of denial of liability within the time limits prescribed under this section.

Sec. 25. [176.222] [REPORT ON COLLECTION AND ASSESSMENT OF FINES AND PENALTIES.]

The commissioner shall annually, by January 30, submit a report to the legislature detailing the assessment and collection of fines and penalties

under this chapter on a fiscal year basis for the immediately preceding fiscal year and for as many prior years as the data is available.

Sec. 26. Minnesota Statutes 1990, section 176.231, subdivision 10, is amended to read:

Subd. 10. [FAILURE TO FILE REQUIRED REPORT, PENALTY.] If an employer, insurer, physician, chiropractor, or other health provider fails to file with the commissioner any report required by this section in the manner and within the time limitations prescribed, or otherwise fails to provide a report required by this section in the manner provided by this section, the commissioner may impose a penalty of up to $200 for each failure.

The imposition of a penalty may be appealed to a compensation judge within 30 days of notice of the penalty.

Penalties collected by the state under this subdivision shall be paid into the ~~special compensation fund~~ *assigned risk safety account.*

Sec. 27. [176.232] [SAFETY COMMITTEES.]

Every public or private employer of more than 25 employees shall establish and administer a joint labor-management safety committee.

Every public or private employer of 25 or fewer employees shall establish and administer a safety committee if:

(1) the employer has a lost workday cases incidence rate in the top ten percent of all rates for employers in the same industry; or

(2) the workers' compensation premium classification assigned to the greatest portion of the payroll for the employer has a pure premium rate as reported by the workers' compensation rating association in the top 25 percent of premium rates for all classes.

The commissioner may adopt rules regarding the training of safety committee members and the operation of safety committees.

Sec. 28. 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 an employee or employer to seek assistance outside of the department, the department must refer employers and employees 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 using the

department's persuasion to settle issues quickly and cooperatively.

Sec. 29. [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 chapter 176.

Sec. 30. 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. 31. [DEPARTMENT STUDY; DATA SHARING ON UNINSURED EMPLOYERS.]

The commissioner 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. 32. [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. 33. [INDEPENDENT CONTRACTORS; LEASED EMPLOYEES.]

The commissioner 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. 34. [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 16.5 percent and applied by the insurer to all policies with an effective date between October 1, 1992, and March 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 16.5 percent on your current policy premium."

(b) No rate increases may be filed between April 1, 1992, and April 1, 1993.

(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 legislature by March 1, 1993.

Sec. 35. [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 labor and industry shall continue to assess for those reimbursements under Minnesota Statutes, section 176.129.

Sec. 36. [EFFECTIVE DATE.]

Section 34 is effective the day following final enactment retroactive to April 1, 1992. Section 1 is effective for policies insuring liability for workers' compensation that are effective on or after October 1, 1992. The rest of this article is effective July 1, 1992.

ARTICLE 4

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 services, including, but not limited to, making determinations regarding the selection and delivery of rehabilitation services and the criteria used to approve qualified rehabilitation consultants and rehabilitation vendors. 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 60 days 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 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 rules adopted by the commissioner in consultation with the medical services review board. 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 findings 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 in consultation with the medical services review board shall adopt rules defining standards of treatment*

including inappropriate, unnecessary, or excessive treatment and 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, *one physical therapist*, 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 physical therapist*, 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.

Sec. 9. 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.~~

~~(b)~~ *(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) An employer may require that the treatment and supplies required to be provided by an employer by this section be received in whole or in part from a managed care plan certified under section 176.1351 except as otherwise provided by that section.

Sec. 10. 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. 11. 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 exists:*

(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 reconsider the charges in accordance with this subdivision within 30 calendar days after receiving additional medical data, a prescribed billing form, or documentation of enrollment or certification as a provider.

Sec. 12. 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.

A United States government facility rendering health care services to veterans is not subject to the uniform billing form requirements of this subdivision.

Sec. 13. [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 management of quality treatment to injured workers for injuries and diseases compensable under this chapter. Specifically, and without limitation, an*

entity licensed under chapter 62C or 62D or a preferred provider organization that is subject to chapter 72A is eligible for certification under this section. Each application for certification shall be accompanied by a reasonable fee prescribed by the commissioner. A plan may be certified to provide services in a limited geographic area. 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. 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; and

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

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

(1) proposes to provide quality services that meet uniform 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, and excludes participation in the plan by those individuals who violate these treatment standards;

(5) provides a procedure that may be informal for the resolution of medical disputes within 14 days;

(6) provides aggressive case management for injured workers and 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 other treatment 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.

The commissioner may accept findings, licenses, or certifications of other state agencies as satisfactory evidence of compliance with a particular requirement of this subdivision.

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. [ACCESS TO ALL HEALTH CARE DISCIPLINES.] *The commissioner may refuse to certify or may 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 managed care plan or, in instances where the commissioner has adopted standards of treatment, the standards adopted by the commissioner.*

Subd. 5. [REVOCATION, SUSPENSION, AND REFUSAL TO CERTIFY.] *The commissioner may refuse to certify or may 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. 6. [RULES.] *The commissioner may adopt emergency or permanent rules necessary to implement this section.*

Sec. 14. 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. 15. 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, and other health care provider treatment or service, including those provided to hospital outpatients, by implementing a relative value fee schedule to be effective on October 1, 1993. The commissioner may adopt by reference the relative value fee schedule adopted for the federal Medicare program or a relative value fee 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 conversion factors for the original 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 no more than 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. 16. 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 100 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. 17. 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. No party may pay fees above the amount in the schedule.*

Sec. 18. 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. 19. Minnesota Statutes 1990, section 176.137, subdivision 5, is amended to read:

Subd. 5. An employee is limited to ~~$30,000~~ *$60,000* under this section for each personal injury.

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 incurred 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~~ *TREATMENT STANDARDS FOR* MEDICAL SERVICES.] In consultation with the medical services review board or the rehabilitation review panel, *the commissioner shall adopt* rules establishing standards and procedures for ~~determining~~ *health care provider treatment. The rules shall apply uniformly to all providers including those providing managed care under section 176.1351. The rules shall be used to determine* 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, *unnecessary, or inappropriate* based upon accepted medical standards for quality health care and accepted rehabilitation standards.

The rules shall include, but are not limited to, the following:

(1) criteria for diagnosis and treatment of the most common work-related injuries including, but not limited to, low back injuries and upper extremity

repetitive trauma injuries;

(2) criteria for surgical procedures including, but not limited to, diagnosis, prior conservative treatment, supporting diagnostic imaging and testing, and anticipated outcome criteria;

(3) criteria for use of appliances, adaptive equipment, and use of health clubs or other exercise facilities;

(4) criteria for diagnostic imaging procedures;

(5) criteria for inpatient hospitalization; and

(6) criteria for treatment of chronic pain.

If it is determined by the payer that the level, frequency or cost of a procedure or service of a provider is excessive, *unnecessary, or inappropriate* 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, service, 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 medical services review board shall review excessive, inappropriate, or unnecessary health care provider treatment under section 176.103, subdivision 2.*

~~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 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. [MEDICAL COVERAGE STUDY.]

The commissioners of commerce and labor and industry shall study the feasibility of providing medical coverage currently furnished through the workers' compensation system through other health insurance mechanisms including group health and universal health coverage plans. The study shall particularly focus on the concept known as 24-hour coverage. The commissioners shall report the results of their study with specific recommendations to the legislature by February 1, 1993.

Sec. 25. [MANAGED CARE; LEGISLATIVE INTENT.]

It is the intent of the legislature that the commissioner of labor and industry proceed with certifying managed care organizations as expeditiously as possible. Any rules or procedures the commissioner adopts must be designed to assist in the prompt certification of managed care organizations while ensuring quality managed care to injured employees.

Sec. 26. [REPEALER.]

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

Sec. 27. [EFFECTIVE DATE.]

Section 13 is effective the day following final enactment. The rest of this article is effective October 1, 1992.

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. 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-insurer pool. Any such pool which contains one or more private employers as authorized by this section must apply for and receive authority to group self-insure as a private group self-insurer under chapter 79A. All public or governmental entities who are members of that group shall be deemed to be private employers for purposes of chapter 79A.*

Sec. 11. [REPEALER.]

Minnesota Rules, part 2780.0400, subparts 2, 3, 6, 7, and 8, are repealed.

Sec. 12. [EFFECTIVE DATE.]

Sections 1 to 11 are effective August 1, 1992. For insurers that have Minnesota self-insurance authority on August 1, 1992, section 4 is effective August 1, 1995.

ARTICLE 6

INSURANCE REGULATION

Section 1. Minnesota Statutes 1990, section 79.58, is amended by adding a subdivision to read:

Subd. 3. [FLEX RATING.] *(a) Whenever an insurer files a change in its*

existing rate level that is greater than eight percent in a 12-month period, the commissioner may hold a hearing to determine if the rate is excessive. The hearing must be conducted as provided under chapter 14. The commissioner shall give notice of intent to hold a hearing within 60 days of the filing of the change. The commissioner of labor and industry may appear as an interested party at the hearing. At the hearing, the insurer has the responsibility of showing the rate is not excessive. The rate is effective unless it is determined as a result of the hearing that the rate is excessive. The disapproval of a rate under this subdivision must be done in the same manner as provided under section 70A.11.

(b) This subdivision applies only to changes resulting from an insurer's utilization of either (1) the pure premium base rate level filed by any data service organization plus the insurer's loading for expenses and profit, or (2) the insurer's own filed rate levels. This subdivision does not apply to any changes resulting from assessments for the assigned risk plan, reinsurance association, guarantee fund, special compensation fund, benefit level changes, or other rates or rating plans utilized by an insurer.

ARTICLE 7

WORKERS' COMPENSATION COURT OF APPEALS

Section 1. Minnesota Statutes 1990, section 480A.06, subdivision 3, is amended to read:

Subd. 3. [CERTIORARI REVIEW.] The court of appeals shall have jurisdiction to issue writs of certiorari to all agencies, public corporations and public officials, except the tax court ~~and the workers' compensation court of appeals~~. The court of appeals shall have jurisdiction to review decisions of the commissioner of jobs and training, pursuant to section 268.10.

Sec. 2. Minnesota Statutes 1990, section 480A.06, subdivision 4, is amended to read:

Subd. 4. [ADMINISTRATIVE REVIEW.] The court of appeals shall have jurisdiction to review on the record: the validity of administrative rules, as provided in sections 14.44 and 14.45~~, and~~; the decisions of administrative agencies in contested cases, as provided in sections 14.63 to 14.69; *and workers' compensation cases and peace officer death benefits cases, as provided under chapters 176 and 176A.*

Sec. 3. [TRANSFER OF JURISDICTION AND PERSONNEL.]

The jurisdiction of the workers' compensation court of appeals, as provided under Minnesota Statutes, section 175A.01, subdivision 5, is transferred to the court of appeals. All contracts, books, plans, papers, records, and property of every description of the workers' compensation court of appeals relating to its transferred responsibilities and within its jurisdiction or control are transferred to the court of appeals; except that all case files are transferred to the clerk of the appellate courts. All classified employees and staff attorneys of the workers' compensation court of appeals must be given preference in the employment of personnel required to staff the increased caseload of the court of appeals as a result of transfer of jurisdiction under this section.

Sec. 4. [INCREASED JUDGES.]

The number of judges on the court of appeals as of July 1, 1995, shall

be increased by five.

Sec. 5. [INSTRUCTION TO REVISOR.]

In every instance in Minnesota Statutes in which the term "workers' compensation court of appeals" appears, the revisor of statutes shall change that reference to the "court of appeals."

Sec. 6. [REPEALER.]

Minnesota Statutes 1990, sections 175A.01; 175A.02; 175A.03; 175A.04; 175A.05; 175A.06; 175A.07; 175A.08; 175A.09; and 175A.10, are repealed.

Sec. 7. [EFFECTIVE DATE.]

This article is effective July 1, 1995.

ARTICLE 8

COMMISSION ON WORKERS' COMPENSATION

Section 1. [175.0075] [COMMISSION ON WORKERS' COMPENSATION.]

Subdivision 1. [CREATION; COMPOSITION.] *(a) There is created a permanent commission on workers' compensation consisting of 12 voting members as follows: the presidents of the largest statewide Minnesota business and organized labor organizations as measured by employees represented on July 1, 1992, and every five years thereafter; five additional members representing business, and five additional members representing organized labor. The commissioner of labor and industry shall serve as chair of the commission and shall be a nonvoting member.*

(b) The governor, the majority leader of the senate, the speaker of the house of representatives, the minority leader of the senate, and the minority leader of the house of representatives shall each select a business and a labor representative. At least four of the labor representatives shall be chosen from the affiliated membership of the Minnesota AFL-CIO. At least two of the business representatives shall be representatives of small employers as defined in section 177.24, subdivision 1, paragraph (a), clause (2). None of the commission members shall represent attorneys, health care providers, qualified rehabilitation consultants, or insurance companies. If the appointing officials cannot agree on a method of appointing the required number of Minnesota AFL-CIO and small business representatives by the second Monday in June of the year in which appointments are made, they shall notify the secretary of state. The distribution of appointments shall then be determined publicly by lot by the secretary of state or a designee in the presence of the appointing officials or their designees on the third Monday in June.

(c) Each commission member shall appoint an alternate. Alternates shall serve in the absence of the member they replace.

(d) The ten appointed voting members shall serve for terms of five years and may be reappointed.

(e) The commission shall designate liaisons to the commission representing workers' compensation insurers; medical, hospital, and rehabilitation providers; and the legal profession. The speaker and minority leader of the house of representatives shall each appoint a caucus member as a liaison to the commission. The majority and minority leaders of the senate shall

each appoint a caucus member to serve as a liaison to the commission.

Subd. 2. [EXPENSES.] *Commission members shall serve without pay but are entitled to per diem and reimbursement for expenses as provided under section 15.059.*

Subd. 3. [DUTIES.] *(a) The commission shall examine all elements of Minnesota's system of workers' compensation and make recommendations to the legislature with respect to the development of a workers' compensation system that fairly and justly serves injured workers in this state, at a cost that is affordable by Minnesota employers. The commission shall also advise the department of labor and industry in carrying out the purposes of chapter 176.*

(b) In order to carry out its duties and responsibilities in an effective manner, the commission may consult with any government official or employee or other party.

(c) The commission shall submit its findings and recommendations to the legislature with respect to amendments to this chapter by February 1 of each year beginning February 1, 1993, and shall also report its views upon any pending bill relating to chapter 176 to the proper legislative committees.

(d) At the request of the chairs of the senate employment committee and the house of representatives labor-management relations committee, the commission shall meet with members of those respective committees to review and discuss matters of legislative concern arising under chapter 176.

Subd. 4. [MEETINGS; VOTING.] *(a) The commission shall meet as frequently as necessary to carry out its duties and responsibilities but not less than quarterly. The commission may also conduct public hearings throughout the state as necessary to give interested persons an opportunity to comment and make suggestions on the operation of the state's workers' compensation law.*

(b) The meetings of the commission are subject to the state's open meeting law, section 471.705; except that the six employer voting members and the six labor voting members may meet in separate closed caucuses for the purpose of deliberating on matters before the commission. All votes of the commission must be public and recorded.

Subd. 5. [EXECUTIVE DIRECTOR.] *(a) The commission shall employ an executive director for the commission, who shall be a state employee in the unclassified service and participate in the state unclassified employee retirement program. The range of salary and the salary level of the executive director shall be set by the commission. The executive director shall serve at the pleasure of the commission.*

(b) The executive director shall provide administrative support and information to the commission in order to allow it to monitor all elements of Minnesota's workers' compensation system. Specific duties of the executive director shall include:

(1) examining the activities of the various entities involved in Minnesota's workers' compensation system and identifying problem areas for the commission's consideration;

(2) identifying trends and developments in the workers' compensation law of other states, and reporting to the commission on issues that are developing and solutions that are being proposed or attempted;

(3) monitoring the decisions of Minnesota courts, including the workers' compensation court of appeals and the supreme court, to determine the impact of court decisions on the workers' compensation system;

(4) monitoring workers' compensation research activities and bringing important research findings and recommendations to the attention of the commission; and

(5) conducting other activities and duties as may be requested by the commission.

Subd. 6. [ADMINISTRATIVE SUPPORT.] *The commissioner of labor and industry shall supply necessary office space, supplies, and staff support to assist the commission and its executive director in their duties.*

Subd. 7. [CONSULTANTS.] *The commission may contract with outside consultants having recognized expertise in the field of workers' compensation as may be needed to perform its duties and responsibilities.*

Subd. 8. [APPROPRIATION.] *The annual operating costs incurred by the commission in carrying out its duties and responsibilities must be charged to the special compensation fund.*

Sec. 2. [APPROPRIATION.]

$150,000 is appropriated from the special compensation fund for the biennium ending June 30, 1993, to the commission on workers' compensation for the purposes of carrying out its duties and responsibilities under section 1. This appropriation is available until expended.

Sec. 3. [REPEALER.]

Minnesota Statutes 1990, section 175.007, is repealed.

Sec. 4. [EFFECTIVE DATE.]

This article takes effect July 1, 1992, except that section 1, subdivision 1, paragraph (b), takes effect June 1, 1992."

Delete the title and insert:

"A bill for an act relating to workers' compensation; providing for comprehensive reform; regulating benefits; providing for medical cost control; requiring improved safety measures; regulating attorneys; providing for more efficient administrative procedures; eliminating the second injury fund; regulating insurance; reforming the assigned risk plan; regulating fraud; abolishing the workers' compensation court of appeals; imposing penalties; amending Minnesota Statutes 1990, sections 79.251, by adding subdivisions; 79.252, subdivisions 1 and 3; 79.58, 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; 144.581, by adding a subdivision; 176.011, subdivisions 3, 9, 11a, and 18; 176.081, subdivisions 1, 2, and 3; 176.101, subdivisions 1, 2, and 6; 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, subdivision 6; 176.111, subdivision 18; 176.129, subdivision 10; 176.130, subdivisions 8 and 9; 176.132, subdivision 1; 176.135, subdivisions 1, 5, 6, and 7; 176.136, subdivisions 1, 2, and by adding subdivisions; 176.137, subdivision 5; 176.138; 176.139, subdivision 2; 176.155, subdivision 1; 176.179; 176.181, subdivision 3, and by adding a subdivision; 176.182; 176.183; 176.185, subdivision 5a; 176.194, subdivisions 4 and 5; 176.221, subdivisions 3 and 3a; 176.231,

subdivision 10; 176.261; 176.421, subdivision 1; 176.461; 176.645, subdivisions 1 and 2; 176.83, subdivision 5, and by adding a subdivision; 176A.03, by adding a subdivision; 480A.06, subdivisions 3 and 4; 480B.01, subdivisions 1 and 10; 609.52, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 79; 79A; 175; and 176; repealing Minnesota Statutes 1990, sections 175.007; 175A.01; 175A.02; 175A.03; 175A.04; 175A.05; 175A.06; 175A.07; 175A.08; 175A.09; 175A.10; 176.131; 176.135, subdivision 3; and 176.136, subdivision 5."

CALL OF THE SENATE

Mr. Bertram imposed a call of the Senate for the balance of the proceedings on S.F. No. 2107. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Hottinger moved to amend the Chmielewski amendment to S.F. No. 2107 as follows:

Pages 1 to 87, delete articles 1 to 8 and insert:

"ARTICLE 1

BENEFITS

Section 1. 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;*

~~(12)~~ *(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.

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. 2. 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 the statewide average annual wage as described in subdivision 20 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. 3. Minnesota Statutes 1990, section 176.101, subdivision 1, is amended to read:

Subdivision 1. [TEMPORARY TOTAL DISABILITY.] *(a)* 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~~ *(b)* During the year commencing on October 1, ~~1979~~ *1992*, and each year thereafter, ~~commencing on October 1,~~ the maximum weekly compensation payable is *105 percent of* the statewide average weekly wage for the period ending December 31~~;~~ of the preceding year.

~~(2)~~ *(c)* The minimum weekly compensation ~~benefits for temporary total disability shall be not less than 50~~ *payable is 20* 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.~~

(d) 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. 4. 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 225 weeks, or after 450 weeks after the date of injury, whichever occurs first.

(c) Temporary partial compensation 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. 5. Minnesota Statutes 1990, section 176.101, subdivision 5, is amended to read:

Subd. 5. [~~TOTAL DISABILITY~~ *DEFINITION.*] *(a) For purposes of subdivision 4, permanent total disability means only:*

(1) the total and permanent loss of the sight of both eyes, the loss of both arms at the shoulder, the loss of both legs so close to the hips that no effective artificial members can be used, complete and permanent paralysis, total and permanent loss of mental faculties~~.~~; or

(2) any other injury which totally *and permanently* incapacitates the employee from working at an occupation which brings the employee an income ~~constitutes total disability~~.

(b) For purposes of paragraph (a), clause (2), "totally and permanently incapacitated" means that the employee's physical disability, in combination with the employee's age, education, training, and experience, causes the employee to be unable to secure anything more than sporadic employment resulting in an insubstantial income.

(c) The labor market for making the determination under paragraph (a), clause (2), is the statewide labor market if the employer offers to pay the reasonable moving expenses of the employee to move to new employment located at a distance greater than 30 miles from the employee's current residence and if a retraining assessment by a qualified rehabilitation consultant has been conducted and finds the employee not retrainable for available employment in the local labor market. "Reasonable moving expenses" include, without limitation, the realtor's commission charged the employee for selling the employee's principal residence from which the employee moves. This paragraph does not apply to employees 60 years of age or older at the time of injury.

Sec. 6. Minnesota Statutes 1990, section 176.101, is amended by adding a subdivision to read:

Subd. 5a. [MOVED EMPLOYEE BENEFIT.] *An employee who is eligible for moving expenses under subdivision 5, paragraph (c), and who moves and starts a new job is eligible for the benefit provided by this subdivision. If an employee loses the job the employee moved to take at any time within 18 months of moving, the employee shall be paid a weekly benefit equal to the weekly temporary total benefit the employee last received prior to the*

move. No benefit is payable under this subdivision for any week commencing 18 months or more after the move. The benefit under this subdivision is not payable if the employee lost the job for reasons that would disqualify an individual from unemployment benefits in this state.

Sec. 7. Minnesota Statutes 1990, section 176.101, subdivision 6, is amended to read:

Subd. 6. [MINORS; *APPRENTICES.*] *(a)* If any employee entitled to the benefits of this chapter is ~~a minor or is~~ an apprentice of any age and sustains a personal injury arising out of and in the course of employment resulting in permanent total or a compensable permanent partial disability, for the purpose of computing the compensation to which the employee is entitled for the injury, the compensation rate for temporary total, temporary partial, a permanent total disability or economic recovery compensation shall be the ~~statewide average weekly wage~~ *maximum rate for temporary total disability under subdivision 1.*

(b) If any employee entitled to the benefits of this chapter is a minor and sustains a personal injury arising out of and in the course of employment resulting in permanent total disability, for the purpose of computing the compensation to which the employee is entitled for the injury, the compensation rate for a permanent total disability shall be the maximum rate for temporary total disability under subdivision 1.

Sec. 8. Minnesota Statutes 1990, section 176.101, subdivision 8, is amended to read:

Subd. 8. [RETIREMENT ~~PRESUMPTION~~.] *Temporary total disability payments shall cease at retirement. "Retirement" means that a preponderance of the evidence supports a conclusion that an employee has retired. The subjective statement of an employee that the employee is not retired is not sufficient in itself to rebut objective evidence of retirement but may be considered along with other evidence.*

For injuries occurring after the effective date of this subdivision an employee who receives social security old age and survivors insurance retirement benefits is presumed retired from the labor market. This presumption is rebuttable by a preponderance of the evidence.

Sec. 9. 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 *or compensation judge* 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 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 225-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. 10. 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. 11. Minnesota Statutes 1990, section 176.132, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBLE RECIPIENTS.] (a) An employee who has suffered personal injury prior to October 1, 1983 for which benefits are payable under section 176.101 and who has been totally disabled for more than 104 weeks shall be eligible for supplementary benefits as prescribed in this section after 104 weeks have elapsed and for the remainder of the total disablement. Regardless of the number of weeks of total disability, no totally disabled person *who has suffered personal injury prior to October 1, 1983*, is ineligible for supplementary benefits after four years have elapsed since the first date of the total disability, ~~except as provided by clause (b),~~ provided that all periods of disability are caused by the same injury.

(b) An employee who has suffered personal injury after October 1, 1983, *and before October 1, 1992*, is eligible to receive supplementary benefits after the employee has been receiving temporary total or permanent total benefits for 208 weeks. Regardless of the number of weeks of total disability, no person *who has suffered personal injury on or after October 1, 1983, and before October 1, 1992*, who is receiving temporary total compensation shall be ineligible for supplementary benefits after four years have elapsed since the first date of the total disability, provided that all periods of disability are caused by the same injury.

(c) An employee who has suffered a personal injury on or after October 1, 1992, and is permanently totally disabled as defined in section 176.101, subdivisions 4 and 5, is eligible to receive supplementary benefits after the employee has been receiving temporary total or permanent total benefits for 208 weeks. Regardless of the number of weeks of total disability, no person who is receiving permanent total compensation shall be ineligible for supplementary benefits after four years have elapsed since the first date of the total disability, provided that all periods of disability are caused by the same injury.

Sec. 12. Minnesota Statutes 1990, section 176.179, is amended to read:

176.179 [~~PAYMENTS OF COMPENSATION RECEIVED IN GOOD FAITH~~ *RECOVERY OF OVERPAYMENTS.*]

Notwithstanding section 176.521, subdivision 3, or any other provision of this chapter to the contrary, except as provided in this section, no lump sum or weekly payment, or settlement, which is voluntarily paid to an injured employee or the survivors of a deceased employee in apparent or seeming accordance with the provisions of this chapter by an employer or insurer, or is paid pursuant to an order of the workers' compensation division, a compensation judge, or court of appeals relative to a claim by an injured employee or the employee's survivors, and received in good faith by the employee or the employee's survivors shall be refunded to the paying employer or insurer in the event that it is subsequently determined that the payment was made under a mistake in fact or law by the employer or insurer. When the payments have been made to a person who is entitled to receive further payments of compensation for the same injury, the mistaken compensation may be taken as a full credit against future lump sum benefit entitlement and as a partial credit against future weekly benefits. The credit applied against further payments of temporary total disability, temporary partial disability, permanent total disability, retraining benefits, death benefits, or weekly payments of economic recovery or impairment compensation shall not exceed 20 percent of the amount that would otherwise be payable.

A credit may not be applied against medical expenses due or payable.

Where the commissioner or compensation judge determines that the mistaken compensation was not received in good faith, the commissioner or compensation judge may order reimbursement of the compensation. For purposes of this section, a payment is not received in good faith if it is obtained through fraud, or if the employee knew that the compensation was paid under mistake of fact or law, and the employee has not refunded the mistaken compensation.

Sec. 13. 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 or after October 1, 1992, 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. 14. 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 the injury.*

Sec. 15. [EFFECTIVE DATE.]

Section 2 is effective January 1, 1993. The rest of the article is effective October 1, 1992.

ARTICLE 2

LEGAL AND JUDICIAL

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

Subdivision 1. [APPROVAL.] (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~~ *$60,000* 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 (d). All fees must be calculated according to the formula under this subdivision, or earned in hourly fees for representation at discontinuance conferences under section 176.239, or earned in hourly fees for representation on rehabilitation or medical issues under section 176.102, 176.135, or 176.136. Attorney fees for recovery of medical or rehabilitation benefits or services shall be assessed against the employer or insurer if these fees exceed the contingent fee under this section in connection with benefits currently in dispute. The amount of the fee that the employer or insurer is liable for is the amount determined under subdivision 5, minus the contingent fee.*

(b) All fees for legal services related to the same injury are cumulative and may not exceed $13,000, except as provided by subdivision 2. If multiple injuries are the subject of a dispute, the commissioner, compensation judge, or court of appeals shall specify the attorney fee attributable to each injury.

(c) 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)~~ *(d)* 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.

(e) Employers and insurers may not pay attorney fees or wages for legal services of more than $13,000 per case unless the additional fees or wages are approved under subdivision 2.

(f) Each insurer and self-insured employer shall file annual statements with the commissioner detailing the total amount of legal fees and other legal costs incurred by the insurer or employer during the year. The statement shall include the amount paid for outside and in-house counsel, deposition and other witness fees, and all other costs relating to litigation.

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

Subd. 2. 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. [SCHEDULE; RULES.] *(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. [176.1311] [SECOND INJURY FUND DATA.]

No person shall, directly or indirectly, provide the names of persons who have registered a preexisting physical impairment under section 176.131 to an employer with the intent of assisting the employer to discriminate against those persons who have so registered with respect to hiring or other terms and conditions of employment.

A violation of this section is a gross misdemeanor.

Sec. 6. [176.178] [FRAUD.]

Any person who, with intent to defraud, receives workers' compensation 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.

Sec. 7. [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 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. There is no appeal from the order. Any determination by a settlement judge may not be considered as evidence in any other proceeding and the issues decided are not res judicata in any other proceeding.*

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

Sec. 8. [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. 9. [176.325] [CERTIFIED QUESTION.]

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

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

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

Subd. 2. [EXPEDITED DECISION.] *It is the legislature's intent that the Minnesota supreme court resolve the certified question as expeditiously as possible, after compliance by the parties with any requirements of 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. 3. [NOTICE.] *The commissioner or chief administrative law judge shall notify all persons who request to be notified of a certification under this section.*

Sec. 10. Minnesota Statutes 1990, section 176.421, subdivision 1, is amended to read:

Subdivision 1. [TIME FOR TAKING; GROUNDS.] When a petition has been heard before a compensation judge, within 30 days after a party in interest has been served with notice of an award or disallowance of compensation, or other order affecting the merits of the case, the party may appeal to the workers' compensation court of appeals on any of the following grounds:

(1) the order does not conform with this chapter; or

(2) the compensation judge committed an error of law; or

(3) the findings of fact and order were *clearly erroneous and* unsupported by substantial evidence in view of the entire record as submitted; or

(4) the findings of fact and order were procured by fraud, or coercion, or other improper conduct of a party in interest.

Sec. 11. Minnesota Statutes 1990, section 176.461, is amended to read:

176.461 [SETTING ASIDE AWARD.]

Except when a writ of certiorari has been issued by the supreme court and the matter is still pending in that court or if as a matter of law the determination of the supreme court cannot be subsequently modified, the workers' compensation court of appeals, for cause, at any time after an award, upon application of either party and not less than five working days after written notice to all interested parties, may set the award aside and grant a new hearing and refer the matter for a determination on its merits to the chief administrative law judge for assignment to a compensation judge, who shall make findings of fact, conclusions of law, and an order of award or disallowance of compensation or other order based on the pleadings and the evidence produced and as required by the provisions of this chapter or rules adopted under it.

As used in this section, the phrase "for cause" is limited to the following:

(1) a mutual mistake of fact;

(2) newly discovered evidence;

(3) fraud; or

(4) a substantial change in medical condition since the time of the award that was clearly not anticipated and could not reasonably have been anticipated at the time of the award.

Sec. 12. 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. 13. 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. 14. 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 without 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 medically unnecessary, inappropriate, or excessive; 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. 15. [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, 1993, 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. 16. [EFFECTIVE DATE.]

Section 4 is effective the day following final enactment. The rest of the article is effective July 1, 1992.

ARTICLE 3

ADMINISTRATIVE, SAFETY, INSURANCE

Section 1. [79.081] [MANDATORY DEDUCTIBLES.]

Subdivision 1. [PREMIUM REDUCTION.] *Each insurer, including the assigned risk plan, issuing a policy of insurance, must make available to an employer, upon request, 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. Each insurer shall notify its agents authorized to write workers' compensation insurance about the availability and terms and conditions of deductibles required by this section, using a brochure in a format approved by the commissioner.*

Subd. 2. [PROCEDURE FOR PAYING DEDUCTIBLE.] *If an insured employer chooses a deductible, the insured employer is liable for the amount of the deductible. The insurer shall administer the claim as provided in the terms and conditions of the insurance policy and seek reimbursement from the insured employer for the deductible. 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 labor and industry.*

Subd. 5. [NO EMPLOYEE LIABILITY.] *Nothing in this section alters the obligation of the employer to provide the benefits required by this chapter. An employee is not responsible to pay all or a part of the deductible chosen by an employer.*

Sec. 2. [79.085] [SAFETY PROGRAMS.]

All insurers writing workers' compensation insurance in this state shall provide safety consultation services to each of their policyholders requesting the services in writing. Insurers shall notify each policyholder of the availability of those services and the telephone number and address where such services can be requested. The notification may be delivered with the policy of workers' compensation insurance.

Sec. 3. [79.096] [ACCESS TO RATE MAKING DATA.]

The rating association must make available for inspection on request of any person any data it possesses related to the calculation of indicated pure premium rates.

Sec. 4. Minnesota Statutes 1990, section 79.251, is amended by adding a subdivision to read:

Subd. 4a. [MEDICAL COST CONTAINMENT.] *The assigned risk plan must consider utilizing managed care plans certified under section 176.1351 with respect to its covered employees. 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, inappropriate, or excessive services to the commissioner of labor and industry.

Sec. 5. Minnesota Statutes 1990, section 79.251, is amended by adding a subdivision to read:

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.*

Sec. 6. 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. *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. 7. 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 review board may apply for and obtain any licensure required in any other state to issue that coverage.

Sec. 8. [79.253] [ASSIGNED RISK SAFETY ACCOUNT.]

Subdivision 1. [CREATION OF ACCOUNT.] *There is created the assigned risk safety account as a separate account in the special compensation fund in the state treasury. Income earned by funds in the account must be credited to the account. Principal and income of the account are annually appropriated to the commissioner of labor and industry and must be used for grants and loans under this section.*

Subd. 2. [USE OF FUNDS; SAFETY ASSESSMENTS.] *The assigned risk plan shall, through persons under contract with the plan, perform on-site surveys of employers insured by the assigned risk plan and recommend practices and equipment to employers designed to reduce the risk of injury to employees. The recommendations may include that the employer form a joint labor-management safety committee. The plan shall generally survey employers in the following priority:*

(1) employers with poor safety records for their industry based on their premium modification factor or other factors;

(2) employers whose workers' compensation premium classification assigned to the greatest portion of the payroll for the employer has a premium rate in the top 25 percent of premium rates for all classes; and

(3) all other employers.

Subd. 3. [INCENTIVES AND PENALTIES.] *The assigned risk plan shall develop a premium rating system subject to approval by the commissioner of commerce that provides a reduction in premium rates for employers that follow safety recommendations made under this section and an increase in rates for employers that do not. The system must be sensitive to the economic ability of an employer to implement particular recommendations.*

Subd. 4. [GRANTS AND LOANS.] *The commissioner of labor and industry may make grants or loans to employers for the cost of implementing safety recommendations made under this section.*

Subd. 5. [RULES.] *The commissioner of labor and industry may adopt rules necessary to implement this section.*

Sec. 9. [79.255] [WORKERS' COMPENSATION INSURANCE; LESSORS OF EMPLOYEES.]

Subdivision 1. [REGISTRATION REQUIRED.] *A corporation, partnership, sole proprietorship, or other business entity which provides staff, personnel, or employees to be employed in this state to other businesses pursuant to a lease arrangement or agreement shall, before becoming eligible to be issued a policy of workers' compensation insurance or becoming eligible to secure coverage on a multiple coordinated policies basis, register with the commissioner of commerce. The registration shall:*

(1) identify the name of the lessor;

(2) identify the address of the principal place of business of the lessor and the address of each office it maintains within this state;

(3) include the lessor's taxpayer or employer identification number;

(4) include a list by jurisdiction of each and every name that the lessor has operated under in the preceding five years including any alternative names and names of predecessors and, if known, successor business entities;

(5) include a list of each person or entity who owns a five percent or greater interest in the employee leasing business at the time of application and a list of each person who formerly owned a five percent or greater interest in the employee leasing company or its predecessors, successors, or alter egos in the preceding five years; and

(6) include a list of each and every cancellation or nonrenewal of workers' compensation insurance which has been issued to the lessor or any predecessor in the preceding five years. The list shall include the policy or certificate number, name of insurer or other provider of coverage, date of cancellation, and reason for cancellation. If coverage has not been canceled or nonrenewed, the registration shall include a sworn affidavit signed by the chief executive officer of the lessor attesting to that fact.

Subd. 2. [INELIGIBILITY TO REGISTER.] *Any lessor of employees whose workers' compensation insurance has been terminated within the past five years in any jurisdiction due to a determination that an employee leasing arrangement was being utilized to avoid premium otherwise payable by lessees shall be ineligible to register with the commissioner or to remain registered, if previously registered.*

Subd. 3. [NOTICE OF CHANGE.] *Persons filing registration statements pursuant to this section shall notify the commissioner as to any changes in any information required to be provided under this section.*

Subd. 4. [LIST MAINTAINED.] *The commissioner shall maintain a list of those lessors of employees who are registered with the commissioner.*

Subd. 5. [FORMS OF REGISTRATION.] *The commissioner may prescribe forms necessary to promote the efficient administration of this section.*

Subd. 6. [ADVERTISING PROHIBITION.] *No organization registered under this section shall directly or indirectly reference that registration in any advertisements, marketing material, or publications.*

Subd. 7. [CRIMINAL PENALTIES.] *Any corporation, partnership, sole proprietorship, or other form of business entity and any officer, director, general partner, agent, representative, or employee of theirs who knowingly utilizes or participates in any employee leasing agreement, arrangement, or mechanism for the purpose of depriving one or more insurers of premium otherwise properly payable is guilty of a misdemeanor.*

Subd. 8. [APPLICATION OF SECTION.] *Any lessor of employees that was doing business in this state prior to enactment of this section shall register with the commissioner within 30 days of the effective date of this section.*

Sec. 10. Minnesota Statutes 1990, section 175.007, is amended to read:

175.007 [ADVISORY COUNCIL ON WORKERS' COMPENSATION; CREATION.]

Subdivision 1. [CREATION; COMPOSITION.] ~~The commissioner shall appoint an advisory council on workers' compensation, which consists of five representatives of employers and five representatives of employees; five nonvoting members representing the general public; two persons who have received or are currently receiving workers' compensation benefits under chapter 176 and the chairs of the rehabilitation review panel and the medical services review board. The council may consult with any party it desires.~~ *(a) There is created a permanent council on workers' compensation consisting of 12 voting members as follows: the presidents of the largest statewide Minnesota business and organized labor organizations as measured by memberships on July 1, 1992, and every five years thereafter; five additional members representing business, and five additional members representing organized labor. The commissioner of labor and industry shall serve as chair of the council and shall be a nonvoting member.*

(b) The governor, the majority leader of the senate, the speaker of the house of representatives, the minority leader of the senate, and the minority leader of the house of representatives shall each select a business and a labor representative. At least four of the labor representatives shall be chosen from the affiliated membership of the Minnesota AFL-CIO. At least two of the business representatives shall be representatives of small employers as defined in section 177.24, subdivision 1, paragraph (a), clause (2). None of the council members shall represent attorneys, health care providers, qualified rehabilitation consultants, or insurance companies. If the appointing officials cannot agree on a method of appointing the required number of Minnesota AFL-CIO and small business representatives by the second Monday in June of the year in which appointments are made, they shall notify the secretary of state. The distribution of appointments shall then be determined publicly by lot by the secretary of state or a designee in the presence of the appointing officials or their designees on the third Monday in June.

(c) Each council member shall appoint an alternate. Alternates shall serve in the absence of the member they replace.

(d) The ten appointed voting members shall serve for terms of five years and may be reappointed.

(e) The council shall designate liaisons to the council representing workers' compensation insurers; medical, hospital, and rehabilitation providers; and the legal profession. The speaker and minority leader of the house of representatives shall each appoint a caucus member as a liaison to the council. The majority and minority leaders of the senate shall each appoint a caucus member to serve as a liaison to the council.

(f) The ~~terms~~ *compensation* and removal of members shall be as provided in section 15.059. ~~The council expires as provided in section 15.059, subdivision 5.~~

Subd. 2. The advisory council shall ~~study and present to the legislature and the governor, on or before November 15 of each even numbered year, its findings relative to the costs, methods of financing, and the formula to be used to provide supplementary compensation to workers who have been determined permanently and totally disabled prior to July 1, 1969, and its findings relative to alterations in the scheduled benefits for permanent partially disabled, and other aspects of the workers' compensation act. The council shall also study and present to the legislature and the governor on or before November 15 of 1981 and by November 15 of each even-numbered year thereafter a report on the financial, administrative and personnel needs of the workers' compensation division.~~ *advise the department in carrying out the purposes of chapter 176. The council shall submit its recommendations with respect to amendments to chapter 176 by February 1 of each year to each regular session of the legislature and shall report its views upon any pending bill relating to chapter 176 to the proper legislative committee. A recommendation may not be made by the council unless it is supported by a majority of the employer members and a majority of the labor members. At the request of the chairs of the senate and house of representatives committees that hear workers' compensation matters, the department shall schedule a meeting of the council with the members of the committees to discuss matters of legislative concern arising under chapter 176.*

Subd. 3. [MEETINGS; VOTING.] *(a) The council shall meet as frequently as necessary to carry out its duties and responsibilities. The council may also conduct public hearings throughout the state as may be necessary to give interested persons an opportunity to comment and make suggestions on the operation of the state's workers' compensation law.*

(b) The meetings of the council are subject to the state's open meeting law, section 471.705; except that the six employer voting members and the six labor voting members may meet in separate closed caucuses for the purpose of deliberating on matters before the council. All votes of the council must be public and recorded.

Subd. 4. [EXECUTIVE DIRECTOR.] *(a) The assistant commissioner for workers' compensation at the department of labor and industry shall serve as executive director of the council.*

(b) The executive director shall provide administrative support and information to the council in order to allow it to monitor all elements of Minnesota's workers' compensation system. Specific duties of the executive director shall include:

(1) examining the activities of the various entities involved in Minnesota's workers' compensation system and identifying problem areas for the council's consideration;

(2) identifying trends and developments in the workers' compensation law of other states, and reporting to the council on issues that are developing and solutions that are being proposed or attempted;

(3) monitoring the decisions of Minnesota courts, including the workers' compensation court of appeals and the supreme court, to determine the impact of court decisions on the workers' compensation system;

(4) monitoring workers' compensation research activities and bringing important research findings and recommendations to the attention of the council; and

(5) conducting other activities and duties as may be requested by the council.

Subd. 5. [ADMINISTRATIVE SUPPORT.] *The commissioner of labor and industry shall supply necessary office space, supplies, and staff support to assist the council and its executive director in their duties.*

Sec. 11. Minnesota Statutes 1990, section 176.106, subdivision 6, is amended to read:

Subd. 6. [PENALTY.] At a conference, if the insurer does not provide a specific reason for nonpayment of the items in dispute, the commissioner may assess a penalty of $300 payable to the ~~special compensation fund~~ *assigned risk safety account*, unless it is determined that the reason for the lack of specificity was the failure of the insurer, upon timely request, to receive information necessary to remedy the lack of specificity. This penalty is in addition to any penalty that may be applicable for nonpayment.

Sec. 12. Minnesota Statutes 1990, section 176.129, subdivision 10, is amended to read:

Subd. 10. [PENALTY.] Sums paid to the commissioner pursuant to this section shall be in the manner prescribed by the commissioner. The commissioner may impose a penalty *payable to the assigned risk safety account* of up to 15 percent of the amount due under this section but not less than $500 in the event payment is not made in the manner prescribed.

Sec. 13. Minnesota Statutes 1990, section 176.130, subdivision 8, is amended to read:

Subd. 8. [PENALTIES; WOOD MILLS.] If the assessment provided for in this chapter is not paid on or before February 15 of the year when due and payable, the commissioner may impose penalties as provided in section 176.129, subdivision 10, *payable to the assigned risk safety account.*

Sec. 14. Minnesota Statutes 1990, section 176.130, subdivision 9, is amended to read:

Subd. 9. [FALSE REPORTS.] Any person or entity that, for the purpose of evading payment of the assessment or avoiding the reimbursement, or any part of it, makes a false report under this section shall pay to the ~~special compensation fund~~ *assigned risk safety account*, in addition to the assessment, a penalty of 50 percent of the amount of the assessment. A person who knowingly makes or signs a false report, or who knowingly submits other false information, is guilty of a misdemeanor.

Sec. 15. Minnesota Statutes 1990, section 176.138, is amended to read:

176.138 [MEDICAL DATA; ACCESS.]

(a) Notwithstanding any other state laws related to the privacy of medical data or any private agreements to the contrary, the release in writing, by telephone discussion, or otherwise of medical data related to a current claim for compensation under this chapter to the employee, employer, or insurer who are parties to the claim, or to the department of labor and industry, shall not require prior approval of any party to the claim. This section does not preclude the release of medical data under section 175.10 or 176.231, subdivision 9. Requests for pertinent data shall be made, and the date of discussions with medical providers about medical data shall be confirmed, in writing to the person or organization that collected or currently possesses the data. Written medical data that exists at the time the request is made

shall be provided by the collector or possessor within seven working days of receiving the request. Nonwritten medical data may be provided, but is not required to be provided, by the collector or possessor. In all cases of a request for the data or discussion with a medical provider about the data, except when it is the employee who is making the request, the employee shall be sent written notification of the request by the party requesting the data at the same time the request is made or a written confirmation of the discussion. This data shall be treated as private data by the party who requests or receives the data and the party receiving the data shall provide the employee or the employee's attorney with a copy of all data requested by the requester.

(b) Medical data which is not directly related to a current injury or disability shall not be released without prior authorization of the employee.

(c) The commissioner may impose a penalty of up to $200 payable to the ~~special compensation fund~~ *assigned risk safety account* against a party who does not timely release data as required in this section. A party who does not treat this data as private pursuant to this section is guilty of a misdemeanor. This paragraph applies only to written medical data which exists at the time the request is made.

(d) Workers' compensation insurers and self-insured employers may, for the sole purpose of identifying duplicate billings submitted to more than one insurer, disclose to health insurers, including all insurers writing insurance described in section 60A.06, subdivision 1, clause (5)(a), nonprofit health service plan corporations subject to chapter 62C, health maintenance organizations subject to chapter 62D, and joint self-insurance employee health plans subject to chapter 62H, computerized information about dates, coded items, and charges for medical treatment of employees and other medical billing information submitted to them by an employee, employer, health care provider, or other insurer in connection with a current claim for compensation under this chapter, without prior approval of any party to the claim. The data may not be used by the health insurer for any other purpose whatsoever and must be destroyed after verification that there has been no duplicative billing. Any person who is the subject of the data which is used in a manner not allowed by this section has a cause of action for actual damages and punitive damages for a minimum of $5,000.

Sec. 16. Minnesota Statutes 1990, section 176.139, subdivision 2, is amended to read:

Subd. 2. [FAILURE TO POST; PENALTY.] The commissioner may assess a penalty of $300 against the employer payable to the ~~special compensation fund~~ *assigned risk safety account* if, after notice from the commissioner, the employer violates the posting requirement of this section.

Sec. 17. 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, he 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 week 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 state treasury and credited to the assigned risk safety account. 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 revenue recapture act in chapter 270A.

(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. 18. 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*

and 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. 19. Minnesota Statutes 1990, section 176.182, is amended to read:

176.182 [BUSINESS LICENSES OR PERMITS; COVERAGE REQUIRED.]

Every state or local licensing agency shall withhold the issuance or renewal of a license or permit to operate a business in Minnesota until the applicant presents acceptable evidence of compliance with the workers' compensation insurance coverage requirement of section 176.181, subdivision 2, by providing the name of the insurance company, the policy number, and dates of coverage or the permit to self-insure. The commissioner shall assess a penalty to the employer of $1,000 payable to the ~~special compensation fund~~ *assigned risk safety account*, if the information is not reported or is falsely reported.

Neither the state nor any governmental subdivision of the state shall enter into any contract for the doing of any public work before receiving from all other contracting parties acceptable evidence of compliance with the workers' compensation insurance coverage requirement of section 176.181, subdivision 2.

This section shall not be construed to create any liability on the part of the state or any governmental subdivision to pay workers' compensation benefits or to indemnify the special compensation fund, an employer, or insurer who pays workers' compensation benefits.

Sec. 20. 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~~ *subdivision 1 or 2*, "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 in the amount of 60 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 recapture act in chapter 270A. 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.*

(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. 21. Minnesota Statutes 1990, section 176.185, subdivision 5a, is amended to read:

Subd. 5a. [PENALTY FOR IMPROPER WITHHOLDING.] An employer who violates subdivision 5 after notice from the commissioner is subject to a penalty of 200 percent of the amount withheld from or charged the employee. The penalty shall be imposed by the commissioner. Fifty percent of this penalty is payable to the ~~special compensation fund~~ *assigned risk safety account* and 50 percent is payable to the employee.

Sec. 22. Minnesota Statutes 1990, section 176.194, subdivision 4, is amended to read:

Subd. 4. [PENALTIES.] The penalties for violations of clauses (1) through (6) are as follows:

1st through 5th violation of each paragraph	written warning
6th through 10th violation of each paragraph	$2,500 per violation in excess of five
11th through 30th violation of each paragraph	$5,000 per violation in excess of ten

For violations of clauses (7) and (8), the penalties are:

1st through 5th violation of each paragraph	$2,500 per violation
6th through 30th violation of each paragraph	$5,000 per violation in excess of five

The penalties under this section may be imposed in addition to other penalties under this chapter that might apply for the same violation. The penalties under this section are assessed by the commissioner and are payable to the ~~special compensation fund~~ *assigned risk safety account*. A party may object to the penalty and request a formal hearing under section 176.85. If an entity has more than 30 violations within any 12-month period, in addition to the monetary penalties provided, the commissioner may refer the matter to the commissioner of commerce with recommendation for suspension or revocation of the entity's (a) license to write workers' compensation insurance; (b) license to administer claims on behalf of a self-insured, the assigned risk plan, or the Minnesota insurance guaranty association; (c) authority to self-insure; or (d) license to adjust claims. The commissioner of commerce shall follow the procedures specified in section 176.195.

Sec. 23. 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. 24. Minnesota Statutes 1990, section 176.221, subdivision 3, is amended to read:

Subd. 3. [PENALTY.] If the employer or insurer does not begin payment of compensation within the time limit prescribed under subdivision 1 or 8, the commissioner may assess a penalty, payable to the ~~special compensation fund~~ *assigned risk safety account*, which shall be a percentage of the amount of compensation to which the employee is entitled to receive up to the date compensation payment is made.

The amount of penalty shall be determined as follows:

Numbers of days late	Penalty
1 - 15	25 percent of compensation due, not to exceed $375.
16 - 30	50 percent of compensation due, not to exceed $1,140.
31 - 60	75 percent of compensation due, not to exceed $2,878.
61 or more	100 percent of compensation due, not to exceed $3,838.

The penalty under this section is in addition to any penalty otherwise provided by statute.

Sec. 25. Minnesota Statutes 1990, section 176.221, subdivision 3a, is amended to read:

Subd. 3a. [PENALTY.] In lieu of any other penalty under this section, the commissioner may assess a penalty of up to $1,000 *payable to the assigned risk safety account* for each instance in which an employer or insurer does not pay benefits or file a notice of denial of liability within the time limits prescribed under this section.

Sec. 26. [176.222] [REPORT ON COLLECTION AND ASSESSMENT OF FINES AND PENALTIES.]

The commissioner shall annually, by January 30, submit a report to the legislature detailing the assessment and collection of fines and penalties under this chapter on a fiscal year basis for the immediately preceding fiscal year and for as many prior years as the data is available.

Sec. 27. Minnesota Statutes 1990, section 176.231, subdivision 10, is amended to read:

Subd. 10. [FAILURE TO FILE REQUIRED REPORT, PENALTY.] If an employer, insurer, physician, chiropractor, or other health provider fails to file with the commissioner any report required by this section in the manner and within the time limitations prescribed, or otherwise fails to provide a report required by this section in the manner provided by this section, the commissioner may impose a penalty of up to $200 for each failure.

The imposition of a penalty may be appealed to a compensation judge within 30 days of notice of the penalty.

Penalties collected by the state under this subdivision shall be paid into

the ~~special compensation fund~~ *assigned risk safety account.*

Sec. 28. [176.232] [SAFETY COMMITTEES.]

Every public or private employer of more than 25 employees shall establish and administer a joint labor-management safety committee.

Every public or private employer of 25 or fewer employees shall establish and administer a safety committee if:

(1) the employer has a lost workday cases incidence rate in the top ten percent of all rates for employers in the same industry; or

(2) the workers' compensation premium classification assigned to the greatest portion of the payroll for the employer has a pure premium rate as reported by the workers' compensation rating association in the top 25 percent of premium rates for all classes.

The commissioner may adopt rules regarding the training of safety committee members and the operation of safety committees.

Sec. 29. 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 an employee or employer to seek assistance outside of the department, the department must refer employers and employees 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 using the department's persuasion to settle issues quickly and cooperatively.

Sec. 30. [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 chapter 176.

Sec. 31. 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. 32. [DEPARTMENT STUDY; DATA SHARING ON UNINSURED EMPLOYERS.]

The commissioner 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. 33. [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. 34. [INDEPENDENT CONTRACTORS; LEASED EMPLOYEES.]

The commissioner 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. 35. [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 16 percent and applied by the insurer to all policies with an effective date between October 1, 1992, and March 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 16 percent on your current policy premium."

(b) No rate increases may be filed between April 1, 1992, and April 1,

1993.

(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 legislature by March 1, 1993.

Sec. 36. [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 labor and industry shall continue to assess for those reimbursements under Minnesota Statutes, section 176.129.

Sec. 37. [EFFECTIVE DATE.]

Section 35 is effective the day following final enactment retroactive to April 1, 1992. Section 1 is effective for policies insuring liability for workers' compensation that are effective on or after October 1, 1992. The rest of this article is effective July 1, 1992.

ARTICLE 4

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 services, including, but not limited to, making determinations regarding the selection and delivery of rehabilitation services and the criteria used to approve qualified rehabilitation consultants and rehabilitation vendors. 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 60 days 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 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 rules adopted by the commissioner in consultation with the medical services review board. 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 findings 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 in consultation with the medical services review board shall adopt rules defining standards of treatment including inappropriate, unnecessary, or excessive treatment and 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, *one physical therapist*, 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 physical therapist*, 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.

Sec. 9. 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.~~

~~(b)~~ *(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) An employer may require that the treatment and supplies required to be provided by an employer by this section be received in whole or in part from a managed care plan certified under section 176.1351 except as otherwise provided by that section.

Sec. 10. 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. 11. 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 exists:*

(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 reconsider the charges in accordance with this subdivision within 30 calendar days after receiving additional medical data, a prescribed billing form, or documentation of enrollment or certification as a provider.

Sec. 12. 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.

A United States government facility rendering health care services to veterans is not subject to the uniform billing form requirements of this subdivision.

Sec. 13. [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 management of quality treatment to injured workers for injuries and diseases compensable under this chapter. Specifically, and without limitation, an entity licensed under chapter 62C or 62D or a preferred provider organization that is subject to chapter 72A is eligible for certification under this section. Each application for certification shall be accompanied by a reasonable fee prescribed by the commissioner. A plan may be certified to provide services in a limited geographic area. 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. 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; and

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

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

(1) proposes to provide quality services that meet uniform 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, and excludes participation in the plan by those individuals who violate these treatment standards;

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

(6) provides aggressive case management for injured workers and 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 other treatment 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.

The commissioner may accept findings, licenses, or certifications of other state agencies as satisfactory evidence of compliance with a particular requirement of this subdivision.

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. [ACCESS TO ALL HEALTH CARE DISCIPLINES.] *The commissioner may refuse to certify or may 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 managed care plan or, in instances where the commissioner has adopted standards of treatment, the standards adopted by the commissioner.*

Subd. 5. [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. 6. [RULES.] *The commissioner may adopt emergency or permanent rules necessary to implement this section.*

Sec. 14. 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. 15. 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, and other health care provider treatment or service, including those provided to hospital outpatients, by implementing a relative value fee schedule to be effective on October 1, 1993. The commissioner may adopt by reference the relative value fee schedule adopted for the federal Medicare program or a relative value fee 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 conversion factors for the original 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 no more than 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. 16. 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 100 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. 17. 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. No party may pay fees above the amount in the schedule.*

Sec. 18. 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. 19. Minnesota Statutes 1990, section 176.137, subdivision 5, is amended to read:

Subd. 5. An employee is limited to ~~$30,000~~ *$60,000* under this section for each personal injury.

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 incurred 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~~ *TREATMENT STANDARDS FOR* MEDICAL SERVICES.] In consultation with the medical services review board or the rehabilitation review panel, *the commissioner shall adopt* rules establishing standards and procedures for ~~determining~~ *health care provider treatment. The rules shall apply uniformly to all providers including those providing managed care under section 176.1351. The rules shall be used to determine* 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, *unnecessary, or inappropriate* based upon accepted medical standards for quality health care and accepted rehabilitation standards.

The rules shall include, but are not limited to, the following:

(1) criteria for diagnosis and treatment of the most common work-related injuries including, but not limited to, low back injuries and upper extremity repetitive trauma injuries;

(2) criteria for surgical procedures including, but not limited to, diagnosis, prior conservative treatment, supporting diagnostic imaging and testing, and anticipated outcome criteria;

(3) criteria for use of appliances, adoptive equipment, and use of health clubs or other exercise facilities;

(4) criteria for diagnostic imaging procedures;

(5) criteria for inpatient hospitalization; and

(6) criteria for treatment of chronic pain.

If it is determined by the payer that the level, frequency or cost of a procedure or service of a provider is excessive, *unnecessary, or inappropriate* 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, service, 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 medical services review board shall review excessive, inappropriate, or unnecessary health care provider treatment under section 176.103, subdivision 2.*

~~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 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. [MEDICAL COVERAGE STUDY.]

The commissioners of commerce and labor and industry shall study the feasibility of providing medical coverage currently furnished through the workers' compensation system through other health insurance mechanisms including group health and universal health coverage plans. The study shall particularly focus on the concept known as 24-hour coverage. The commissioners shall report the results of their study with specific recommendations to the legislature by February 1, 1993.

Sec. 25. [MANAGED CARE; LEGISLATIVE INTENT.]

It is the intent of the legislature that the commissioner of labor and industry proceed with certifying managed care organizations as expeditiously as possible. Any rules or procedures the commissioner adopts must be designed to assist in the formation of managed care organizations while ensuring quality managed care to injured employees.

Sec. 26. [REPEALER.]

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

Sec. 27. [EFFECTIVE DATE.]

Section 13 is effective the day following final enactment. The rest of this article is effective October 1, 1992.

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 self-insurers that have Minnesota self-insurance authority on August 1, 1992, section 4, paragraphs (b), (c), and (d), are effective August 1, 1995.

ARTICLE 6

INSURANCE REGULATION

Section 1. Minnesota Statutes 1990, section 79.58, is amended by adding a subdivision to read:

Subd. 3. [FLEX RATING.] *(a) Whenever an insurer files a change in its existing rate level that is greater than eight percent in a 12-month period, the commissioner may hold a hearing to determine if the rate is excessive. The hearing must be conducted as provided under chapter 14. The commissioner shall give notice of intent to hold a hearing within 60 days of the filing of the change. The commissioner of labor and industry may appear as an interested party at the hearing. At the hearing, the insurer has the responsibility of showing the rate is not excessive. The rate is effective unless it is determined as a result of the hearing that the rate is excessive. The disapproval of a rate under this subdivision must be done in the same manner as provided under section 70A.11.*

(b) This subdivision applies only to changes resulting from an insurer's utilization of either (1) the pure premium base rate level filed by any data service organization plus the insurer's loading for expenses and profit, or (2) the insurer's own filed rate levels. This subdivision does not apply to any changes resulting from assessments for the assigned risk plan, reinsurance association, guarantee fund, special compensation fund, benefit level changes, or other rates or rating plans utilized by an insurer."

Amend the title amendment accordingly

The question was taken on the adoption of the Hottinger amendment to the Chmielewski amendment.

The roll was called, and there were yeas 35 and nays 32, as follows:

Those who voted in the affirmative were:

Adkins	Bertram	Halberg	Langseth	Pariseau
Beckman	Brataas	Hottinger	Larson	Renneke
Belanger	Davis	Johnson, D.E.	McGowan	Sams
Benson, D.D.	Day	Johnson, J.B.	Mehrkens	Stumpf
Benson, J.E.	DeCramer	Johnston	Morse	Terwilliger
Berg	Frederickson, D.R.	Knaak	Neuville	Traub
Bernhagen	Gustafson	Laidig	Olson	Vickerman

Those who voted in the negative were:

Berglin	Frank	Luther	Pappas	Samuelson
Chmielewski	Frederickson, D.J.	Marty	Piper	Solon
Cohen	Hughes	Merriam	Pogemiller	Spear
Dahl	Johnson, D.J.	Metzen	Price	Waldorf
Dicklich	Kelly	Moe, R.D.	Ranum	
Finn	Kroening	Mondale	Reichgott	
Flynn	Lessard	Novak	Riveness	

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

Mr. Chmielewski moved that S.F. No. 2107 be laid on the table. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 7:00 p.m. The motion prevailed.

The hour of 7:00 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Ms. Berglin moved that the following members be excused for a Conference Committee on H.F. No. 2800 at 4:45 p.m.:

Messrs. Benson, D.D.; Hottinger; Knaak; Mses. Piper and Berglin. The motion prevailed.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 1910: Ms. Reichgott, Messrs. Pogemiller and Belanger.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D., for Mr. Merriam, moved that H.F. No. 2749 be withdrawn from the Committee on Finance and re-referred to the Committee on Rules and Administration for comparison with S.F. No. 2503. The motion prevailed.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time and referred to the committee indicated.

Ms. Johnston introduced—

S.F. No. 2800: A bill for an act relating to health insurance; adopting a comprehensive insurance plan; establishing a commission granting rulemaking authority; establishing rights and duties; providing penalties; amending Minnesota Statutes 1990, sections 60A.15, subdivision 1; 62C.01, subdivision 3; 256.936, subdivisions 1, 2, 3, 4, and by adding subdivisions; 270.06; 290.01, subdivision 19b; 297.04, subdivision 9; and 297.06, subdivision 3; Minnesota Statutes 1991 Supplement, sections 256.936, subdivision 5; 297.02, subdivision 1; and 297.03, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 16A; 62J; 256; 256B; and 295; repealing Minnesota Statutes 1990, sections 325D.30; 325D.31; 325D.32, subdivisions 1 to 9, and 11; 325D.33; 325D.34; 325D.35; 325D.36; 325D.37; 325D.38; 325D.39; 325D.40; 325D.415; and 325D.42; Minnesota Statutes 1991 Supplement, sections 325D.32, subdivision 10; and 325D.405.

Referred to the Committee on Health and Human Services.

MOTIONS AND RESOLUTIONS - CONTINUED

CALL OF THE SENATE

Mr. Gustafson imposed a call of the Senate for the balance of the proceedings on S.F. No. 2107. The Sergeant at Arms was instructed to bring in the absent members.

SPECIAL ORDER

Mr. Chmielewski moved that S.F. No. 2107 be taken from the table. The motion prevailed.

S.F. No. 2107: A bill for an act relating to workers' compensation; providing for comprehensive reform; regulating benefits; providing for medical cost control; requiring improved safety measures; regulating attorneys; providing for more efficient administrative procedures; eliminating the second injury fund; regulating insurance; reforming the assigned risk plan; regulating fraud; imposing penalties; amending Minnesota Statutes 1990, sections 79.251, by adding subdivisions; 79.252, subdivisions 1 and 3; 176.011, subdivisions 3, 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, subdivision 6; 176.111, subdivision 18; 176.129, subdivision 10; 176.130, subdivisions 8 and 9; 176.135, subdivisions 1, 5, 6, and 7; 176.136, subdivisions 1, 2, and by adding subdivisions; 176.138; 176.139, subdivision 2; 176.155, subdivision 1; 176.181, subdivision 3, and by adding a subdivision; 176.182; 176.183; 176.185, subdivision 5a; 176.194, subdivisions 4 and 5; 176.221, subdivisions 3 and 3a; 176.231, subdivision 10; 176.261; 176.421, subdivision 1; 176.461; 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; 609.52, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 79; and 176; repealing Minnesota Statutes 1990, sections 176.131; 176.135, subdivision 3; and 176.136, subdivision 5.

The question recurred on the Chmielewski amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Mr. Benson, D.D. moved to amend the Hottinger amendment to S.F. No. 2107, adopted by the Senate April 14, 1992, as follows:

Page 72, line 10, after "*adopt*" insert "*emergency and permanent*"

Page 74, line 31, after the period, insert "*The authority to adopt emergency rules granted under section 21 is effective the day following final enactment and expires January 1, 1994.*"

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

Mr. Hottinger moved to amend the Hottinger amendment to S.F. No. 2107, adopted by the Senate April 14, 1992, as follows:

Page 32, line 33, delete "*memberships*" and insert "*the number of employees of its business members and in its affiliated labor organizations in Minnesota*"

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

Mr. Riveness moved to amend the first Hottinger amendment to S.F. No. 2107, adopted by the Senate April 14, 1992, as follows:

Page 65, line 32, delete everything after "*plan*" and insert a semicolon

Page 65, delete lines 33 to 36 and insert:

"*(9) provides an employee the right to change to a health care provider outside the managed care plan at least once;*"

Page 66, delete line 1

Page 66, line 2, delete "*(9)*" and insert "*(10)*"

Page 66, line 5, delete "*(10)*" and insert "*(11)*"

Page 66, line 12, delete "*(11)*" and insert "*(12)*"

Page 66, line 14, delete "*(12)*" and insert "*(13)*"

Page 66, after line 16, insert:

"*If an employee receives care from a health care provider outside the managed care plan under clause (8) or (9) that health care provider must: comply with the quality and treatment standards prescribed by the commissioner; provide a program for early return to work; provide timely, accurate reports to the commissioner of necessary information regarding medical and health care, service, cost, and utilization to enable the commissioner to determine the cost effectiveness of treatment. Once outside the plan, an employee's request to change health care provider is governed by section 176.135, subdivision 2.*"

The question was taken on the adoption of the Riveness amendment to the first Hottinger amendment.

The roll was called, and there were yeas 32 and nays 34, as follows:

Those who voted in the affirmative were:

Berglin	Flynn	Luther	Pappas	Sams
Bertram	Frank	Marty	Piper	Samuelson
Cohen	Frederickson, D.J.	Merriam	Pogemiller	Solon
Dahl	Johnson, D.J.	Metzen	Price	Spear
Davis	Johnson, J.B.	Moe, R.D.	Ranum	
Dicklich	Kroening	Mondale	Reichgott	
Finn	Lessard	Novak	Riveness	

Those who voted in the negative were:

Adkins	Brataas	Hottinger	Larson	Renneke
Beckman	Chmielewski	Hughes	McGowan	Stumpf
Belanger	Day	Johnson, D.E.	Mehrkens	Terwilliger
Benson, D.D.	DeCramer	Johnston	Morse	Traub
Benson, J.E.	Frederickson, D.R.	Knaak	Neuville	Vickerman
Berg	Gustafson	Laidig	Olson	Waldorf
Bernhagen	Halberg	Langseth	Pariseau	

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

Mr. Finn moved to amend the first Hottinger amendment to S.F. No. 2107, adopted by the Senate April 14, 1992, as follows:

Page 7, delete lines 34 to 36

Page 8, delete lines 1 to 10

Page 8, delete section 6

Renumber the sections of article 1 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the Finn amendment to the first Hottinger amendment.

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

Those who voted in the affirmative were:

Berglin	Flynn	Kelly	Moe, R.D.	Ranum
Chmielewski	Frank	Kroening	Mondale	Reichgott
Cohen	Frederickson, D.J.	Lessard	Novak	Riveness
Dahl	Halberg	Luther	Pappas	Samuelson
Davis	Hughes	Marty	Piper	Solon
Dicklich	Johnson, D.J.	Merriam	Pogemiller	Spear
Finn	Johnson, J.B.	Metzen	Price	Waldorf

Those who voted in the negative were:

Adkins	Bertram	Johnston	Morse	Terwilliger
Beckman	Brataas	Knaak	Neuville	Traub
Belanger	Day	Laidig	Olson	Vickerman
Benson, D.D.	Frederickson, D.R.	Langseth	Pariseau	
Benson, J.E.	Gustafson	Larson	Renneke	
Berg	Hottinger	McGowan	Sams	
Bernhagen	Johnson, D.E.	Mehrkens	Stumpf	

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

Mr. Finn then moved to amend the first Hottinger amendment to S.F. No. 2107 as follows:

Page 7, line 8, delete "*225*" and insert "*260*"

Page 10, line 13, delete "*225-week*" and insert "*260-week*"

The question was taken on the adoption of the Finn amendment to the first Hottinger amendment.

The roll was called, and there were yeas 26 and nays 39, as follows:

Those who voted in the affirmative were:

Berglin	Frank	Marty	Piper	Spear
Cohen	Hughes	Merriam	Pogemiller	Waldorf
Dahl	Johnson, D.J.	Metzen	Price	
Dicklich	Johnson, J.B.	Mondale	Ranum	
Finn	Kroening	Novak	Reichgott	
Flynn	Luther	Pappas	Samuelson	

Those who voted in the negative were:

Adkins	Brataas	Johnson, D.E.	McGowan	Riveness
Beckman	Davis	Johnston	Mehrkens	Sams
Belanger	Day	Kelly	Moe, R.D.	Solon
Benson, D.D.	Frederickson, D.J.	Knaak	Morse	Stumpf
Benson, J.E.	Frederickson, D.R.	Laidig	Neuville	Terwilliger
Berg	Gustafson	Langseth	Olson	Traub
Bernhagen	Halberg	Larson	Pariseau	Vickerman
Bertram	Hottinger	Lessard	Renneke	

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

Mr. Frank moved to amend the first Hottinger amendment to S.F. No. 2107, adopted by the Senate April 14, 1992, as follows:

Page 85, line 14, delete "*may*" and insert "*shall*"

The question was taken on the adoption of the Frank amendment to the first Hottinger amendment.

The roll was called, and there were yeas 30 and nays 34, as follows:

Those who voted in the affirmative were:

Berglin	Finn	Kroening	Novak	Reichgott
Cohen	Flynn	Luther	Pappas	Riveness
Dahl	Frank	Marty	Piper	Samuelson
Davis	Frederickson, D.J.	Metzen	Pogemiller	Solon
DeCramer	Johnson, D.J.	Moe, R.D.	Price	Spear
Dicklich	Johnson, J.B.	Mondale	Ranum	Waldorf

Those who voted in the negative were:

Adkins	Bertram	Johnson, D.E.	McGowan	Renneke
Beckman	Brataas	Johnston	Mehrkens	Sams
Belanger	Chmielewski	Knaak	Merriam	Stumpf
Benson, D.D.	Day	Laidig	Morse	Terwilliger
Benson, J.E.	Frederickson, D.R.	Langseth	Neuville	Traub
Berg	Gustafson	Larson	Olson	Vickerman
Bernhagen	Hottinger	Lessard	Pariseau	

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

RECONSIDERATION

Having voted on the prevailing side, Mr. Waldorf moved that the vote whereby the Riveness amendment to the first Hottinger amendment to S.F. No. 2107 was not adopted on April 14, 1992, be now reconsidered. The motion did not prevail.

Ms. Traub moved to amend the first Finn amendment to the first Hottinger amendment to S.F. No. 2107, adopted by the Senate April 14, 1992, as follows:

Page 1, delete lines 3 to 8 and insert:

"Page 8, line 9, delete "*60*" and insert "*50*""

The question was taken on the adoption of the Traub amendment to the first Finn amendment to the first Hottinger amendment.

The roll was called, and there were yeas 34 and nays 33, as follows:

Those who voted in the affirmative were:

Adkins	Bertram	Hottinger	McGowan	Renneke
Beckman	Brataas	Johnson, D.E.	Mehrkens	Sams
Belanger	Dahl	Johnston	Merriam	Stumpf
Benson, D.D.	Day	Knaak	Morse	Terwilliger
Benson, J.E.	DeCramer	Laidig	Neuville	Traub
Berg	Frederickson, D.R.	Langseth	Olson	Vickerman
Bernhagen	Gustafson	Larson	Pariseau	

Those who voted in the negative were:

Berglin	Frank	Kroening	Novak	Riveness
Chmielewski	Frederickson, D.J.	Lessard	Pappas	Samuelson
Cohen	Halberg	Luther	Piper	Solon
Davis	Hughes	Marty	Pogemiller	Spear
Dicklich	Johnson, D.J.	Metzen	Price	Waldorf
Finn	Johnson, J.B.	Moe, R.D.	Ranum	
Flynn	Kelly	Mondale	Reichgott	

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

RECONSIDERATION

Having voted on the prevailing side, Mr. DeCramer moved that the vote whereby the Traub amendment to the first Finn amendment to the first Hottinger amendment to S.F. No. 2107 was adopted on April 14, 1992, be now reconsidered.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 35 and nays 32, as follows:

Those who voted in the affirmative were:

Berglin	Finn	Kelly	Moe, R.D.	Ranum
Chmielewski	Flynn	Kroening	Mondale	Reichgott
Cohen	Frank	Lessard	Novak	Riveness
Dahl	Frederickson, D.J.	Luther	Pappas	Samuelson
Davis	Hughes	Marty	Piper	Solon
DeCramer	Johnson, D.J.	Merriam	Pogemiller	Spear
Dicklich	Johnson, J.B.	Metzen	Price	Waldorf

Those who voted in the negative were:

Adkins	Bertram	Johnson, D.E.	Mehrkens	Stumpf
Beckman	Brataas	Johnston	Morse	Terwilliger
Belanger	Day	Knaak	Neuville	Traub
Benson, D.D.	Frederickson, D.R.	Laidig	Olson	Vickerman
Benson, J.E.	Gustafson	Langseth	Pariseau	
Berg	Halberg	Larson	Renneke	
Bernhagen	Hottinger	McGowan	Sams	

The motion prevailed. So the vote was reconsidered.

The question recurred on the adoption of the Traub amendment to the Finn amendment.

The roll was called, and there were yeas 31 and nays 36, as follows:

Those who voted in the affirmative were:

Adkins	Bertram	Johnston	Morse	Terwilliger
Beckman	Brataas	Knaak	Neuville	Traub
Belanger	Day	Laidig	Olson	Vickerman
Benson, D.D.	Frederickson, D.R.	Langseth	Pariseau	
Benson, J.E.	Gustafson	Larson	Renneke	
Berg	Hottinger	McGowan	Sams	
Bernhagen	Johnson, D.E.	Mehrkens	Stumpf	

Those who voted in the negative were:

Berglin	Flynn	Kroening	Novak	Samuelson
Chmielewski	Frank	Lessard	Pappas	Solon
Cohen	Frederickson, D.J.	Luther	Piper	Spear
Dahl	Halberg	Marty	Pogemiller	Waldorf
Davis	Hughes	Merriam	Price	
DeCramer	Johnson, D.J.	Metzen	Ranum	
Dicklich	Johnson, J.B.	Moe, R.D.	Reichgott	
Finn	Kelly	Mondale	Riveness	

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

S.F. No. 2107 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 60 and nays 6, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Hottinger	McGowan	Ranum
Beckman	Davis	Hughes	Mehrkens	Reichgott
Belanger	Day	Johnson, D.E.	Merriam	Renneke
Benson, D.D.	DeCramer	Johnson, D.J.	Metzen	Riveness
Benson, J.E.	Dicklich	Johnson, J.B.	Moe, R.D.	Sams
Berg	Finn	Johnston	Mondale	Samuelson
Berglin	Flynn	Kelly	Morse	Solon
Bernhagen	Frank	Laidig	Neuville	Spear
Bertram	Frederickson, D.J.	Langseth	Novak	Stumpf
Brataas	Frederickson, D.R.	Larson	Piper	Terwilliger
Chmielewski	Gustafson	Lessard	Pogemiller	Traub
Cohen	Halberg	Luther	Price	Vickerman

Those who voted in the negative were:

Knaak	Marty	Olson	Pariseau	Waldorf
Kroening				

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

MOTIONS AND RESOLUTIONS - CONTINUED

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

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2503: 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 members; amending Minnesota Statutes 1990, sections 237.51, subdivision 3; and 237.52, subdivision 5.

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1986: A bill for an act relating to disabled persons; reducing fee for Minnesota identification card for physically disabled person; amending Minnesota Statutes 1991 Supplement, section 171.07, subdivision 3.

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1893: A bill for an act relating to local government; authorizing placement of community identification signs; amending fees for highway advertising devices; restricting the commissioner's authority over business zoning; amending Minnesota Statutes 1990, sections 173.08, subdivision 1; and 173.16, subdivision 5; Minnesota Statutes 1991 Supplement, section 173.13, subdivision 4.

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

SECOND READING OF SENATE BILLS

S.F. Nos. 2503, 1986 and 1893 were read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2121, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2121 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 14, 1992

CONFERENCE COMMITTEE REPORT ON 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.

April 13, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 2121, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 2121 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

GENERAL EDUCATION

Section 1. Minnesota Statutes 1991 Supplement, section 121.904, subdivision 4a, is amended to read:

Subd. 4a. [LEVY RECOGNITION.] (a) "School district tax settlement revenue" means the current, delinquent, and manufactured home property tax receipts collected by the county and distributed to the school district, including distributions made pursuant to section 279.37, subdivision 7, and excluding the amount levied pursuant to sections 124.2721, subdivision 3; 124.575, subdivision 3; and 275.125, subdivision 9a; and Laws 1976, chapter 20, section 4.

(b) In June of each year, the school district shall recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the *May*, June, and July school district tax settlement revenue received in that calendar year; or

(2) the sum of the state aids and credits enumerated in section 124.155, subdivision 2, which are for the fiscal year payable in that fiscal year plus ~~37.0~~ *an amount equal to the levy recognized as revenue in June of the prior year plus 50.0* percent of the amount of the levy certified in the prior calendar year according to section 124A.03, subdivision 2, plus or minus auditor's adjustments, not including levy portions that are assumed by the state; or

(3) ~~37.0~~ *50.0* percent of the amount of the levy certified in the prior calendar year, plus or minus auditor's adjustments, not including levy portions that are assumed by the state, which remains after subtracting, by fund, the amounts levied for the following purposes:

(i) reducing or eliminating projected deficits in the reserved fund balance accounts for unemployment insurance and bus purchases;

(ii) statutory operating debt pursuant to section 275.125, subdivision 9a, and Laws 1976, chapter 20, section 4; and

(iii) retirement and severance pay pursuant to sections 124.2725, subdivision 15, 124.4945, and 275.125, subdivisions 4 and 6a, and Laws 1975, chapter 261, section 4, *article 6, section 13*; and

(iv) amounts levied for bonds issued and interest thereon, amounts levied for debt service loans and capital loans, amounts levied for down payments under section 124.82, subdivision 3, and amounts levied pursuant to section

275.125, subdivision 14a.

(c) In July of each year, the school district shall recognize as revenue that portion of the school district tax settlement revenue received in that calendar year and not recognized as revenue for the previous fiscal year pursuant to clause (b).

(d) All other school district tax settlement revenue shall be recognized as revenue in the fiscal year of the settlement. Portions of the school district levy assumed by the state, including prior year adjustments and the amount to fund the school portion of the reimbursement made pursuant to section 273.425, shall be recognized as revenue in the fiscal year beginning in the calendar year for which the levy is payable.

Sec. 2. Minnesota Statutes 1991 Supplement, section 121.904, subdivision 4e, is amended to read:

Subd. 4e. [COOPERATION LEVY RECOGNITION.] (a) A cooperative district is a district or cooperative that receives revenue according to section 124.2721 or 124.575.

(b) In June of each year, the cooperative district shall recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the sum of the state aids and credits enumerated in section 124.155, subdivision 2, that are for the fiscal year payable in that fiscal year *plus an amount equal to the levy recognized as revenue in June of the prior year*; or

(2) ~~37.0~~ *50.0* percent of the difference between

(i) the sum of the amount of levies certified in the prior year according to sections 124.2721, subdivision 3, and 124.575, subdivision 3; and

(ii) the amount of ~~transition~~ *homestead and agricultural credit* aid paid to the cooperative unit according to section 273.1392 for the fiscal year to which the levy is attributable.

Sec. 3. Minnesota Statutes 1990, section 122.531, subdivision 2, is amended to read:

Subd. 2. [VOLUNTARY DISSOLUTION: REFERENDUM ~~LEVIES~~ *REVENUE*.] As of the effective date of the voluntary dissolution of a district and its attachment to one or more existing districts pursuant to section 122.22, the authorization for all referendum ~~levies~~ *revenues* previously approved by the voters of all affected districts for those districts pursuant to section 124A.03, subdivision 2, or its predecessor provision, is canceled. However, if all of the territory of any independent district is included in the enlarged district, and if the adjusted net tax capacity of taxable property in that territory comprises 90 percent or more of the adjusted net tax capacity of all taxable property in an enlarged district, ~~the board of~~ the enlarged ~~district may levy the increased amount previously approved by a referendum in the preexisting independent district upon all taxable property in the enlarged district~~ *district's referendum revenue shall be determined as follows:*

If the referendum revenue previously approved in the preexisting district is authorized as a tax rate, the referendum revenue in the enlarged district is the tax rate times the net tax capacity of the enlarged district. If referendum revenue previously approved in the preexisting district is authorized as revenue per actual pupil unit, the referendum revenue shall be the revenue per actual pupil unit times the number of actual pupil units in the enlarged

district. If referendum revenue in the preexisting district is authorized both as a tax rate and as revenue per actual pupil unit, the referendum revenue in the enlarged district shall be the sum of both plus any referendum revenue in the preexisting district authorized as a dollar amount. Any new referendum ~~levy~~ *revenue* shall be ~~certified~~ *authorized* only after approval is granted by the voters of the entire enlarged district in an election pursuant to section 124A.03, subdivision 2.

Sec. 4. Minnesota Statutes 1990, section 122.531, subdivision 2a, is amended to read:

Subd. 2a. [CONSOLIDATION; MAXIMUM AUTHORIZED REFERENDUM ~~LEVIES~~ *REVENUES.*] As of the effective date of a consolidation pursuant to section 122.23, if the plan for consolidation so provides, or if the plan for consolidation makes no provision concerning referendum ~~levies~~ *revenues*, the authorization for all referendum ~~levies~~ *revenues* previously approved by the voters of all affected districts for those districts pursuant to section 124A.03, subdivision 2, or its predecessor provision shall be recalculated as provided in this subdivision. The referendum ~~levy~~ *revenue* authorization for the newly created district shall be the ~~local~~ *net* tax *capacity* rate that would raise an amount equal to the combined dollar amount of the referendum ~~levies~~ *revenues* authorized by each of the component districts for the year preceding the consolidation, unless the referendum ~~levy~~ *revenue* authorization of the newly created district is subsequently modified pursuant to section 124A.03, subdivision 2. If the referendum ~~levy~~ *revenue* authorizations for each of the component districts were limited to a specified number of years, the referendum ~~levy~~ *revenue* authorization for the newly created district shall continue for a period of time equal to the longest period authorized for any component district. If the referendum ~~levy~~ *revenue* authorization of any component district is not limited to a specified number of years, the referendum ~~levy~~ *revenue* authorization for the newly created district shall not be limited to a specified number of years.

Sec. 5. Minnesota Statutes 1990, section 122.531, subdivision 2b, is amended to read:

Subd. 2b. [ALTERNATIVE METHOD.] As of the effective date of a consolidation pursuant to section 122.23, if the plan for consolidation so provides, the authorization for all referendum ~~levies~~ *revenues* previously approved by the voters of all affected districts for those districts pursuant to section 124A.03, subdivision 2, or its predecessor provision shall be combined as provided in this subdivision. The referendum ~~levy~~ *revenue* authorization for the newly created district may be any ~~local tax rate~~ *allowance per actual pupil unit* provided in the plan for consolidation, but may not exceed the ~~local tax rate~~ *allowance per actual pupil unit* that would raise an amount equal to the combined dollar amount of the referendum ~~levies~~ *revenues* authorized by each of the component districts for the year preceding the consolidation. If the referendum ~~levy~~ *revenue* authorizations for each of the component districts were limited to a specified number of years, the referendum ~~levy~~ *revenue* authorization for the newly created district shall continue for a period of time equal to the longest period authorized for any component district. If the referendum ~~levy~~ *revenue* authorization of any component district is not limited to a specified number of years, the referendum ~~levy~~ *revenue* authorization for the newly created district shall not be limited to a specified number of years. The referendum ~~levy~~ *revenue* authorization for the newly created district may be modified pursuant to section 124A.03, subdivision 2.

Sec. 6. Minnesota Statutes 1990, section 124.155, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT OF ADJUSTMENT.] Each year state aids and credits enumerated in subdivision 2 payable to any school district, education district, or secondary vocational cooperative for that fiscal year shall be adjusted, in the order listed, by an amount equal to (1) the amount the district, education district, or secondary vocational cooperative recognized as revenue for the prior fiscal year pursuant to section 121.904, subdivision 4a, clause (b), plus revenue recognized according to section 121.904, subdivision 4e, minus (2) the amount the district recognizes as revenue for the current fiscal year pursuant to section 121.904, subdivision 4a, clause (b), plus revenue recognized according to section 121.904, subdivision 4e. For the purposes of making the aid adjustment under this subdivision, the amount the district recognizes as revenue for either the prior fiscal year or the current fiscal year pursuant to section 121.904, subdivision 4a, clause (b), plus revenue recognized according to section 121.904, subdivision 4e, shall not include any amount levied pursuant to ~~section~~ *sections* 124A.03, subdivision 2, *and 275.125, subdivisions 5, 6e, 6i, 6k, and 24; article 6, sections 29 and 36; article 12, section 25; and section 20 of this article.* Payment from the permanent school fund shall not be adjusted pursuant to this section. The school district shall be notified of the amount of the adjustment made to each payment pursuant to this section.

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.

Sec. 8. Minnesota Statutes 1991 Supplement, section 124.195, subdivision 3a, is amended to read:

Subd. 3a. [APPEAL.] The commissioner *in consultation with the commissioner of finance* may revise the payment dates and percentages in subdivision 3 for a district if it is determined that there is an emergency or there are serious cash flow problems in the district that cannot be resolved by issuing warrants or other forms of indebtedness *or if the commissioner determines that excessive short-term borrowing costs will be incurred by a district, because of the increase in the levy recognition percentage from 37 percent to 50 percent according to sections 1 and 2, and the district can document substantial harm to instructional programs due to these costs.* The commissioner shall establish a process and criteria for school districts to appeal the payment dates and percentages established in subdivision 3.

Sec. 9. [124.197] [SHORT-TERM BORROWING COST REIMBURSEMENT AID.]

Subdivision 1. [FROM 1993 AND THEREAFTER.] *Beginning in fiscal year 1993, the commissioner of education shall pay aid to eligible school districts to reimburse them for costs of short-term borrowing.*

Subd. 2. [DOCUMENTATION.] *Short-term borrowing cost reimbursement aid shall only be paid to a school district providing documentation to the commissioner of education demonstrating that it engaged in short-term borrowing during the fiscal year for which it is requesting reimbursement. The commissioner shall determine and define specific data that districts must provide and establish the due date for submission. Any district not submitting required data by the due date will be excluded from the aid calculations for that year.*

Subd. 3. [DEFINITION.] *For purposes of this section, "cash need" equals the difference between estimated cumulative expenditures and estimated cumulative receipts calculated in a manner consistent with sections 124.155 and 124.195, less the amount of cash balance determined according to section 124.196.*

Subd. 4. [COMPUTATION.] *The maximum short-term borrowing cost reimbursement aid for a fiscal year shall be the smaller of:*

(1) documented short-term borrowing costs; or

(2) the sum of the products of:

(i) a semimonthly short-term borrowing interest rate estimated by the commissioner of finance, times

(ii) the positive semimonthly differences between:

(a) the cash need estimated in a manner consistent with sections 124.155 and 124.195, assuming the revenue recognition percent specified in section 121.904, subdivisions 4a and 4e, is 50 percent; and the schedules and criteria for aid and credit payments in section 124.195; and

(b) the cash need estimated in a manner consistent with sections 124.155 and 124.195, assuming the revenue recognition percent specified in section 121.904, subdivision 4a, is 37 percent; the schedules and criteria for aid and credit payments in section 124.195. The cash need calculations required for determining the short-term borrowing cost reimbursement aid are to be based on the data used in accordance with the state aid payment calculations required by section 124.195 for the May 30 payment period. The commissioner of education may adjust the May 30 data for updated information as is appropriate.

Subd. 5. [PAYMENT.] *The short-term borrowing cost reimbursement aid shall be paid in full to eligible districts on or before June 30 of each fiscal year.*

Subd. 6. [APPROPRIATION.] *There is annually appropriated to the commissioner of education the amount needed to pay short-term borrowing cost reimbursement aid as established in this section.*

Sec. 10. [124A.029] [REFERENDUM AND DESEGREGATION REVENUE CONVERSION.]

Subdivision 1. [REVENUE CONVERSION.] *Except as provided under subdivision 4, the referendum authority under section 124A.03 and the levy authority under section 275.125, subdivisions 6e and 6i, of a school district must be converted by the department according to this section.*

Subd. 2. [ADJUSTMENT RATIO.] *For assessment years 1991, 1992, and 1993, the commissioner of revenue must determine for each school district a ratio equal to:*

(1) the net tax capacity for taxable property in the district determined by applying the property tax class rates for assessment year 1990 to the market values of taxable property for each assessment year, divided by

(2) the net tax capacity of the district for the assessment year.

Subd. 3. [RATE ADJUSTMENT.] *The department shall adjust a school district's referendum authority for a referendum approved before July 1, 1991, excluding authority based on a dollar amount, and the levy authority under section 275.125, subdivisions 6e and 6i, by multiplying the sum of the rates authorized by a district under section 124A.03 and the rates in section 275.125, subdivisions 6e and 6i, by the ratio determined under subdivision 2 for the assessment year for which the revenue is attributable. The adjusted rates for assessment year 1993 shall apply to later years for which the revenue is authorized.*

Subd. 4. [PER PUPIL REVENUE OPTION.] *A district may, by school board resolution, request that the department convert the levy authority under section 275.125, subdivisions 6e and 6i, or its current referendum revenue, excluding authority based on a dollar amount, authorized before July 1, 1991, to an allowance per pupil. The district must adopt a resolution and submit a copy of the resolution to the department by July 1, 1992. The department shall convert a district's revenue for fiscal year 1994 and later years as follows: the revenue allowance equals the amount determined by dividing the district's maximum revenue under section 124A.03 or 275.125, subdivisions 6e and 6i, for fiscal year 1993 by the district's 1992-1993 actual pupil units. A district's maximum revenue for all later years for which the revenue is authorized equals the revenue allowance times the district's actual pupil units for that year. If a district has referendum authority under*

section 124A.03 and levy authority under section 275.125, subdivisions 6e and 6i, and the district requests that each be converted, the department shall convert separate revenue allowances for each. However, if a district's referendum revenue is limited to a dollar amount, the maximum revenue under section 124A.03 must not exceed that dollar amount. If the referendum authority of a district is converted according to this subdivision, the authority expires July 1, 1997, unless it is scheduled to expire sooner.

Sec. 11. Minnesota Statutes 1991 Supplement, section 124A.03, subdivision 1c, is amended to read:

Subd. 1c. [REFERENDUM ALLOWANCE LIMIT.] Notwithstanding subdivision 1b, a district's referendum allowance must not exceed the greater of:

(1) the district's referendum allowance for fiscal year 1992; ~~or~~

(2) *the district's referendum allowance for fiscal year 1993;*

(3) ~~35~~ *30* percent of the formula allowance for ~~that~~ *the* fiscal year *for which it is attributable; or*

(4) for a district that held a successful referendum levy election in calendar year 1991, 35 percent of the formula allowance for the fiscal year to which it is attributable.

Sec. 12. Minnesota Statutes 1991 Supplement, section 124A.03, subdivision 2, is amended to read:

Subd. 2. [REFERENDUM REVENUE.] (a) The revenue authorized by section 124A.22, subdivision 1, may be increased in the amount approved by the voters of the district at a referendum called for the purpose. The referendum may be called by the school board or shall be called by the school board upon written petition of qualified voters of the district. *The referendum shall be conducted during the calendar year before the increased levy authority, if approved, first becomes payable. Only one election to approve an increase may be held in a calendar year.* Unless the referendum is conducted by mail under paragraph (g), the referendum must be held on the first Tuesday after the first Monday in November. The ballot shall state the maximum amount of the increased revenue per actual pupil unit, the estimated ~~net tax capacity~~ *referendum tax* rate *as a percentage of market value* in the first year it is to be levied, and that the revenue shall be used to finance school operations. The ballot may state that existing *referendum* levy authority is expiring. In this case, the ballot may also compare the proposed levy authority to the existing expiring levy authority, and express the proposed increase as the amount, if any, over the expiring *referendum levy* authority. The ballot shall designate the specific number of years, not to exceed five, for which the referendum authorization shall apply. The ballot may contain a textual portion with the information required in this subdivision and a question stating substantially the following:

"Shall the increase in the revenue proposed by (petition to) the board of . . . . . , School District No. . . . . , be approved?"

If approved, an amount equal to the approved revenue per actual pupil unit times the actual pupil units for the school year beginning in the year after the levy is certified shall be authorized for certification for the number of years approved, if applicable, or until revoked or reduced by the voters of the district at a subsequent referendum.

(b) The school board shall prepare and deliver by first class mail at least 15 days but no more than 30 days prior to the day of the referendum to each taxpayer at the address listed on the school district's current year's assessment roll, a notice of the referendum and the proposed revenue increase. For the purpose of giving mailed notice under this subdivision, owners shall be those shown to be owners on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer. Every property owner whose name does not appear on the records of the county auditor or the county treasurer shall be deemed to have waived this mailed notice unless the owner has requested in writing that the county auditor or county treasurer, as the case may be, include the name on the records for this purpose. The notice must project the anticipated amount of tax increase in annual dollars and annual percentage for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the school district.

The notice for a referendum may state that an existing referendum levy is expiring and project the anticipated amount of increase over the existing referendum levy, if any, in annual dollars and annual percentage for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the school district.

The notice must include the following statement: "Passage of this referendum will result in an increase in your property taxes."

(c) A referendum on the question of revoking or reducing the increased revenue amount authorized pursuant to paragraph (a) may be called by the school board and shall be called by the school board upon the written petition of qualified voters of the district. A referendum to revoke or reduce the levy amount must be based upon the dollar amount, local tax rate, or amount per actual pupil unit, that was stated to be the basis for the initial authorization. Revenue approved by the voters of the district pursuant to paragraph (a) must be received at least once before it is subject to a referendum on its revocation or reduction for subsequent years. Only one revocation or reduction referendum may be held to revoke or reduce referendum revenue for any specific year and for years thereafter.

(d) A petition authorized by paragraph (a) or (c) shall be effective if signed by a number of qualified voters in excess of 15 percent of the registered voters of the school district on the day the petition is filed with the school board. A referendum invoked by petition shall be held on the date specified in paragraph (a).

(e) The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this subdivision.

(f) At least 15 days prior to the day of the referendum, the district shall submit a copy of the notice required under paragraph (b) to the commissioner of education. Within 15 days after the results of the referendum have been certified by the school board, or in the case of a recount, the certification of the results of the recount by the canvassing board, the district shall notify the commissioner of education of the results of the referendum.

(g) Any referendum under this section held on a day other than the first Tuesday after the first Monday in November must be conducted by mail in accordance with section 204B.46. Notwithstanding paragraph (b) to the contrary, in the case of a referendum conducted by mail under this paragraph, the notice required by paragraph (b) shall be prepared and delivered by first class

mail at least 20 days before the referendum.

Sec. 13. Minnesota Statutes 1991 Supplement, section 124A.03, subdivision 2a, is amended to read:

Subd. 2a. [SCHOOL REFERENDUM LEVY; MARKET VALUE.] Notwithstanding the provisions of subdivision 2, a school referendum levy approved after November 1, 1992, for taxes payable in 1993 and thereafter, shall be levied against the market value of all taxable property. Any referendum levy amount subject to the requirements of this subdivision shall be certified separately to the county auditor under section 275.07.

~~The ballot shall state the maximum amount of the increased levy as a percentage of market value, the amount that will be raised by that new school referendum tax rate in the first year it is to be levied, and that the new school referendum tax rate shall be used to finance school operations.~~

~~If approved, the amount provided by the new school referendum tax rate applied to the market value for the year preceding the year the levy is certified, shall be authorized for certification for the number of years approved, if applicable, or until revoked or reduced by the voters of the district at a subsequent referendum.~~

All other provisions of subdivision 2 that do not conflict with this subdivision shall apply to referendum levies under this subdivision.

Sec. 14. Minnesota Statutes 1991 Supplement, section 124A.03, is amended by adding a subdivision to read:

Subd. 2b. [REFERENDUM DATE.] *In addition to the referenda allowed in subdivision 2, clause (g), the commissioner may authorize a referendum for a different day.*

(a) The commissioner may grant authority to a district to hold a referendum on a different day if the district is in statutory operating debt and has an approved plan or has received an extension from the department to file a plan to eliminate the statutory operating debt.

(b) The commissioner must approve, deny, or modify each district's request for a referendum levy on a different day within 60 days of receiving the request from a district.

Sec. 15. 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~~ *$969,800,000* 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.

Sec. 16. Minnesota Statutes 1991 Supplement, section 124A.26, subdivision 1, is amended to read:

Subdivision 1. [REVENUE REDUCTION.] A district's general education revenue for a school year shall be reduced if the estimated net unappropriated operating fund balance as of June 30 in the prior school year exceeds $600 times the fund balance pupil units in the prior year. For purposes of this subdivision ~~only~~ *and section 124.243, subdivision 2*, fund balance pupil units means the number of resident pupil units in average daily membership, including shared time pupils, according to section 124A.02, subdivision 20, plus

(1) pupils attending the district for which general education aid adjustments are made according to section 124A.036, subdivision 5; minus

(2) the sum of the resident pupils attending other districts for which general education aid adjustments are made according to section 124A.036, subdivision 5, plus pupils for whom payment is made according to section 126.22, subdivision 8, or 126.23. The amount of the reduction shall equal the lesser of:

(1) the amount of the excess, or

(2) $150 times the actual pupil units for the school year.

The final adjustment payments made under section 124.195, subdivision 6, must be adjusted to reflect actual net operating fund balances as of June 30 of the prior school year.

Sec. 17. Minnesota Statutes 1990, section 124A.26, is amended by adding a subdivision to read:

Subd. 1a. [ALTERNATIVE REDUCTION CALCULATION.] *For any district where the ratio of (1) the number of nonpublic students ages 5 to 18, according to the report required under section 120.102, to (2) the total number of residents in the district ages 5 to 18 as counted according to the annual fall school census is greater than 40 percent, the district's net unappropriated operating fund balance for that year for the purpose of calculating the fund balance reduction under this section is equal to the sum of the district's net unappropriated fund balance in the general, transportation, and food service funds.*

Sec. 18. Minnesota Statutes 1991 Supplement, section 124A.29, subdivision 1, is amended to read:

Subdivision 1. [STAFF DEVELOPMENT AND PARENTAL INVOLVEMENT 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 or~~ staff development programs ~~for~~, *including* outcome-based education, ~~according to~~ *under* section 126.70, subdivisions 1 and 2a. ~~Staff development revenue may be used only for staff time for peer review 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. *A district may use up to $1 of the $5 times the number of actual pupil units for promoting parental involvement in the PER process.*

Sec. 19. Minnesota Statutes 1991 Supplement, section 126.70, is amended to read:

126.70 [STAFF DEVELOPMENT PLAN.]

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, or~~ if it establishes ~~an outcome-based~~ *a* staff development advisory committee and adopts a staff development plan ~~on outcome-based education according to~~ *under* 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~~ *that includes* 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.~~ *Districts must submit approved plans to the commissioner.*

Subd. 2. [CONTENTS OF THE PLAN.] The plan may include:

(1) procedures the district will use to analyze ~~outcome-based~~ education needs;

(2) ~~integration~~ *methods for integrating education needs* with in-service and curricular efforts already in progress;

(3) *education* goals ~~to be achieved~~ and the means to ~~be used~~ *achieve the goals*; and

(4) procedures for evaluating progress *toward meeting education needs and goals.*

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~~ *learning*;

(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~~ *goals* 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.

Sec. 20. [LOW FUND BALANCE LEVY.]

(a) For 1992 taxes payable in 1993, a district meeting the qualifications in paragraph (b) may levy an amount not to exceed $40 times the number

of actual pupil units in the district in fiscal year 1993.

(b) a district qualifies for a levy under this section if:

(1) its net unappropriated operating fund balance on June 30, 1991, divided by its actual pupil units for fiscal year 1993 is less than $85;

(2) its adjusted net tax capacity used to compute fiscal year 1993 general education revenue divided by its fiscal year 1993 actual pupil units is less than $2,100; and

(3) it does not have referendum levy authority under Minnesota Statutes, section 124A.03.

Sec. 21. [APPROPRIATION REDUCTIONS.]

For fiscal year 1993, appropriations to the department of education in Laws 1991, chapter 265, and appropriations for any property tax aid or credit paid to school districts from the state's general fund pursuant to Minnesota Statutes, chapter 273, shall be reduced by a combined total of $182,700,000 in a manner consistent with Minnesota Statutes, section 124.155, subdivision 2.

Sec. 22. [LEVY RECOGNITION DIFFERENCES.]

For each school district that levies under Minnesota Statutes, section 124A.03, the commissioner of education shall calculate the difference between:

(1) the amount of the levy, under Minnesota Statutes, section 124A.03, that is recognized as revenue for fiscal year 1993 according to section 1; and

(2) the amount of the levy, under Minnesota Statutes, section 124A.03, that would have been recognized as revenue for fiscal year 1993 had the percentage according to section 1 not been increased.

The commissioner shall reduce other aids due the district by the amount of the difference.

Sec. 23. [BORROWING AGAINST LEVIES.]

The limit for borrowing money upon negotiable tax anticipation certificates of indebtedness, according to Minnesota Statutes, section 124.73, subdivision 1, is increased from 50 to 75 percent for certificates or warrants issued before July 1, 1993.

Sec. 24. [EFFECTIVE DATES.]

Section 12 is effective retroactively to February 1, 1992, applies to any referenda conducted in 1992 and thereafter, and supersedes any enactment affecting school district referendum levies during the 1992 legislative session to the extent any enactment is to the contrary.

Sections 13 and 14 are effective the day following final enactment.

Section 16 is effective the day following final enactment and applies to 1991-1992 and later school years.

Section 17 is effective retroactively to July 1, 1990, and applies to 1990-1991 and later school years.

ARTICLE 2

TRANSPORTATION

Section 1. Minnesota Statutes 1990, section 123.39, subdivision 8d, is amended to read:

Subd. 8d. School districts may provide bus transportation along regular school bus routes when space is available for participants in early childhood family education programs *and learning readiness program* if these services do not result in an increase in the district's expenditures for transportation. The costs allocated to these services, as determined by generally accepted accounting principles, shall be considered part of the authorized cost for regular transportation for the purposes of section 124.225.

Sec. 2. Minnesota Statutes 1990, section 275.125, is amended by adding a subdivision to read:

Subd. 5i. [TRANSPORTATION LEVY FOR LATE ACTIVITY BUS.] *(a) A school district may levy an amount equal to the lesser of:*

(1) the actual cost of late transportation home from school, 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, for pupils involved in after school activities for the school year beginning in the year the levy is certified; or

(2) two percent of the district's regular transportation revenue for that school year according to section 124.225, subdivision 7d, paragraph (a).

(b) A district that levies under this section must provide late transportation home from school for students participating in any academic-related activities provided by the district if transportation is provided for students participating in athletic activities.

(c) A district may levy under this subdivision only if the district provided late transportation home from school during fiscal year 1991.

ARTICLE 3

SPECIAL PROGRAMS

Section 1. Minnesota Statutes 1990, section 120.17, subdivision 2, is amended to read:

Subd. 2. [METHOD OF SPECIAL INSTRUCTION.] *(a)* Special instruction and services for handicapped children must be based on the assessment and individual education plan. The instruction and services may be provided by one or more of the following methods:

~~(a)~~ *(1)* connection with attending regular elementary and secondary school classes;

~~(b)~~ *(2)* establishment of special classes;

~~(c)~~ *(3)* at the home or bedside of the child;

~~(d)~~ *(4)* in other districts;

~~(e)~~ *(5)* instruction and services by special education cooperative centers established under this section, or in another member district of the cooperative center to which the resident district of the handicapped child belongs;

~~(f)~~ *(6)* in a state residential school or a school department of a state

institution approved by the commissioner;

~~(g)~~ *(7)* in other states;

~~(h)~~ *(8)* by contracting with public, private or voluntary agencies;

~~(i)~~ *(9)* for children under age five and their families, programs and services established through collaborative efforts with other agencies;

~~(j)~~ *(10)* for children under age five and their families, programs in which handicapped children are served with nonhandicapped children; and

~~(k)~~ *(11)* any other method approved by the commissioner.

(b) Preference shall be given to providing special instruction and services to children under age three and their families in the residence of the child with the parent or primary caregiver, or both, present.

(c) The primary responsibility for the education of a handicapped child shall remain with the district of the child's residence regardless of which method of providing special instruction and services is used. The district of residence must inform the parents of the child about the methods of instruction that are available.

(d) Paragraphs (e) to (i) may be cited as the "blind persons' literacy rights and education act."

(e) The following definitions apply to paragraphs (f) to (i).

"Blind student" means an individual who is eligible for special educational services and who:

(1) has a visual acuity of 20/200 or less in the better eye with correcting lenses or has a limited field of vision such that the widest diameter subtends an angular distance of no greater than 20 degrees; or

(2) has a medically indicated expectation of visual deterioration.

"Braille" means the system of reading and writing through touch commonly known as standard English Braille.

"Individualized education plan" means a written statement developed for a student eligible for special education and services pursuant to this section and section 602(a)(20) of part A of the Individuals with Disabilities Education Act, 20 United States Code, section 1401(a).

(f) In developing an individualized education plan for each blind student the presumption must be that proficiency in Braille reading and writing is essential for the student to achieve satisfactory educational progress. The assessment required for each student must include a Braille skills inventory, including a statement of strengths and deficits. Braille instruction and use are not required by this paragraph if, in the course of developing the student's individualized education program, team members concur that the student's visual impairment does not affect reading and writing performance commensurate with ability. This paragraph does not require the exclusive use of Braille if other special education services are appropriate to the student's educational needs. The provision of other appropriate services does not preclude Braille use or instruction. Instruction in Braille reading and writing shall be available for each blind student for whom the multidisciplinary team has determined that reading and writing is appropriate.

(g) Instruction in Braille reading and writing must be sufficient to enable each blind student to communicate effectively and efficiently with the same

level of proficiency expected of the student's peers of comparable ability and grade level.

(h) The student's individualized education plan must specify:

(1) the results obtained from the assessment required under paragraph (f);

(2) how Braille will be implemented through integration with other classroom activities;

(3) the date on which Braille instruction will begin;

(4) the length of the period of instruction and the frequency and duration of each instructional session;

(5) the level of competency in Braille reading and writing to be achieved by the end of the period and the objective assessment measures to be used; and

(6) if a decision has been made under paragraph (f) that Braille instruction or use is not required for the student:

(i) a statement that the decision was reached after a review of pertinent literature describing the educational benefits of Braille instruction and use; and

(ii) a specification of the evidence used to determine that the student's ability to read and write effectively without Braille is not impaired.

(i) Instruction in Braille reading and writing is a service for the purpose of special education and services under section 120.17.

(j) Paragraphs (e) to (i) shall not be construed to supersede any rights of a parent or guardian of a child with a disability under federal or state law.

Sec. 2. Minnesota Statutes 1990, section 120.17, subdivision 3a, is amended to read:

Subd. 3a. [SCHOOL DISTRICT OBLIGATIONS.] Every district shall ensure that:

(1) all ~~handicapped children~~ *students with disabilities* are provided the special instruction and services which are appropriate to their needs. The student's needs and the special education instruction and services to be provided shall be agreed upon through the development of an individual education plan. The plan shall address the student's need to develop skills to live and work as independently as possible within the community. By grade 9 or age 14, the plan shall address the student's needs for transition from secondary services to post-secondary education and training, employment, ~~and~~ community *participation, recreation, and leisure and home* living. *The plan must include a statement of the needed transition services, including a statement of the interagency responsibilities or linkages or both before secondary services are concluded*;

(2) handicapped children under age five and their families are provided special instruction and services appropriate to the child's level of functioning and needs;

(3) handicapped children and their parents or guardians are guaranteed procedural safeguards and the right to participate in decisions involving identification, assessment and educational placement of handicapped

children;

(4) to the maximum extent appropriate, handicapped children, including those in public or private institutions or other care facilities, are educated with children who are not handicapped, and that special classes, separate schooling, or other removal of handicapped children from the regular educational environment occurs only when and to the extent that the nature or severity of the handicap is such that education in regular classes with the use of supplementary services cannot be achieved satisfactorily;

(5) in accordance with recognized professional standards, testing and evaluation materials, and procedures utilized for the purposes of classification and placement of handicapped children are selected and administered so as not to be racially or culturally discriminatory; and

(6) the rights of the child are protected when the parents or guardians are not known or not available, or the child is a ward of the state.

Sec. 3. Minnesota Statutes 1991 Supplement, section 120.17, subdivision 3b, is amended to read:

Subd. 3b. [PROCEDURES FOR DECISIONS.] Every district shall utilize at least the following procedures for decisions involving identification, assessment, and educational placement of handicapped children:

(a) Parents and guardians shall receive prior written notice of:

(1) any proposed formal educational assessment or proposed denial of a formal educational assessment of their child;

(2) a proposed placement of their child in, transfer from or to, or denial of placement in a special education program; or

(3) the proposed provision, addition, denial or removal of special education services for their child;

(b) The district shall not proceed with the initial formal assessment of a child, the initial placement of a child in a special education program, or the initial provision of special education services for a child without the prior written consent of the child's parent or guardian. The refusal of a parent or guardian to consent may be overridden by the decision in a hearing held pursuant to clause (e) at the district's initiative;

(c) Parents and guardians shall have an opportunity to meet with appropriate district staff in at least one conciliation conference if they object to any proposal of which they are notified pursuant to clause (a). The conciliation process shall not be used to deny or delay a parent or guardian's right to a due process hearing. If the parent or guardian refuses efforts by the district to conciliate the dispute with the school district, the requirement of an opportunity for conciliation shall be deemed to be satisfied;

(d) The commissioner shall establish a mediation process to assist parents, school districts, or other parties to resolve disputes arising out of the identification, assessment, or educational placement of handicapped children. The mediation process must be offered as an informal alternative to the due process hearing provided under clause (e), but must not be used to deny or postpone the opportunity of a parent or guardian to obtain a due process hearing.

(e) Parents, guardians, and the district shall have an opportunity to obtain an impartial due process hearing initiated and conducted by and in the

school district responsible for assuring that an appropriate program is provided in accordance with state board rules, if the parent or guardian continues to object to:

(1) a proposed formal educational assessment or proposed denial of a formal educational assessment of their child;

(2) the proposed placement of their child in, or transfer of their child to a special education program;

(3) the proposed denial of placement of their child in a special education program or the transfer of their child from a special education program;

(4) the proposed provision or addition of special education services for their child; or

(5) the proposed denial or removal of special education services for their child.

At least five calendar days before the hearing, the objecting party shall provide the other party with a brief written statement of the objection and the reasons for the objection.

The hearing shall take place before an impartial hearing officer mutually agreed to by the school board and the parent or guardian. If the school board and the parent or guardian are unable to agree on a hearing officer, the school board shall request the commissioner to appoint a hearing officer. The hearing officer shall not be a school board member or employee of the school district where the child resides or of the child's school district of residence, an employee of any other public agency involved in the education or care of the child, or any person with a personal or professional interest which would conflict with the person's objectivity at the hearing. A person who otherwise qualifies as a hearing officer is not an employee of the district solely because the person is paid by the district to serve as a hearing officer. If the hearing officer requests an independent educational assessment of a child, the cost of the assessment shall be at district expense. The proceedings shall be recorded and preserved, at the expense of the school district, pending ultimate disposition of the action.

(f) The decision of the hearing officer pursuant to clause (e) shall be rendered not more than 45 calendar days from the date of the receipt of the request for the hearing. A hearing officer may grant specific extensions of time beyond the 45-day period at the request of either party. The decision of the hearing officer shall be binding on all parties unless appealed to the hearing review officer by the parent, guardian, or the school board of the district where the child resides pursuant to clause (g).

The local decision shall:

(1) be in writing;

(2) state the controlling facts upon which the decision is made in sufficient detail to apprise the parties and the hearing review officer of the basis and reason for the decision;

(3) state whether the special education program or special education services appropriate to the child's needs can be reasonably provided within the resources available to the responsible district or districts;

(4) state the amount and source of any additional district expenditure necessary to implement the decision; and

(5) be based on the standards set forth in subdivision 3a and the rules of the state board.

(g) Any local decision issued pursuant to clauses (e) and (f) may be appealed to the hearing review officer within 30 calendar days of receipt of that written decision, by the parent, guardian, or the school board of the district responsible for assuring that an appropriate program is provided in accordance with state board rules.

If the decision is appealed, a written transcript of the hearing shall be made by the school district and shall be accessible to the parties involved within five calendar days of the filing of the appeal. The hearing review officer shall issue a final independent decision based on an impartial review of the local decision and the entire record within ~~60~~ *30* calendar days after the filing of the appeal. The hearing review officer shall seek additional evidence if necessary and may afford the parties an opportunity for written or oral argument; provided any hearing held to seek additional evidence shall be an impartial due process hearing but shall be deemed not to be a contested case hearing for purposes of chapter 14. The hearing review officer may grant specific extensions of time beyond the 30-day period at the request of any party.

The final decision shall:

(1) be in writing;

(2) include findings and conclusions; and

(3) be based upon the standards set forth in subdivision 3a and in the rules of the state board.

(h) The decision of the hearing review officer shall be final unless appealed by the parent or guardian or school board to the court of appeals. The judicial review shall be in accordance with chapter 14.

(i) The commissioner of education shall select an individual who has the qualifications enumerated in this paragraph to serve as the hearing review officer:

(1) the individual must be knowledgeable and impartial;

(2) the individual must not have a personal interest in or specific involvement with the student who is a party to the hearing;

(3) the individual must not have been employed as an administrator by the district that is a party to the hearing;

(4) the individual must not have been involved in the selection of the administrators of the district that is a party to the hearing;

(5) the individual must not have a personal, economic, or professional interest in the outcome of the hearing other than the proper administration of the federal and state laws, rules, and policies;

(6) the individual must not have substantial involvement in the development of a state or local policy or procedures that are challenged in the appeal; and

(7) the individual is not a current employee or board member of a Minnesota public school district, education district, intermediate unit or regional education agency, the state department of education, the state board of education, or a parent advocacy organization or group.

(j) In all appeals, the parent or guardian of the handicapped student or the district that is a party to the hearing may challenge the impartiality or competence of the proposed hearing review officer by applying to the state board of education.

(k) Pending the completion of proceedings pursuant to this subdivision, unless the district and the parent or guardian of the child agree otherwise, the child shall remain in the child's current educational placement and shall not be denied initial admission to school.

(l) The child's school district of residence, a resident district, and providing district shall receive notice of and may be a party to any hearings or appeals under this subdivision.

Sec. 4. Minnesota Statutes 1990, section 120.17, subdivision 8a, is amended to read:

Subd. 8a. [RESIDENCE OF CHILD UNDER SPECIAL CONDITIONS.] The legal residence of a handicapped child placed in a foster facility for care and treatment when: (1) parental rights have been terminated by court order; (2) parent or guardian is not living within the state; ~~or~~ (3) no other school district residence can be established, *or (4) parent or guardian having legal custody of the child is an inmate of a Minnesota correctional facility or is a resident of a halfway house under the supervision of the commissioner of corrections;* shall be the school district in which the child resides. The school board of the district of residence shall provide the same educational program for such child as it provides for all resident handicapped children in the district.

Sec. 5. Minnesota Statutes 1991 Supplement, section 120.17, subdivision 11a, is amended to read:

Subd. 11a. [STATE INTERAGENCY COORDINATING COUNCIL.] An interagency coordinating council of *at least* 15 members *but not more than 25* is established, *in compliance with Public Law Number 102-119, section 682.* The members ~~and the chair~~ shall be appointed by the governor. *Council members shall elect the council chairperson. The representative of the commissioner of education may not serve as the chairperson.* The council shall be composed of at least ~~three~~ *five* parents, *including persons of color,* of children *with disabilities* under age ~~seven with handicaps~~ *12, including at least three parents of a child with a disability under age seven,* three representatives of public or private providers of services for children *with disabilities* under age five ~~with handicaps~~, *including a special education director, county social service director, and a community health services or public health nursing administrator,* one member of the senate, one member of the house of representatives, one representative of teacher preparation programs in early childhood-special education *or other preparation programs in early childhood intervention*, at least one representative of advocacy organizations for children with ~~handicaps, at least one representative of a school district or a school district cooperative, and other members knowledgeable about children~~ *disabilities* under age five ~~with handicaps~~, *one physician who cares for young children with special health care needs, one representative each from the commissioners of commerce, education, health, human services, and jobs and training, and a representative from Indian health services or a tribal council.* Section 15.059, subdivisions 2 to 5, apply to the council. The council shall meet at least quarterly. ~~A representative of each of the commissioners of education, health, and human services shall attend council meetings as a nonvoting member of the council.~~

The council shall address methods of implementing the state policy of developing and implementing comprehensive, coordinated, multidisciplinary interagency programs of early intervention services for children with ~~handicaps~~ *disabilities* and their families.

The duties of the council include recommending policies to ensure a comprehensive and coordinated system of all state and local agency services for children under age five with ~~handicaps~~ *disabilities* and their families. The policies must address how to incorporate each agency's services into a unified state and local system of multidisciplinary assessment practices, individual intervention plans, comprehensive systems to find children in need of services, methods to improve public awareness, and assistance in determining the role of interagency early intervention committees.

~~It is the joint responsibility of county boards and school districts to coordinate, provide, and pay for appropriate services, and to facilitate payment for services from public and private sources. Appropriate services must be determined in consultation with parents, physicians, and other educational, medical, health, and human services providers. Appropriate services include family education and counseling, home visits, occupational and physical therapy, speech pathology, audiology, psychological services, case management, medical services for diagnostic and evaluation purposes, early identification, and screening, assessment, and health services necessary to enable children with handicaps to benefit from early intervention services. School districts must be the primary agency in this cooperative effort.~~

Each year by ~~January 15~~ *June 1*, the council shall ~~submit its recommendations~~ *recommend* to the governor and the commissioners of education, health, ~~and~~ human services, *commerce, and jobs and training policies for a comprehensive and coordinated system*.

Sec. 6. Minnesota Statutes 1990, section 120.17, is amended by adding a subdivision to read:

Subd. 11b. [RESPONSIBILITIES OF COUNTY BOARDS AND SCHOOL DISTRICTS.]

It is the joint responsibility of county boards and school districts to coordinate, provide, and pay for appropriate services, and to facilitate payment for services from public and private sources. Appropriate services must be determined in consultation with parents, physicians, and other educational, medical, health, and human services providers. Appropriate services include family education and counseling, home visits, occupational and physical therapy, speech pathology, audiology, psychological services, case management, medical services for diagnostic and evaluation purposes, early identification, and screening, assessment, and health services necessary to enable children with handicaps to benefit from early intervention services. School districts must be the primary agency in this cooperative effort.

Sec. 7. Minnesota Statutes 1990, section 120.17, subdivision 16, is amended to read:

Subd. 16. [COMMUNITY TRANSITION INTERAGENCY COMMITTEE.] A district, group of districts, or special education cooperative, in cooperation with the county or counties in which the district or cooperative is located, shall establish a community transition interagency committee

for ~~handicapped~~ youth *with disabilities*, beginning at grade 9 or age equivalent, and their families. Members of the committee shall consist of representatives from special education; vocational and regular education; community education; post-secondary education and training institutions; *adults with disabilities who have received transition services if such persons are available;* parents of ~~handicapped~~ youth *with disabilities*; local business or industry; rehabilitation services; county social services; health agencies; and additional public or private adult service providers as appropriate. The committee shall elect a chair and shall meet regularly. The committee shall:

(1) identify current services, programs, and funding sources provided within the community for secondary and post-secondary aged ~~handicapped~~ youth *with disabilities* and their families;

(2) facilitate the development of multiagency teams to address present and future transition needs of individual students on their individual education plans;

(3) develop a community plan to include mission, goals, and objectives, and an implementation plan to assure that transition needs of ~~handicapped~~ individuals *with disabilities* are met;

(4) recommend changes or improvements in the community system of transition services;

(5) exchange agency information such as appropriate data, effectiveness studies, special projects, exemplary programs, and creative funding of programs; and

(6) *following procedures determined by the commissioner,* prepare a yearly summary assessing the progress of transition services in the community ~~and disseminate it~~ *including follow-up of individuals with disabilities who were provided transition services to determine post-school outcomes. The summary must be disseminated* to all adult services agencies involved in the planning and to the commissioner of education by ~~September~~ *October* 1 of each year.

Sec. 8. Minnesota Statutes 1991 Supplement, section 120.181, is amended to read:

120.181 [~~TEMPORARY PLACEMENTS FOR CARE AND TREATMENT~~ *PLACEMENT* OF NONHANDICAPPED ~~PUPILS~~*; EDUCATION AND TRANSPORTATION.*]

The responsibility for providing instruction and transportation for a nonhandicapped pupil who has a short-term or temporary physical or emotional illness or disability, as determined by the standards of the state board, and who is temporarily placed for care and treatment for that illness or disability, shall be determined ~~in the following manner:~~ *as provided in this section.*

(a) The school district of residence of the pupil shall be the district in which the pupil's parent or guardian resides or the district designated by the commissioner of education if neither parent nor guardian is living within the state.

(b) Prior to the placement of a pupil for care and treatment, the district of residence shall be notified and provided an opportunity to participate in the placement decision. When an immediate emergency placement is necessary and time does not permit resident district participation in the placement decision, the district in which the pupil is temporarily placed, if

different from the district of residence, shall notify the district of residence of the emergency placement within 15 days of the placement.

(c) When a nonhandicapped pupil is temporarily placed for care and treatment in a day program and the pupil continues to live within the district of residence during the care and treatment, the district of residence shall provide instruction and necessary transportation for the pupil. The district may provide the instruction at a school within the district of residence, at the pupil's residence, or in the case of a placement outside of the resident district, in the district in which the day treatment program is located by paying tuition to that district. *The district of placement may contract with a facility to provide instruction by teachers licensed by the state board of teaching.*

(d) When a nonhandicapped pupil is temporarily placed in a residential program for care and treatment, the district in which the pupil is placed shall provide instruction for the pupil and necessary transportation within that district while the pupil is receiving instruction, and in the case of a placement outside of the district of residence, the nonresident district shall bill the district of residence for the actual cost of providing the instruction for the regular school year and for summer school, excluding transportation costs. When a nonhandicapped pupil is temporarily placed in a residential program outside the district of residence, the administrator of the court placing the pupil shall send timely written notice of the placement to the district of residence. *The district of placement may contract with a residential facility to provide instruction by teachers licensed by the state board of teaching.*

(e) The district of residence shall ~~receive general education aid for~~ *include* the pupil *in its residence count of pupil units* and pay tuition ~~and other instructional costs, excluding transportation costs,~~ *as provided in section 124.18* to the district providing the instruction. Transportation costs shall be paid by the district providing the transportation and the state shall pay transportation aid to that district. For purposes of computing state transportation aid, pupils governed by this subdivision shall be included in the handicapped transportation category.

Sec. 9. Minnesota Statutes 1990, section 124.331, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] The purpose of sections 124.331 to 124.333 is to improve the education of public school pupils by:

(1) working toward reducing instructor-learner ratios and increasing the amount of individual attention given each learner in kindergarten ~~and~~ *through* grade ~~+~~ *3* to help each learner develop socially and emotionally and in knowledge, skills, and attitudes; and

(2) improving program offerings.

Sec. 10. Minnesota Statutes 1990, section 124.331, subdivision 3, is amended to read:

Subd. 3. [STATE REVENUE CRITERIA.] Revenue available under section 124.332 is to enable a district to work to achieve the district's instructor-learner ratios in kindergarten ~~and~~ *through* grade ~~+~~ *3* established by the curriculum advisory committee in each district, and to prepare and use an individualized learning plan for each learner in kindergarten ~~and~~ *through* grade ~~+~~ *3*. A district must not increase the districtwide instructor-learner

ratios in grades ~~2~~ *4* through 8 as a result of reducing instructor-learner ratios in kindergarten ~~and~~ *through* grade ~~1~~ *3*.

A district's curriculum advisory committee, as part of the policy under section 126.666, must develop a districtwide plan to work to achieve the instructor-learner ratios in kindergarten ~~and~~ *through* grade ~~1~~ *3* adopted by the school board of the district, and to prepare and use an individualized learning plan for each learner in kindergarten ~~and~~ *through* grade ~~1~~ *3*. If the school board of a school district determines that the district has achieved and is maintaining the instructor-learner ratios specified by the district's curriculum advisory committee, and has prepared and is using individualized learning plans, the school board must direct the school district to use the aid it receives under section 124.332 to work to improve program offerings throughout the district, or the education district of which the district is a member, based upon a plan developed by the district's curriculum advisory committee.

Sec. 11. Minnesota Statutes 1991 Supplement, section 125.62, subdivision 6, is amended to read:

Subd. 6. [ELIGIBILITY FOR SCHOLARSHIPS AND LOANS.] The following Indian people are eligible for scholarships:

(1) a student, including a teacher aide employed by a district receiving a joint grant, who intends to become a teacher and who is enrolled in a post-secondary institution receiving a joint grant;

(2) a licensed employee of a district receiving a joint grant, who is enrolled in a master of education program; and

(3) a student who, after applying for federal and state financial aid and an Indian scholarship according to section 124.48, has financial needs that remain unmet. Financial need shall be determined according to the ~~uniform~~ *congressional* methodology for needs determination *or as otherwise set in federal law*.

A person who has actual living expenses in addition to those addressed by the ~~uniform~~ *congressional* methodology for needs determination, *or as otherwise set in federal law*, may receive a loan according to criteria established by the state board. A contract shall be executed between the state and the student for the amount and terms of the loan.

Sec. 12. 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 *in a school as defined in section 120.101, subdivision 4, and programs serving children in combined special education and regular prekindergarten* programs that are operated *or assisted* 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.

~~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. 13. Laws 1991, chapter 265, article 3, section 39, subdivision 16, is amended to read:

Subd. 16. [INDIAN TEACHER PREPARATION GRANTS.] For joint grants to assist Indian people to become teachers:

$190,000 1992

$190,000 1993

~~Up to~~ *Initially* $70,000 each year is for a joint grant to the University of Minnesota at Duluth and the Duluth school district.

~~Up to~~ *Initially* $40,000 each year is for a joint grant to each of the following:

(1) Bemidji state university and the Red Lake school district;

(2) Moorhead state university and a school district located within the White Earth reservation; and

(3) Augsburg college and the Minneapolis school district.

Money not used for students at one location may be transferred for use at another location.

Any unexpended balance remaining the first year does not cancel but is available in the second year.

Sec. 14. [BASE ADJUSTMENT.]

Upon request of a school district that is eligible for and receives alternative delivery revenue under Minnesota Statutes, section 124.322, the commissioner of education shall adjust the district's revenue base and revenue for fiscal years 1992 and 1993 to reflect any new service requirements imposed upon the district. The adjustments shall be made to the district's aid and levy. However the adjustment must not result in a reduction in state aid to any other district.

Sec. 15. [ALLOCATION OF FUNDS.]

In the Northwest ECSU region, the commissioner of education shall allocate federal funds for the regional special education low incidence plans in a manner consistent with the recommendation of a majority of the school boards in the region. The allocation method must provide access for all districts in the region to the services supported by the funds.

Sec. 16. [STATE INTERAGENCY COORDINATING COUNCIL REPORT.]

The state interagency coordinating council shall appoint a task force composed of council members and representatives of all affected state and local agencies, including county boards and school districts, to study and report to the education committees of the legislature by February 15, 1993, the short- and long-term fiscal impact to the state of providing a comprehensive

and coordinated system of services to infants and toddlers with disabilities from birth through age two and their families.

Sec. 17. [COUNCIL TO REVIEW DEPARTMENT OF HUMAN SERVICES RULE.]

The early childhood care and education council shall appoint a task force composed of council members and affected early childhood service providers to study and recommend to the human services and education committees of the legislature by February 15, 1993, education program standards and licensure procedures for programs subject to licensure under Minnesota Rules, parts 9503.0005 to 9503.0175.

Sec. 18. [REPEALER.]

Minnesota Statutes 1990, sections 126.071, subdivisions 2, 3, and 4; 128A.022, subdivisions 5 and 7; and 128A.024, subdivision 1; and Minnesota Statutes 1991 Supplement, section 126.071, subdivision 1, are repealed.

Sec. 19. [APPROPRIATION.]

There is appropriated from the general fund to the department of education $25,000 for fiscal year 1993 for a grant to independent school district No. 518, Worthington, for planning the construction of new residential facilities for the Lakeview program for students with disabilities. The grant must be matched with money from nonstate sources.

Sec. 20. [EFFECTIVE DATE.]

Sections 5, 6, and 14 are effective the day following final enactment.

ARTICLE 4

EARLY CHILDHOOD, COMMUNITY, AND ADULT EDUCATION

Section 1. Minnesota Statutes 1991 Supplement, section 123.702, subdivision 1, is amended to read:

Subdivision 1. Every school board shall provide for a mandatory program of early childhood developmental screening for children who are four years old and older but who have not entered kindergarten or first grade in a public school. This screening program shall be established either by one board, by two or more boards acting in cooperation, by educational cooperative service units, by early childhood family education programs, or by other existing programs. This screening examination is a mandatory ~~prerequisite to enrolling~~ *requirement for* a student *to* ~~in~~ *continue attending* kindergarten or first grade in a public school. A child need not submit to developmental screening provided by a school board if the child's health records indicate to the school board that the child has received comparable developmental screening from a public or private health care organization or individual health care provider. The school districts are encouraged to reduce the costs of preschool developmental screening programs by utilizing volunteers in implementing the program.

Sec. 2. Minnesota Statutes 1991 Supplement, section 123.702, subdivision 1a, is amended to read:

Subd. 1a. A child must not be enrolled ~~in this state~~ in *kindergarten or first grade in* a public school ~~until~~ *unless* the parent or guardian of the child submits to the school principal or other person having general control and supervision of the school a record indicating the months and year the child received developmental screening and the results of the screening *not later*

than 30 days after the first day of attendance. If a child is transferred from one kindergarten to another or from one first grade to another, the parent or guardian of the child must be allowed 30 days to submit the child's record, during which time the child may attend school.

Sec. 3. Minnesota Statutes 1991 Supplement, section 123.702, subdivision 1b, is amended to read:

Subd. 1b. *(a)* A screening program shall include at least the following components: developmental assessments, hearing and vision screening or referral, immunization review and referral, *the child's height and weight*, review of any special family circumstances that might affect development, identification of additional risk factors that may influence learning, an interview with the parent about the child, and referral for assessment, diagnosis, and treatment when potential needs are identified. *The school district and the person performing or supervising the screening shall provide a parent or guardian with clear written notice that the parent or guardian may decline to answer questions or provide information about family circumstances that might affect development and identification of risk factors that may influence learning. The notice shall clearly state that declining to answer questions or provide information does not prevent the child from being enrolled in kindergarten or first grade if all other screening components are met. If a parent or guardian is not able to read and comprehend the written notice, the school district and the person performing or supervising the screening must convey the information in another manner. The notice shall also inform the parent or guardian that a child need not submit to the school district screening program if the child's health records indicate to the school that the child has received comparable developmental screening performed within the preceding 365 days by a public or private health care organization or individual health care provider. The notice shall be given to a parent or guardian at the time the district initially provides information to the parent or guardian about screening and shall be given again at the screening location.*

(b) All screening components shall be consistent with the standards of the state commissioner of health for early developmental screening programs. No developmental screening program shall provide laboratory tests~~, a health history~~ or a physical examination to any child. The school district shall request from the public or private health care organization or the individual health care provider the results of any laboratory test~~, health history~~ or physical examination within the 12 months preceding a child's scheduled screening.

(c) If a child is without health coverage, the school district shall refer the child to an appropriate health care provider.

(d) A school board may offer additional components such as nutritional, physical and dental assessments, blood pressure, ~~and~~ laboratory tests, *and health history*. State aid shall not be paid for additional components.

Sec. 4. Minnesota Statutes 1991 Supplement, section 123.702, subdivision 3, is amended to read:

Subd. 3. The school board shall inform each resident family with a child eligible to participate in the developmental screening program about the availability of the program and the state's requirement that a child receive developmental screening ~~before enrolling in~~ *not later than 30 days after the first day of attending* kindergarten or first grade in a public school.

Sec. 5. Minnesota Statutes 1991 Supplement, section 124.19, subdivision 7, is amended to read:

Subd. 7. [ALTERNATIVE PROGRAMS.] (a) This subdivision applies to an alternative program that has been approved by the state board of education pursuant to Minnesota Rules, part 3500.3500, as exempt from Minnesota Rules, part 3500.1500, requiring a school day to be at least six hours in duration.

(b) To receive general education revenue for a pupil in an alternative program, a school district must meet the requirements in this paragraph. The program must be approved by the commissioner of education. In approving a program, the commissioner may use the process used for approving state designated area learning centers under section 124C.49.

(c) In addition to the requirements in paragraph (b), to receive general education revenue for a pupil in an alternative program that has an independent study component, a school district must meet the requirements in this paragraph.

The school district must develop with the pupil a continual learning plan for the pupil. A district must allow a minor pupil's parent or guardian to participate in developing the plan, if the parent or guardian wants to participate. The plan must identify the learning experiences and expected outcomes needed for satisfactory credit for the year and for graduation. The plan must be updated each year.

General education revenue for a pupil in an approved alternative program without an independent study component must be prorated for a pupil participating for less than a full school year, or its equivalent.

General education revenue for a pupil in an approved alternative program that has an independent study component must be paid for each hour of teacher contact time and each hour of independent study time completed toward a credit necessary for graduation. Average daily membership for a pupil shall equal the number of hours of teacher contact time and independent study time divided by the product of the number of instructional days required for that year and six~~, but not more than one, except as otherwise provided in section 121.585~~. *Average daily membership for a pupil must not exceed one, unless:*

(1) a pupil participates in a learning year program under section 121.585;

(2) a pupil's regular graduating class has already graduated; or

(3) a pupil needs additional course credits in order to graduate on time.

For an alternative program having an independent study component, the commissioner shall require a description of the courses in the program, the kinds of independent study involved, the expected learning outcomes of the courses, and the means of measuring student performance against the expected outcomes.

Sec. 6. Minnesota Statutes 1991 Supplement, section 124.2601, subdivision 6, is amended to read:

Subd. 6. [AID GUARANTEE.] Any adult basic education program that receives less state aid under ~~subdivision~~ *subdivisions* 3 *and 7* than from the aid formula for fiscal year 1992 shall receive the amount of aid it received in fiscal year 1992.

Sec. 7. Minnesota Statutes 1991 Supplement, section 124.2605, is amended to read:

124.2605 [GED TEST FEES.]

The commissioner of education shall pay 60 percent of the ~~costs of a GED test taken by~~ *fee that is charged to* an eligible individual *for the full battery of a GED test, but not more than $20 for an eligible individual.*

Sec. 8. Minnesota Statutes 1990, section 275.125, is amended by adding a subdivision to read:

Subd. 25. [LEVY FOR CERTAIN CHILDREN IN EXTENDED DAY PROGRAMS.] *A school district that offers an extended day program according to section 121.88, subdivision 10, may levy for the additional costs of providing services to children with disabilities who participate in the extended day program.*

Sec. 9. Laws 1991, chapter 265, article 4, section 30, subdivision 11, is amended to read:

Subd. 11. [GED AND LEARN TO READ ON TV.] For statewide purchase of broadcast costs, publicity, and coordination of the GED on TV series and the learn to read on TV series:

$100,000 1992

$100,000 1993

The department may contract for these services.

~~Up to $10,000 of this appropriation for each fiscal year is available to contract for these services.~~

Sec. 10. [EFFECTIVE DATE.]

Section 5 is effective July 1, 1992, and applies to 1992-1993 and later school years. Section 9 is effective the day following final enactment.

ARTICLE 5

FACILITIES

Section 1. Minnesota Statutes 1990, section 121.148, subdivision 3, is amended to read:

Subd. 3. [NEGATIVE REVIEW AND COMMENT.] *(a)* If the commissioner submits a negative review and comment for a proposal according to section 121.15, ~~the school board must not proceed with construction.~~ *the following steps must be taken:*

(1) the commissioner must notify the school board of the proposed negative review and comment and schedule a public meeting within 60 days of the notification within that school district to discuss the proposed negative review and comment on the school facility; and

(2) the school board shall appoint an advisory task force of up to five members to advise the school board and the commissioner on the advantages, disadvantages, and alternatives to the proposed facility at the public meeting. One member of the advisory task force must also be a member of the county facilities group.

(b) After attending the public meeting, the commissioner shall reconsider the proposal. If the commissioner submits a negative review and comment,

the school board may appeal that decision to the state board of education. The state board of education may either uphold the commissioner's negative review and comment or instruct the commissioner to submit a positive or unfavorable review and comment on the proposed facility.

(c) A school board may not proceed with construction if the state board of education upholds the commissioner's negative review and comment or if the commissioner's negative review and comment is not appealed.

Sec. 2. Minnesota Statutes 1990, section 124.243, subdivision 2, is amended to read:

Subd. 2. [CAPITAL EXPENDITURE FACILITIES REVENUE.] Capital expenditure facilities revenue for a district equals ~~the lesser of:~~

~~(1)~~ ~~$130~~ *$128* times its actual pupil units for the school year~~;~~ ~~or~~

~~(2) the difference between $400 times the actual pupil units for the school year and~~. *A district's capital expenditure facilities revenue for a school year shall be reduced if* the unreserved balance in the capital expenditure facilities account on June 30 of the prior school year~~.~~ ~~For the purpose of determining revenue for the 1989-1990 and the 1990-1991 school years, the unreserved balance in the capital expenditure facilities account on June 30 of the prior school year is zero~~ *exceeds $270 times the fund balance pupil units in the prior year as defined in section 124A.26, subdivision 1. If a district's capital expenditure facilities revenue is reduced, the reduction equals the lesser of (1) the amount that the unreserved balance in the capital expenditure facilities account on June 30 of the prior year exceeds $270 times the fund balance pupil units in the prior year, or (2) the capital expenditure facilities revenue for that year.*

Sec. 3. Minnesota Statutes 1990, section 124.243, is amended by adding a subdivision to read:

Subd. 2a. [EXCEPTION TO FUND BALANCE REDUCTION.] *A district may apply to the commissioner for approval for an unreserved fund balance in its capital expenditure facilities account that exceeds $270 per fund balance pupil unit for a period not to exceed three years. If the commissioner approves the district's application, the district's capital expenditure facilities revenue shall not be reduced according to subdivision 2. The commissioner may approve a district's application for an exception only if the use of the district's capital expenditure facilities funds are consistent with plans adopted according to subdivision 1.*

Sec. 4. Minnesota Statutes 1990, section 124.243, subdivision 6, is amended to read:

Subd. 6. [USES OF REVENUE.] Capital expenditure facilities revenue may be used only for the following purposes:

(1) to acquire land for school purposes;

(2) to acquire or construct buildings for school purposes, if approved by the commissioner of education according to applicable statutes and rules;

(3) to rent or lease buildings, including the costs of building repair or improvement that are part of a lease agreement;

(4) to ~~equip, reequip,~~ improve~~,~~ and repair school sites~~,~~ *and* buildings, and *equip or reequip school buildings with* permanent attached fixtures;

(5) for a surplus school building that is used substantially for a public

nonschool purpose;

(6) to eliminate barriers or increase access to school buildings by handicapped individuals;

(7) to bring school buildings into compliance with the uniform fire code adopted according to chapter 299F;

(8) to remove asbestos from school buildings, encapsulate asbestos, or make asbestos-related repairs;

(9) to clean up and dispose of polychlorinated biphenyls found in school buildings;

(10) to clean up, remove, dispose of, and make repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296.01;

(11) for energy audits for school buildings and to modify buildings if the audit indicates the cost of the modification can be recovered within ten years;

(12) to improve buildings that are leased according to section 123.36, subdivision 10;

(13) to pay special assessments levied against school property but not to pay assessments for service charges;

(14) to pay principal and interest on state loans for energy conservation according to section 216C.37 or loans made under the northeast Minnesota economic protection trust fund act according to sections 298.292 to 298.298; and

(15) to purchase or lease interactive telecommunications equipment.

Sec. 5. Minnesota Statutes 1990, section 124.244, subdivision 1, is amended to read:

Subdivision 1. [REVENUE AMOUNT.] The capital expenditure equipment revenue for each district equals ~~$65~~ *$63* times its actual pupil units counted according to section 124.17, subdivision 1, for the school year.

Sec. 6. Minnesota Statutes 1990, section 124.431, is amended by adding a subdivision to read:

Subd. 1a. [CAPITAL LOANS ELIGIBILITY.] *Beginning July 1, 1992, a district is not eligible for a capital loan unless the district's estimated net debt tax rate after debt service equalization aid would be more than 20 percent of adjusted net tax capacity.*

Sec. 7. 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. 8. Minnesota Statutes 1990, section 124.493, subdivision 1, is amended to read:

Subdivision 1. [APPROVAL BY COMMISSIONER.] To the extent money is available, the commissioner of education may approve ~~not more than two pilot~~ projects from applications submitted under section 124.494. The grant money must be used only to acquire, construct, remodel or improve the building or site of a cooperative secondary facility under contracts to be entered into within 15 months after the date on which each grant is awarded.

Sec. 9. Minnesota Statutes 1991 Supplement, section 124.493, subdivision 3, is amended to read:

Subd. 3. [~~APPLICATIONS~~ *COOPERATION AND COMBINATION.*] Districts that ~~apply for~~ *receive* a cooperative secondary facilities grant after May 1, 1991, shall:

(1) submit a plan as set forth in section 122.242 for approval by the state board of education; and

(2) ~~comply with the provisions of sections 122.243 to 122.247, applicable to combined districts~~ *hold a referendum on the question of combination no later than four years after a grant is awarded under section 124.493, subdivision 1.*

The districts are ~~not~~ eligible for cooperation and combination revenue under section 124.2725. ~~Sections 124.494, 124.4945, and 124.4946 do not apply to districts applying for a grant after May 1, 1991, except for provisions in the sections relating to acquiring, constructing, remodeling, or improving a building or site of a cooperative secondary facility.~~

Sec. 10. Minnesota Statutes 1990, section 124.494, subdivision 2, is amended to read:

Subd. 2. [REVIEW BY COMMISSIONER.] (a) Any group of districts that submits an application for a grant shall submit a proposal to the commissioner for review and comment under section 121.15, and the commissioner shall prepare a review and comment on the proposed facility, regardless of the amount of the capital expenditure required to acquire, construct, remodel or improve the secondary facility. The commissioner must not approve an application for an incentive grant for any secondary facility unless the facility receives a favorable review and comment under section 121.15 and the following criteria are met:

(1) a minimum of three or more districts, with kindergarten to grade 12 enrollments in each district of no more than 1,200 pupils, enter into a joint

powers agreement;

(2) a joint powers board representing all participating districts is established under section 471.59 to govern the cooperative secondary facility;

(3) the planned secondary facility will result in the joint powers district meeting the requirements of Minnesota Rules, parts 3500.2010 and 3500.2110;

(4) at least ~~240~~ *198* pupils would be served in grades 10 to 12, ~~320~~ *264* pupils would be served in grades 9 to 12, or ~~480~~ *396* pupils would be served in grades 7 to 12;

(5) no more than one superintendent is employed by the joint powers board as a result of the cooperative secondary facility agreement;

(6) a statement of need is submitted, that may include reasons why the current secondary facilities are inadequate, unsafe or inaccessible to the handicapped;

(7) an educational plan is prepared, that includes input from both community and professional staff;

(8) a combined seniority list for all participating districts is developed by the joint powers board;

(9) an education program is developed that provides for more learning opportunities and course offerings, including the offering of advanced placement courses, for students than is currently available in any single member district; ~~and~~

(10) a plan is developed for providing instruction of any resident students in other districts when distance to the secondary education facility makes attendance at the facility unreasonably difficult or impractical.

(b) To the extent possible, the joint powers board is encouraged to provide for severance pay or for early retirement incentives under section 125.611, for any teacher or administrator, as defined under section 125.12, subdivision 1, who is placed on unrequested leave as a result of the cooperative secondary facility agreement.

(c) For the purpose of paragraph (a), clause (8), each school district must be considered to have started school each year on the same date.

(d) The districts may develop a plan that provides for the location of social service, health, and other programs serving pupils and community residents within the cooperative secondary facility. The commissioner shall consider this plan when preparing a review and comment on the proposed facility.

Sec. 11. Minnesota Statutes 1990, section 124.494, subdivision 4, is amended to read:

Subd. 4. [AWARD OF GRANTS.] The commissioner shall examine and consider all applications for grants, and if any joint powers district is found not qualified, the commissioner shall promptly notify that joint powers board. On July 1 of 1989, the commissioner shall make awards to no more than two qualified applicants whose applications have been on file with the commissioner more than one month. *On July 1, 1992, the commissioner shall make awards to no more than two groups of districts. Notwithstanding section 124.494, subdivision 4, the first grant shall be made to the group of districts consisting of independent school districts No. 240, Blue Earth;*

No. 225, Winnebago; No. 219, Elmore; and No. 218, Delevan, if that group has submitted an application and if the application has been approved. The second grant, if money remains, shall be made to 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. Applications must be filed on or before June 1, 1992, for the July 1, 1992, grant award consideration. A grant award is subject to verification by the joint powers districts as specified in subdivision 6. A grant award must not be made until the site of the secondary facility has been determined. If the total amount of the approved applications exceeds the amount that is or can be made available, the commissioner shall allot the available amount equally between the approved applicant districts. The commissioner shall promptly certify to each qualified joint powers district the amount, if any, of the grant awarded to it.

Sec. 12. Minnesota Statutes 1990, section 124.494, subdivision 5, is amended to read:

Subd. 5. [REFERENDUM; BOND ISSUE.] Within ~~90~~ *180* days after being awarded a grant under subdivision 4, the joint powers board shall submit the question of authorizing the borrowing of funds for the secondary facility to the voters of the joint powers district at a special election, which may be held in conjunction with the annual election of the school board members of the member districts. The question submitted shall state the total amount of funding needed from all sources. A majority of those voting in the affirmative on the question is sufficient to authorize the joint powers board to accept the grant and to issue the bonds on public sale in accordance with chapter 475. The clerk of the joint powers board must certify the vote of the bond election to the commissioner of education. If the question is approved by the voters, the commissioner shall notify the approved applicant districts that the grant amount certified under subdivision 4 is available and appropriated for payment under this subdivision. If a majority of those voting on the question do not vote in the affirmative, the grant must be canceled.

Sec. 13. Minnesota Statutes 1991 Supplement, section 124.84, subdivision 3, is amended to read:

Subd. 3. [LEVY AUTHORITY.] The district may levy up to ~~$150,000 each year for two years~~ *$300,000 under this section*, as approved by the commissioner. *The approved amount may be levied over five or fewer years.*

Sec. 14. Minnesota Statutes 1991 Supplement, section 124.95, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, the required debt service levy of a district is defined as follows:

(1) the amount needed to produce between five and six percent in excess of the amount needed to meet when due the principal and interest payments on the obligations, *excluding obligations under section 124.2445,* of the district *for eligible projects according to subdivision 2,* including the amounts necessary for repayment of energy loans according to section 216C.37 *or sections 298.292 to 298.298,* debt service loans and capital loans, minus

(2) the amount of ~~any surplus remaining in the debt service fund when the obligations and interest on them have been paid~~ *debt service excess for that school year calculated according to the procedure established by the commissioner.*

Sec. 15. Minnesota Statutes 1991 Supplement, section 124.95, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] ~~To be eligible for debt service equalization revenue, the following conditions must be met~~ *The following portions of a district's debt service levy qualify for debt service equalization*:

(1) ~~the required debt service levy of a district must exceed the amount raised by a level of eight percent times the adjusted net tax capacity of the district~~ *debt service for repayment of principal and interest on bonds issued before July 2, 1992*;

(2) *debt service for bonds refinanced after July 1, 1992, if the bond schedule has been approved by the commissioner and, if necessary, adjusted to reflect a 20-year maturity schedule; and*

(3) debt service for ~~bond issues approved~~ *bonds issued* after July 1, ~~1990~~ *1992*, ~~the~~ *for* construction ~~project must~~ *projects that* have received a positive review and comment according to section 121.15~~;~~, *if* ~~(3)~~ the commissioner has determined that the district has met the criteria under section 124.431, subdivision 2, ~~for new projects;~~ and *if* ~~(4)~~ the bond schedule ~~must be~~ *has been* approved by the commissioner and, if necessary, adjusted to reflect a 20-year maturity schedule. *The criterion in section 124.431, subdivision 2, paragraph (a), clause (2), shall be considered to have been met if the district in the fiscal year in which the bonds are authorized at an election conducted under chapter 475:*

(i) serves an average of at least 66 pupils per grade in the grades to be served by the facility; or

(ii) is eligible for sparsity revenue.

Districts identified in Laws 1990, chapter 562, article 11, section 8, do not need to meet the criteria of section 124.431, subdivision 2, to qualify.

Sec. 16. Minnesota Statutes 1991 Supplement, section 124.95, is amended by adding a subdivision to read:

Subd. 2a. [NOTIFICATION.] *A district eligible for debt service equalization revenue under subdivision 2 must notify the commissioner of the amount of its intended debt service levy calculated under subdivision 1 for all bonds sold prior to the notification by July 1 of the calendar year the levy is certified.*

Sec. 17. Minnesota Statutes 1991 Supplement, section 124.95, subdivision 3, is amended to read:

Subd. 3. [DEBT SERVICE EQUALIZATION REVENUE.] (a) For fiscal years 1995 and later, the debt service equalization revenue of a district equals the required debt service levy minus the amount raised by a levy of ~~12~~ *ten* percent times the adjusted net tax capacity of the district.

(b) For fiscal year 1993, debt service equalization revenue equals one-third of the amount calculated in paragraph (a).

(c) For fiscal year 1994, debt service equalization revenue equals two-thirds of the amount calculated in paragraph (a).

Sec. 18. Minnesota Statutes 1991 Supplement, section 124.95, subdivision 4, is amended to read:

Subd. 4. [EQUALIZED DEBT SERVICE LEVY.] To obtain debt service

equalization revenue, a district must levy an amount not to exceed the district's debt service equalization revenue times the lesser of one or the ratio of:

(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified by the actual pupil units in the district for the year ~~to which the levy is attributable~~ *prior to the year the levy is certified*; ~~or~~ *to*

(2) *50 percent of* the equalizing factor as defined in section 124A.02, subdivision 8, for the year to which the levy is attributable.

Sec. 19. Minnesota Statutes 1991 Supplement, section 124.95, subdivision 5, is amended to read:

Subd. 5. [DEBT SERVICE EQUALIZATION AID.] A district's debt service equalization aid is the difference between the debt service equalization revenue and the equalized debt service levy. ~~A district's debt service equalization aid must not be prorated.~~ *If the amount of debt service equalization aid actually appropriated for the fiscal year in which this calculation is made is insufficient to fully fund debt service equalization aid, the commissioner shall prorate the amount of aid across all eligible districts.*

Sec. 20. [124.9601] [DEBT SERVICE APPROPRIATION.]

$6,000,000 is appropriated in fiscal year 1993 from the general fund to the commissioner of education for payment of debt service equalization aid under section 124.95. $17,000,000 in fiscal year 1994 and $21,000,000 in fiscal year 1995 and each year thereafter is appropriated from the general fund to the commissioner of education for payment of debt service equalization aid under section 124.95. These amounts must be reduced by the amount of any money specifically appropriated for the same purpose in any year from any state fund.

Sec. 21. [124.9602] [1993 and 1994 APPROPRIATIONS.]

Notwithstanding section 124.95, subdivision 6, one-half of the aid appropriation in section 20 for fiscal year 1993 shall be paid to districts on March 15, 1993. One-half of the appropriation for fiscal year 1993 shall cancel to the general fund. Notwithstanding section 124.95, subdivision 6, of the appropriation for fiscal year 1994 in section 20, $3,000,000 shall be paid to districts on September 15, 1993, and the remaining appropriation for fiscal year 1994 shall be paid according to section 124.95, subdivision 6.

Sec. 22. Minnesota Statutes 1990, section 275.125, is amended by adding a subdivision to read:

Subd. 11h. [EXTRA CAPITAL EXPENDITURE LEVY FOR CERTAIN LEASE PURCHASES.] *(a) Upon application to, and approval by, the commissioner in accordance with the procedures and limits in subdivision 11d, a district, as defined in this subdivision, may:*

(1) purchase real property under an installment contract or may lease real property with an option to purchase under a lease purchase agreement, by which installment contract or lease purchase agreement title is kept by the seller or vendor or assigned to a third party as security for the purchase price, including interest, if any; and

(2) annually levy the amounts necessary to pay the district's obligations under the installment contract or lease purchase agreement.

(b)(1) The obligation created by the installment contract or the lease purchase agreement must not be included in the calculation of net debt for purposes of section 475.53, and does not constitute debt under other law.

(2) An election is not required in connection with the execution of the installment contract or the lease purchase agreement.

(3) The district may terminate the installment contract or lease purchase agreement at the end of any fiscal year during its term.

(c) The proceeds of the levy authorized by this subdivision must not be used to acquire a facility to be primarily used for athletic or school administration purposes.

(d) In this subdivision, "district" means:

(1) a school district required to have a comprehensive plan for the elimination of segregation whose plan has been determined by the commissioner to be in compliance with the state board of education rules relating to equality of educational opportunity and school desegregation; or

(2) a school district that participates in a joint program for interdistrict desegregation with a district defined in clause (1) if the facility acquired under this subdivision is to be primarily used for the joint program.

(e) Notwithstanding subdivision 11d, the prohibition against a levy by a district to lease or rent a district-owned building to itself does not apply to levies otherwise authorized by this subdivision.

(f) Projects may be approved under this section by the commissioner in fiscal years 1993, 1994, and 1995 only.

Sec. 23. Minnesota Statutes 1991 Supplement, section 373.42, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] A county facilities group consists of at least one representative from the county board, one representative from each city located within the county, one representative from each school district located within the county, up to three representatives of townships selected by the county board, and two other members selected by the county board. *Under this section, a school district is located within a county if it has an administrative office or a facility or a planned facility under section 121.15 in the county.*

Sec. 24. Laws 1991, chapter 265, article 5, section 18, is amended to read:

Sec. 18. [BONDS FOR CERTAIN CAPITAL FACILITIES.]

In addition to other bonding authority, with approval of the commissioner, independent school districts No. 393, LeSueur, No. 508, St. Peter, ~~and~~ No. 734, Henderson, *No. 392, Le Center, and No. 2071, Lake Crystal-Wellcome Memorial,* may issue general obligation bonds for certain capital projects under this section. The bonds must be used only to make capital improvements including equipping school buildings, improving handicap accessibility to school buildings, and bringing school buildings into compliance with fire codes.

Before a district issues bonds under this subdivision, it must publish notice of the intended projects, related costs, and the total amount of district indebtedness.

A bond issue tentatively authorized 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 to issue the bonds for the projects under this section. The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this section.

The bonds may be issued in a principal amount, that when combined with interest thereon, will be paid off with 50 percent of current and anticipated revenue for capital facilities under this section or a successor section for the current year plus projected revenue not greater than the current year for the next ten years. Once finally authorized, the district must set aside 50 percent of the current year's revenue for capital facilities under this section or a successor section each year in a separate account until all principal and interest on the bonds is paid. The district must annually transfer this amount from its capital fund to the debt redemption fund. The bonds must be paid off within ten years of issuance. The bonds must be issued in compliance with Minnesota Statutes, chapter 475, except as otherwise provided in this section.

Sec. 25. Laws 1991, chapter 265, article 5, section 23, is amended to read:

Sec. 23. [MAXIMUM EFFORT CAPITAL LOAN DEBT REDEMPTION EXCESS.]

(a) Notwithstanding Minnesota Statutes, section 124.431, subdivision 11, or any other law to the contrary, a school district having an outstanding capital loan that has an excess amount in the debt redemption fund as calculated according to Minnesota Statutes, section 124.431, subdivision 11, may apply to the commissioner for an adjustment to the amount of excess owed to the state. The commissioner ~~may~~ *shall* reduce the excess that a district owes the state if a district's capital loan is outstanding and if the commissioner determines that any of the following conditions apply:

(1) a district is likely to incur a substantial property tax delinquency that will adversely affect the district's ability to make its scheduled bond payments;

(2) a district's agreement with its bondholders or its taxpayers could be impaired; ~~or~~

(3) the district's tax capacity per pupil is less than one-tenth of the equalizing factor as defined in Minnesota Statutes, section 124A.02, subdivision 8; *or*

(4) the district would have qualified for a capital loan during calendar year 1990 or 1991.

(b) The amount of the excess that may be forgiven may not exceed ~~$200,000~~ *$260,000* in a single year for any district.

(c) Any amount reduced shall be excluded from the determination of debt excess under Minnesota Statutes, section 475.61. The amount retained by the district may be used for cash flow purposes until the last year the district levies for debt service for outstanding bonds.

Sec. 26. Laws 1991, chapter 265, article 5, section 24, subdivision 4, is amended to read:

Subd. 4. [HEALTH AND SAFETY AID.] For health and safety aid according to Minnesota Statutes, section 124.83, subdivision 5:

$11,560,000 1992

$11,351,000 1993

The 1992 appropriation includes $1,650,000 for 1991 and $9,910,000 for 1992.

The 1993 appropriation includes $1,748,000 for 1992 and $9,603,000 for 1993.

For fiscal year 1993, total health and safety revenue may not exceed $58,800,000. The state board of education shall establish criteria for prioritizing district health and safety project applications not to exceed this amount. The criteria may not discriminate between the number of pupils in and the geographic location of school districts.

$60,000 of the fiscal year 1993 appropriation shall be used to contract with the state fire marshal to provide the services required under Minnesota Statutes, section 121.502. This amount is in addition to the amount in Laws 1991, chapter 265, article 11, section 23, subdivision 3.

Sec. 27. [HEALTH AND SAFETY PLAN; RICHFIELD.]

Notwithstanding other law, independent school district No. 280, Richfield, to pay off its pre-1989 fire safety loan from the city of Richfield, may revise the health and safety part of the district's capital plan to include the principal and interest on the loan payment, now funded by the facilities part, with the result that the loan principal and interest will be paid off before July 1, 1995.

Sec. 28. [DULUTH BONDING.]

Subdivision 1. [BONDING AUTHORIZATION.] *To provide funds for the acquisition and betterment, as defined in Minnesota Statutes, section 475.51, subdivisions 7 and 8, of existing and new facilities, independent school district No. 709 may, by two thirds majority plus one vote of all the members of the school board, issue general obligation bonds in one or more series in calendar years 1992 and 1993 as provided in this section. The aggregate principal amount of any bonds issued under this section for calendar years 1992 and 1993 may not exceed $9,600,000. Issuance of the bonds is not subject to Minnesota Statutes, section 475.58 or 475.59. As with other bonds issued by independent school district No. 709, Minnesota Statutes, section 475.53, subdivision 5, does not apply to issuance of the bonds. If the school board proposes to issue bonds under this section, it must publish a resolution describing the proposed bond issue once each week for two successive weeks in a legal newspaper published in the city of Duluth. The bonds may be issued without the submission of the question of their issue to the electors unless, within 30 days after the second publication of the resolution, a petition requesting an election signed by a number of people residing in the school district equal to five percent of the people registered to vote in the last general election in the school district is filed with the recording officer. If such a petition is filed, no bonds shall be issued under this section unless authorized by a majority of the electors voting on the question at the next general or special election called to decide the issue. The bonds must otherwise be issued as provided in Minnesota Statutes, chapter 475. The authority to*

issue bonds under this section is in addition to any bonding authority authorized by Minnesota Statutes, chapter 124, or other law. The amount of bonding authority authorized under this section must be disregarded in calculating the bonding limit of chapter 124 or any other law other than Minnesota Statutes, section 475.53, subdivision 4, as made applicable to independent school district No. 709 by Laws 1973, chapter 266.

Subd. 2. [TAX LEVY FOR DEBT SERVICE.] *To pay the principal of and interest on bonds issued under subdivision 1, independent school district No. 709 shall levy a tax in an amount sufficient under Minnesota Statutes, section 475.61, subdivisions 1 and 3, to pay the principal of and interest on the bonds. The tax authorized under this section is in addition to the taxes authorized to be levied under Minnesota Statutes, chapter 124A or 275, or other law.*

Sec. 29. [LAKE SUPERIOR, VIRGINIA, GRAND RAPIDS SCHOOL DISTRICT BONDS.]

Subdivision 1. [AUTHORIZATION.] *Independent school district No. 381, Lake Superior, may issue bonds in an aggregate principal amount not exceeding $779,500, and independent school district No. 318, Grand Rapids, may issue, subject to the requirement of subdivision 8, bonds in an aggregate principal amount not exceeding $5,600,000, and independent school district No. 706, Virginia, may issue bonds in an aggregate principal amount not exceeding $5,000,000, in addition to any bonds already issued or authorized, to provide funds to construct, equip, furnish, remodel, rehabilitate, and acquire land for school facilities and buildings. They may spend the proceeds of the bond sale for those purposes and any architects', engineers', and legal fees incidental to those purposes or the sale. Except as permitted by this section, the bonds shall be authorized, issued, sold, executed, and delivered in the manner provided by Minnesota Statutes, chapter 475. A resolution of the board levying taxes for the payment of the bonds and interest on them as authorized by this section and pledging the proceeds of the levies for the payment of the bonds and interest on them shall be deemed to be in compliance with the provisions of chapter 475 with respect to the levying of taxes for their payment.*

Subd. 2. [APPROPRIATION.] *There is annually appropriated from the distribution of taconite production tax revenues to the taconite environmental protection fund pursuant to Minnesota Statutes, section 298.28, subdivision 11, and to the northeast Minnesota economic protection trust pursuant to section 298.28, subdivisions 9 and 11, in equal shares, an amount sufficient to pay when due 80 percent of the principal and interest on the bonds issued pursuant to subdivision 1. If the annual distribution to the northeast Minnesota economic protection trust is insufficient to pay its share after fulfilling any obligations of the trust under section 298.225 or 298.293, the deficiency shall be appropriated from the taconite environmental protection fund.*

Subd. 3. [DISTRICT OBLIGATIONS.] *Bonds issued under authority of this section shall be the general obligations of the school district, for which its full faith and credit and unlimited taxing powers shall be pledged. If there are any deficiencies in the amount received pursuant to subdivision 2, they shall be made good by general levies, not subject to limit, on all taxable properties in the district in accordance with Minnesota Statutes, section 475.64. If any deficiency levies are necessary, the school board may effect a temporary loan or loans on certificates of indebtedness issued in anticipation of them to meet payments of principal or interest on the bonds due or about to*

become due.

Subd. 4. [DISTRICT LEVY.] *The school board shall by resolution levy on all property in the school district subject to the general ad valorem school tax levies, and not subject to taxation under Minnesota Statutes, sections 298.23 to 298.28, a direct annual ad valorem tax for each year of the term of the bonds in amounts that, if collected in full, will produce the amounts needed to meet when due 20 percent of the principal and interest payments on the bonds. A copy of the resolution shall be filed, and the necessary taxes shall be extended, assessed, collected, and remitted in accordance with Minnesota Statutes, section 475.61.*

Subd. 5. [LEVY LIMITATIONS.] *Taxes levied pursuant to this section shall be disregarded in the calculation of any other tax levies or limits on tax levies provided by other law.*

Subd. 6. [BONDING LIMITATIONS.] *Bonds may be issued under authority of this section notwithstanding any limitations upon the indebtedness of a district, and their amounts shall not be included in computing the indebtedness of a district for any purpose, including the issuance of subsequent bonds and the incurring of subsequent indebtedness.*

Subd 7. [TERMINATION OF APPROPRIATION.] *The appropriation authorized in subdivision 2 shall terminate upon payment or maturity of the last of those bonds.*

Subd. 8. [GRAND RAPIDS REQUIREMENT FOR ISSUING BONDS.] *Independent school district No. 318, Grand Rapids, may not issue any bonds according to the authority in subdivision 1 unless the district expends at least $100,000 of the proceeds of the bonds for capital improvements for the industrial technology program at Big Fork.*

Subd. 9. [LOCAL APPROVAL.] *This section is effective for independent school district No. 381 the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3, and for independent school district No. 318 the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3, and for independent school district No. 706 the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3.*

Sec. 30. [FUND BALANCE LIMIT EXCEPTION.]

Notwithstanding Minnesota Statutes, section 124.243, subdivision 2, the capital expenditure facilities revenue for special school district No. 6, South St. Paul, for fiscal years 1992, 1993, and 1994 must not be reduced because of the district's fund balance.

Sec. 31. [LEVY AND AID ADJUSTMENTS.]

The department of education shall adjust the levy limits and aid payments for special school district No. 6, South St. Paul, according to section 30. Adjustment to the school district levy may be spread over three years.

Sec. 32. [TAXPAYER NOTIFICATION.]

Subdivision 1. [APPLICABILITY.] *This section applies only to newly authorized bonding authority granted under Laws 1990, chapter 604, article 8, section 9, and applies only to such bonds issued for calendar years 1993 to 1996.*

Subd. 2. [NOTICE.] *(a) A school board must prepare a notice of the public*

meeting on the proposed sale of all or any of the bonds and mail the notice to each postal patron residing within the school district. The notice must be mailed at least 15 days but not more than 30 days before the meeting. Notice of the meeting must also 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 city in which the school district is located.

(b) The notice must contain the following information:

(1) the proposed dollar amount of bonds to be issued;

(2) the dollar amount of the levy increase necessary to pay the principal and interest on the newly authorized bonds;

(3) the estimated levy amount and net tax capacity rate necessary to make the debt service payments on any existing outstanding debt;

(4) the projected effects on individual property types; and

(5) the required levy and principal and interest on all outstanding bonds in addition to the bonds proposed under clause (1).

(c) To comply with paragraph (b), clause (4), the notice must show the projected annual dollar increase and net tax capacity rate increase for a representative range of residential homestead, residential nonhomestead, apartments, and commercial-industrial properties located within each state senate district in the school district.

Subd. 3. [BOND AUTHORIZATION.] *A school board may vote to issue bonds for calendar years 1993 to 1996 only after complying with the requirements of subdivision 2.*

Sec. 33. [CAPITAL LOAN USES.]

Notwithstanding any other law to the contrary, independent school district No. 885, St. Michael-Albertville, may recognize an amount not to exceed $325,000 from its maximum effort capital loan as capital expenditure equipment revenue. This amount is available to the district and does not return to the state.

Sec. 34. [LEVY ADJUSTMENT.]

The department of education shall adjust the 1992 levy for taxes payable in 1993 for each school district by the amount of debt service equalization aid entitlement for fiscal year 1993.

Sec. 35. [INSTRUCTION TO THE REVISOR.]

The revisor of statutes, in the 1992 edition of Minnesota Statutes, shall codify Laws 1990, chapter 610, article 1, section 45, as Minnesota Statutes, section 124.478, notwithstanding any law to the contrary.

Sec. 36. [REPEALER.]

Laws 1990, chapter 604, article 8, section 12, is repealed the day following final enactment.

Section 22 is repealed July 1, 1995. Levies may continue to be made under section 22 until installment contracts and lease purchase agreements have been satisfied.

Sec. 37. [EFFECTIVE DATE.]

Sections 8, 9, 10, 11, 25, 30, 31, 32, 33, and 36 are effective the day following final enactment.

Section 3 is effective the day following final enactment and applies to 1991-1992 and later school years.

Section 1 is effective July 1, 1992, and applies to school facilities projects submitted to the commissioner on or after July 1, 1992.

Section 4 is effective July 1, 1993.

ARTICLE 6

ORGANIZATION AND COOPERATION

Section 1. Minnesota Statutes 1991 Supplement, section 121.932, subdivision 2, is amended to read:

Subd. 2. [DATA ACQUISITION CALENDAR.] The department of education shall maintain a current annual data acquisition calendar specifying the reports which ~~must be provided~~ *districts are required to provide to the department, the reports which regional management information centers are required to provide* to the department *for their affiliated districts*, and the dates these reports are due.

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.

Sec. 3. Minnesota Statutes 1991 Supplement, section 121.935, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] Any group of two or more independent, special or common school districts may with the approval of the state board pursuant to sections 121.931 and 121.937 create a regional management information center pursuant to section 123.58 or 471.59 to provide computer services to school districts. A regional management information center shall not come into existence until the first July 1 after its creation is approved by the state board or until it can be accommodated by state appropriations, whichever occurs first. Each member of the ~~center~~ board *of a center created after June 30, 1991*, shall be a current member of a member school board.

Sec. 4. Minnesota Statutes 1991 Supplement, section 121.935, subdivision 6, is amended to read:

Subd. 6. [FEES.] Regional management information centers may charge fees to affiliated districts for the cost of services provided to the district and the district's proportionate share of outstanding regional obligations, as defined in section 475.51, for computer hardware. If a district uses a state approved alternative finance system for processing its detailed transactions or transfers to another region, the district is liable for its contracted proportionate share of the outstanding regional obligation. The district is not liable for any additional outstanding regional obligations that occur after written notice is given to transfer or use an alternative finance system. A regional management information center must not charge a district for

transferring the district's summary financial data and essential data elements to the state. The regional management information center may charge the district for any service it provides to, or performs on behalf of, a district to render the data in the proper format for reporting to the state. ~~If a district transfers to another regional center, the center shall transfer to the district within 90 days after the end of the fiscal year the district's per actual pupil share of the center's unreserved fund balance in each fund. The fund balance shall be determined as of June 30 preceding the year the district transfers.~~

Sec. 5. Minnesota Statutes 1991 Supplement, section 122.22, subdivision 9, is amended to read:

Subd. 9. An order issued under subdivision 8, clause (b), shall contain the following:

(a) A statement that the district is dissolved unless the results of an election held pursuant to subdivision 11 provide otherwise;

(b) A description by words or plat or both showing the disposition of territory in the district to be dissolved;

(c) The outstanding bonded debt, outstanding energy loans made according to section 216C.37 or sections 298.292 to 298.298, and the capital loan obligation of the district to be dissolved;

(d) A statement requiring the fulfillment of the requirements imposed by each adjoining district to which territory in the dissolving district is to be attached regarding the assumption of its outstanding preexisting bonded indebtedness by any territory from the dissolving district which is attached to it;

(e) An effective date for the order. The effective date ~~shall be at least three months after the date of the order. and~~ shall be July 1 of an odd-numbered year *unless the school board and the exclusive representative of the teachers in each affected district agree to an effective date of July 1 of an even-numbered year. The agreement must be in writing and submitted to the commissioner of education*; and

(f) Other information the county board may desire to include.

The auditor shall within ten days from its issuance serve a copy of the order by mail upon the clerk of the district to be dissolved and upon the clerk of each district to which the order attaches any territory of the district to be dissolved and upon the auditor of each other county in which all or any part of the district to be dissolved or any district to which the order attaches territory lies, and upon the commissioner.

Sec. 6. Minnesota Statutes 1991 Supplement, section 122.23, subdivision 2, is amended to read:

Subd. 2. (a) Upon a resolution of a school board in the area proposed for consolidation or upon receipt of a petition therefor executed by 25 percent of the voters resident in the area proposed for consolidation or by 50 such voters, whichever is lesser, the county auditor of the county which contains the greatest land area of the proposed new district shall forthwith cause a plat to be prepared. The resolution or petition shall show the approximate area proposed for consolidation.

(b) The resolution or petition may propose the following:

(1) that the bonded debt of the component districts will be paid according

to the levies previously made for that debt under chapter 475, ~~as provided in subdivision 16a,~~ or that the taxable property in the newly created district will be taxable for the payment of all or a portion of the bonded debt previously incurred by any component district as provided in subdivision ~~16b~~ *16*;

(2) that obligations for a capital loan or an energy loan made according to section 216C.37 or sections 298.292 to 298.298 outstanding in a preexisting district as of the effective date of consolidation remain solely with the preexisting district that obtained the loan, or that all or a portion of the loan obligations will be assumed by the newly created or enlarged district and paid by the newly created or enlarged district on behalf of the preexisting district that obtained the loan;

(3) that referendum levies previously approved by voters of the component districts pursuant to section 124A.03, subdivision 2, or its predecessor provision, be combined as provided in section 122.531, subdivision 2a or 2b, or that the referendum levies be discontinued;

(4) that the board of the newly created district consist of ~~seven~~ *the number of* members *determined by the component districts, which may be six or seven members elected according to subdivision 18, or any number of existing school board members of the component districts, and a method to gradually reduce the membership to six or seven*; or

(5) that separate election districts from which school board members will be elected, the boundaries of these election districts, and the initial term of the member elected from each of these election districts be established. If a county auditor receives more than one request for a plat and the requests involve parts of identical districts, the auditor shall forthwith prepare a plat which in the auditor's opinion best serves the educational interests of the inhabitants of the districts or areas affected.

(c) The plat shall show:

(1) Boundaries of the proposed district, as determined by the county auditor, and present district boundaries,

(2) The location of school buildings in the area proposed as a new district and the location of school buildings in adjoining districts,

(3) The boundaries of any proposed separate election districts, and

(4) Other pertinent information as determined by the county auditor.

Sec. 7. Minnesota Statutes 1990, section 122.23, subdivision 13, is amended to read:

Subd. 13. If a majority of the votes cast on the question at the election approve the consolidation, and if the necessary approving resolutions of boards entitled to act on the plat have been adopted, the school board shall, within ten days of the election, notify the county auditor who shall, within ten days of the notice or of the expiration of the period during which an election can be called, issue an order setting a date for the effective date of the change. The effective date shall be ~~at least three months after the day when the date must be set, and shall be~~ July 1 of an odd-numbered year, unless an even-numbered year is agreed upon according to subdivision 13a. The auditor shall mail or deliver a copy of such order to each auditor holding a copy of the plat and to the clerk of each district affected by the order and to the commissioner. The school board shall similarly notify the county

auditor if the election fails. The proceedings are then terminated and the county auditor shall so notify the commissioner and the auditors and the clerk of each school district affected.

Sec. 8. Minnesota Statutes 1990, section 122.241, subdivision 3, is amended to read:

Subd. 3. [COMBINATION REQUIREMENTS.] Combining districts must be contiguous and meet one of the following requirements at the time of combination:

(1) at least two districts with at least 400 resident pupils enrolled in grades 7 through 12 in the combined district and projections, approved by the department of education, of enrollment at least at that level for five years;

(2) at least two districts~~,~~ *if either:*

(i) both of ~~which~~ *the districts* qualify for *secondary* sparsity revenue under section 124A.22, subdivision 6, and have an average isolation index over 23; *or*

(ii) the combined district qualifies for secondary sparsity revenue; ~~or~~

(3) at least three districts with fewer than 400 resident pupils enrolled in grades 7 through 12 in the combined district; *or*

(4) at least two districts with fewer than 400 resident pupils enrolled in grades 7 through 12 in the combined district if either district is located on the border of the state.

A combination under clause *(2)*, (3), *or (4)* must be approved by the state board of education. The state board shall disapprove a combination under clause *(2)*, (3), *or (4)* if the combination is educationally unsound or would not reasonably enable the districts to fulfill statutory and rule requirements.

Sec. 9. Minnesota Statutes 1991 Supplement, section 122.242, subdivision 9, is amended to read:

Subd. 9. [FINANCES.] The plan must state:

(1) whether debt service for the bonds outstanding at the time of combination remains solely with the district that issued the bonds or whether all or a portion of the debt service for the bonds will be assumed by the combined district and paid by the combined district on behalf of the district that issued the bonds;

(2) whether obligations for a capital loan or energy loan made according to section 216C.37 or sections 298.292 to 298.298 outstanding at the time of combination remain solely with the district that obtained the loan, or whether all or a portion of all the loan obligations will be assumed by the combined district and paid by the combined district on behalf of the district that obtained the loan;

(3) the treatment of debt service levies and referendum levies;

(4) whether the cooperating or combined district will levy for reorganization operating debt according to section 121.915, clause (1); and

(5) ~~two-, five-, and ten-year~~ *two- and five-year* projections, prepared by the department of education upon the request of any district, of revenues, expenditures, and property taxes for each district if it cooperated and combined and if it did not.

Sec. 10. Minnesota Statutes 1991 Supplement, section 122.243, subdivision 2, is amended to read:

Subd. 2. [VOTER APPROVAL.] A referendum on the question of combination shall be conducted during the first or second year of cooperation for districts that cooperate according to section 122.241, or no more than 18 months before the effective date of combination for districts that do not cooperate. The referendum shall be on a date called by the school boards. The referendum shall be conducted by the school boards according to the Minnesota election law, as defined in section 200.01. If the referendum fails, the same question or a modified question may be submitted the following school year. ~~If a question is submitted, the second referendum must be conducted on a date before October 1.~~ If the referendum fails again, the districts shall modify their cooperation and combination plan. A third referendum may be conducted ~~on any date before October 1~~. *If a second or third referendum is conducted after October 1, the newly combined district may not levy under section 124.2725 until the following year.* Referendums shall be conducted on the same date in all districts.

Sec. 11. Minnesota Statutes 1990, section 122.531, is amended by adding a subdivision to read:

Subd. 2d. [CONSOLIDATION; REFERENDUM LEVY COMPUTATION.] *The levy part of the referendum revenue authorized under subdivision 2a or 2b may be levied against all taxable property in the newly created district as provided in this subdivision. If the entire amount of the referendum levy in each of the component districts had been levied against the net tax capacity of all taxable property in the district, the referendum levy for the newly created district must be levied against the net tax capacity of all taxable property in the newly created district. If the entire amount of the referendum levy in each of the component districts had been levied against the market value of all taxable property in the district, the referendum levy for the newly created district must be levied against the market value of all taxable property in the newly created district. If a part of the referendum levy in one or more of the component districts was levied against the net tax capacity of all taxable property in the district and a part of the referendum levy in one or more of the component districts had been levied against the market value of all taxable property in the district, and the plan for consolidation so provides, or the plan for consolidation makes no provision concerning referendum levies, the entire amount of the referendum levy for the newly created district must be levied against the net tax capacity of all taxable property in the newly created district. Alternatively, if a portion of the referendum levy in one or more of the component districts had been levied against the net tax capacity of all taxable property in the district and a portion of the referendum levy in one or more of the component districts was levied against the market value of all taxable property in the district, and the plan for consolidation so provides, the entire amount of the referendum levy for the newly created district must be levied against the market value of all taxable property in the newly created district.*

Sec. 12. Minnesota Statutes 1991 Supplement, section 122.531, subdivision 4a, is amended to read:

Subd. 4a. [REORGANIZATION OPERATING DEBT LEVIES.] (a) A district that ~~is cooperating~~ *receives revenue under section 124.2725 for cooperation* or has combined according to sections 122.241 to 122.248 may levy to eliminate reorganization operating debt as defined in section

121.915, clause (1). The amount of the debt must be certified over a period of five years. After the effective date of combination according to sections 122.241 to 122.248, the levy may be certified and spread ~~only~~ either

(1) only on the property in the combined district that would have been taxable in the preexisting district that incurred the debt, or

(2) on all of the taxable property in the combined district.

(b) A district that has reorganized according to section 122.22 or 122.23 may levy to eliminate reorganization operating debt as defined in section 121.915, clause (2). The amount of debt must be certified over a period not to exceed five years and may be spread either ~~only~~

(1) only on the property in the newly created or enlarged district which was taxable in the preexisting district that incurred the debt, or

(2) on all of the taxable property in the newly created or enlarged district.

Sec. 13. Minnesota Statutes 1990, section 122.531, is amended by adding a subdivision to read:

Subd. 9. [LEVY FOR SEVERANCE PAY OR EARLY RETIREMENT INCENTIVES.] *The school board of a newly created or enlarged district, according to section 122.22 or 122.23, may levy for severance pay or early retirement incentives for licensed and nonlicensed employees who resign or retire early as a result of the dissolution or consolidation, if the commissioner of education approves the incentives and the amount to be levied. The amount may be levied over a period of up to five years and shall be spread in whole or in part on the property of a preexisting district or the newly created or enlarged district, as determined by the school board of the newly created or enlarged district.*

Sec. 14. Minnesota Statutes 1990, section 122.532, subdivision 2, is amended to read:

Subd. 2. *(a)* As of the effective date of ~~any~~ *a* consolidation *in which a district is divided* or the dissolution of ~~any~~ *a* district and its attachment to ~~one~~ *two* or more existing districts, each teacher employed by an affected district shall be assigned to the newly created or enlarged district ~~in which is located the building where that teacher was primarily employed prior to the consolidation or dissolution and attachment~~ *on the basis of a ratio of the pupils assigned to each district according to the new district boundaries. The district receiving the greatest number of pupils must be assigned the teacher with the greatest seniority, and the remaining teachers must be alternately assigned to each district until the district receiving the fewest pupils has received its ratio of teachers who will not be retiring before the effective date of the consolidation or dissolution.*

(b) Notwithstanding paragraph (a), the school board and the exclusive representative of teachers in each school district involved in the consolidation or dissolution and attachment may negotiate a plan for assigning teachers to each newly created or enlarged district.

Sec. 15. Minnesota Statutes 1991 Supplement, section 124.2721, subdivision 3b, is amended to read:

Subd. 3b. [LEVY.] Beginning with the levy attributable to fiscal year 1994 and thereafter, the education district levy for a school district is equal to the following:

(1) the sum of the education district revenue according to subdivision ~~2~~ *2a* for all member school districts of the education district, times

(2) the lesser of

(a) one, or

(b) the ratio of the adjusted net tax capacity of the education district divided by the number of actual pupil units in the education district to ~~the~~ *an* amount ~~in clause (1)~~ *equal to $50* divided by 1.87 percent, times

(3) the ratio of the adjusted net tax capacity of the school district to the total adjusted net tax capacity of the education district.

Sec. 16. Minnesota Statutes 1990, section 124.2725, subdivision 13, is amended to read:

Subd. 13. [REVENUE FOR EXTENDED COOPERATION.] If the state board disapproves of the plan according to section 122.243, subdivision 1, or if a second referendum fails under section 122.243, subdivision 2, cooperation and combination revenue shall equal ~~$60~~ *$50* times the actual pupil units. Cooperation and combination aid must be reduced by an amount equal to the aid paid under subdivision 6 plus the difference between the aid paid under subdivision 5 for the first two years of the agreement and the aid that would have been paid if the revenue had been ~~$60~~ *$50* times the actual pupil units. If the aid is insufficient to recover the entire amount, the department of education shall reduce other aids due the district to recover the entire amount. The cooperation and combination levy shall be reduced by an amount equal to the difference between the levy for the first two years of the agreement and the levy that would have been authorized if the revenue had been ~~$60~~ *$50* times the actual pupil units. A district that receives revenue under this subdivision may not also receive revenue according to sections 124.2721 and 124.575.

Sec. 17. Minnesota Statutes 1990, section 124.2725, subdivision 14, is amended to read:

Subd. 14. [CESSATION OF REVENUE.] At any time the districts cease cooperating, aid shall not be paid and the authority to levy ceases. *If a district ceases to cooperate for all or a portion of a fiscal year for which a levy has been certified under subdivision 3, the department of education shall adjust the next levy certified by the district by an amount in proportion to the part of the fiscal year that the district did not cooperate.*

Sec. 18. Minnesota Statutes 1991 Supplement, section 124.2727, subdivision 6, is amended to read:

Subd. 6. [~~ALTERNATIVE~~ LEVY AUTHORITY.] (a) *For fiscal years prior to fiscal year 1996,* an intermediate school district may levy, as a single taxing district, according to this paragraph, an amount that may not exceed the greater of:

(1) five-sixths of the levy certified for *special education and secondary vocational education for* taxes payable in 1989; or

(2) the lesser of (i) $50 times the actual pupil units in each participating district for the fiscal year to which the levy is attributable, or (ii) 1.43 percent of the adjusted net tax capacity. The levy shall be certified according to section 275.07. Upon such certification, the county auditors shall levy and collect the levies and remit the proceeds of the levy to the intermediate school district. The levies shall not be included in computing the limitation

upon the levy of any of the participating districts.

(b) ~~Five-sixths~~ *Five-elevenths* of the proceeds of the levy shall be used for special education. Six-elevenths of the proceeds of the levy shall be used for secondary vocational education.

(c) ~~To levy according to paragraph (a), a majority of the full membership of the school board of each member of the intermediate school district shall adopt a resolution in August of any year stating its decision not to levy according to this section and authorizing the intermediate district to levy according to paragraph (a). Any member district may adopt a resolution by the following February 1 or February 1 of any subsequent year to levy as a school district the amount authorized by this section. The resolution may or may not also contain the school board's decision to withdraw from the intermediate school district or to cease participating in or providing financial support for any of the services or activities of the intermediate school district. Upon withdrawal from or cessation of participation in or support for the services or activities of the intermediate district, the board of the intermediate district shall pay to the district $50 times the number of actual pupil units in the school district, or a prorated amount if the member district ceases participation in or providing financial support for any activities or services of the intermediate district.~~ *When a school district joins or withdraws from an intermediate school district after July 1, 1991, the department of education shall recalculate the levy certified for taxes payable in 1989, for the purpose of determining the levy amount authorized under paragraph (a), clause (1), to reflect the change in membership of the intermediate school district. The department shall recalculate the levy as though the intermediate school district had certified the maximum permitted levy for taxes payable in 1989.*

This subdivision expires July 1, 1995.

Sec. 19. Minnesota Statutes 1991 Supplement, section 124.2727, is amended by adding a subdivision to read:

Subd. 8. [CERTIFICATES OF INDEBTEDNESS.] *After a levy has been certified according to subdivision 6 or 7, an intermediate school board may issue and sell certificates of indebtedness in anticipation of the collection of levies, but in aggregate amounts that will not exceed the portion of the levies which is then not collected and not delinquent.*

Sec. 20. Minnesota Statutes 1990, section 124A.22, subdivision 2a, is amended to read:

Subd. 2a. [CONTRACT DEADLINE AND PENALTY.] (a) The following definitions apply to this subdivision:

"Public employer" means:

(1) a school district; and

(2) a public employer, as defined by section 179A.03, subdivision 15, other than a school district that (i) negotiates a contract under chapter 179A with teachers, and (ii) is established by, receives state money, or levies under chapters 120 to 129, or 136D, or 268A, or section 275.125.

"Teacher" means a person, other than a superintendent or assistant superintendent, principal, assistant principal, or a supervisor or confidential employee who occupies a position for which the person must be licensed by the board of teaching, state board of education, or state board of technical colleges.

(b) Notwithstanding any law to the contrary, a public employer and the exclusive representative of the teachers shall both sign a collective bargaining agreement on or before January 15 of an even-numbered calendar year. If a collective bargaining agreement is not signed by that date, state aid paid to the public employer for that fiscal year shall be reduced. However, state aid shall not be reduced if:

(1) a public employer and the exclusive representative of the teachers have submitted all unresolved contract items to interest arbitration according to section 179A.16 before December 31 of an odd-numbered year and filed required final positions on all unresolved items with the commissioner of mediation services before January 15 of an even-numbered year; and

(2) the arbitration panel has issued its decision within 60 days after the date the final positions were filed.

For a district that reorganizes according to section 122.22 or 122.23, effective July 1 of an odd-numbered year, state aid shall not be reduced according to this subdivision if the school board and the exclusive representative of the teachers both sign a collective bargaining agreement on or before the March 15 following the effective date of reorganization. This extension is available only in the calendar year following the effective date of reorganization.

(c) The reduction shall equal $25 times the number of actual pupil units:

(1) for a school district, that are in the district during that fiscal year; or

(2) for a public employer other than a school district, that are in programs provided by the employer during the preceding fiscal year.

The department of education shall determine the number of full-time equivalent actual pupil units in the programs. The department of education shall reduce general education aid; if general education aid is insufficient or not paid, the department shall reduce other state aids.

(d) Reductions from aid to school districts and public employers other than school districts shall be returned to the general fund.

Sec. 21. Minnesota Statutes 1990, section 136D.22, subdivision 1, is amended to read:

Subdivision 1. [BOARD.] The agreement shall provide for a joint school board representing the parties to the agreement. The agreement shall specify the name of the board, the number and manner of election or appointment of its members, their terms and qualifications, and other necessary and desirable provisions. ~~Each member of the board shall be a school board member of a school district that is a party to the agreement.~~

Sec. 22. Minnesota Statutes 1991 Supplement, section 136D.22, subdivision 3, is amended to read:

Subd. 3. [LIMITATION ON ~~PARTICIPATION AND FINANCIAL SUPPORT~~ *MEMBERSHIP*.] (a) No school district shall be required ~~by an agreement or otherwise to participate in or provide financial support for~~ *to be a participating district in* an intermediate school district for a time period ~~in excess of one fiscal year~~ *longer than that set forth in this subdivision*. Any agreement, part of an agreement, or other type of requirement to the contrary is void.

(b) ~~This subdivision shall not affect the continued liability of a school district for its share of bonded indebtedness or other debt incurred by the intermediate school district before June 5, 1991. The school district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on June 5, 1991, except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on June 5, 1991, if the annual payments of the school district are not increased and if the total obligation of the school district for its share of outstanding bonds or other debt is not increased.~~

~~(c) To cease participating in or providing financial support for any of the services or activities provided by the intermediate district or~~ To withdraw from ~~the~~ *an* intermediate district, ~~the~~ *a* school board shall adopt a resolution and notify the intermediate board of its decision on or before February 1 of any year. ~~The cessation or~~ Withdrawal shall be effective ~~June 30 of the same year or, at the option of the school board,~~ June 30 of the following fiscal year, *unless the withdrawing school district and the intermediate district agree to a different date. The intermediate board shall file a copy of the withdrawal resolution with the county auditors of the counties in which the intermediate district is located in whole or in part.*

~~(d)~~ *(c) In addition to the requirements of section 136D.281,* before issuing bonds or incurring other debt, the board of an intermediate district shall adopt a resolution proposing to issue bonds or incur other debt and the proposed financial effect of the bonds or other debt upon each participating school district. The resolution shall be adopted within a time sufficient to allow the school board to adopt a resolution within the time permitted by this ~~paragraph~~ *subdivision* and *before any election required by chapter 475 is conducted. The resolution shall also be adopted within a time sufficient to allow the intermediate board and the school board of a participating district* to comply with the statutory deadlines set forth in sections 122.895, 125.12, and 125.17. The intermediate board shall notify each ~~participating~~ school board *of a participating school district* of the contents of the resolution. Within ~~120~~ *60* days of receiving the resolution of the intermediate board, the school board of the participating district shall adopt a resolution stating:

(1) its concurrence with issuing bonds or incurring other debt; *or*

(2) ~~its intention to cease participating in or providing financial support for the service or activity related to the bonds or other debt; or~~

~~(3)~~ its intention to withdraw from the intermediate district.

A school board adopting a resolution according to clause (1) is liable for its share of bonded indebtedness or other debt as proposed by the board of the intermediate district. ~~A school board adopting a resolution according to clause (2) is not liable for the bonded indebtedness or other debt, as proposed by the board of the intermediate district, related to the services or activities in which the school district ceases participating or providing financial support.~~ A school board adopting a resolution according to clause ~~(3)~~ *(2)* is not liable for the bonded indebtedness or other debt *as* proposed by the board of the intermediate district. *Failure of a school board to adopt a resolution within the required time period shall constitute concurrence with issuing bonds or incurring other debt.*

~~(e) After June 5, 1991~~ *(d) Except as provided in paragraph (c),* a school

district ~~is~~ *that withdraws from the intermediate district remains* liable ~~according to paragraph (d)~~ for its share of bonded indebtedness or other debt incurred by the intermediate district ~~to the extent that the bonds or other debt are directly related to the services or activities in which the school district participates or for which the school district provides financial support~~. The school district has continued liability only until the ~~obligation~~ *bonds are retired* or *the* debt is discharged and only according to the payment schedule in effect at the time the *school* board ~~of the intermediate district~~ provides notice *of withdrawal* to the ~~school board~~ *intermediate district*, except that the payment schedule may be altered for the purpose of refunding the outstanding bonds or restructuring other debt ~~if the annual payments of the school district are not increased and if the total obligation of the school district for the outstanding bonds or other debt is not increased~~.

(e) For the purposes of this subdivision, "other debt" means a contractual obligation for which the intermediate district does not have specific authority to levy, except for the levy authorized for special education and secondary vocational education according to section 124.2727, and for which money is not appropriated in the current year's budget. It includes tax and aid anticipation certificates of indebtedness and warrants; however, the procedures for the issuance of tax and aid anticipation certificates and warrants shall be the same as those provided in chapters 124 and 475.

Sec. 23. Minnesota Statutes 1991 Supplement, section 136D.71, subdivision 2, is amended to read:

Subd. 2. [LIMITATION ON ~~PARTICIPATION AND FINANCIAL SUPPORT~~ *MEMBERSHIP*.] (a) No school district shall be required ~~by an agreement or otherwise to participate in or provide financial support for~~ *to be a participating district in* an intermediate school district for a time period ~~in excess of one fiscal year~~ *longer than that set forth in this subdivision*. Any agreement, part of an agreement, or other type of requirement to the contrary is void.

(b) ~~This subdivision shall not affect the continued liability of a school district for its share of bonded indebtedness or other debt incurred by the intermediate school district before June 5, 1991. The school district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on June 5, 1991, except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on June 5, 1991, if the annual payments of the school district are not increased and if the total obligation of the school district for its share of outstanding bonds or other debt is not increased.~~

~~(c) To cease participating in or providing financial support for any of the services or activities provided by the intermediate district or~~ To withdraw from ~~the~~ *an* intermediate district, ~~the~~ *a* school board shall adopt a resolution and notify the intermediate board of its decision on or before February 1 of any year. ~~The cessation or~~ Withdrawal shall be effective ~~June 30 of the same year or, at the option of the school board,~~ June 30 of the following fiscal year, *unless the withdrawing school district and the intermediate district agree to a different date. The intermediate board shall file a copy of the withdrawal resolution with the county auditors of the counties in which the intermediate district is located in whole or in part.*

~~(d)~~ *(c) In addition to the requirements of section 136D.741*, before issuing bonds or incurring other debt, the board of an intermediate district shall adopt a resolution proposing to issue bonds or incur other debt and the

proposed financial effect of the bonds or other debt upon each participating school district. The resolution shall be adopted within a time sufficient to allow the school board to adopt a resolution within the time permitted by this ~~paragraph~~ *subdivision* and *before any election required by chapter 475 is conducted. The resolution shall also be adopted within a time sufficient to allow the intermediate board and the school board of a participating district* to comply with the statutory deadlines set forth in sections 122.895, 125.12, and 125.17. The intermediate board shall notify each ~~participating~~ school board *of a participating school district* of the contents of the resolution. Within ~~120~~ *60* days of receiving the resolution of the intermediate board, the school board of the participating district shall adopt a resolution stating:

(1) its concurrence with issuing bonds or incurring other debt; *or*

(2) ~~its intention to cease participating in or providing financial support for the service or activity related to the bonds or other debt; or~~

~~(3)~~ its intention to withdraw from the intermediate district.

A school board adopting a resolution according to clause (1) is liable for its share of bonded indebtedness or other debt as proposed by the board of the intermediate district. ~~A school board adopting a resolution according to clause (2) is not liable for the bonded indebtedness or other debt, as proposed by the board of the intermediate district, related to the services or activities in which the school district ceases participating or providing financial support.~~ A school board adopting a resolution according to clause ~~(3)~~ *(2)* is not liable for the bonded indebtedness or other debt *as* proposed by the board of the intermediate district. *Failure of a school board to adopt a resolution within the required time period shall constitute concurrence with issuing bonds or incurring other debt.*

~~(c) After June 5, 1991~~ *(d) Except as provided in paragraph (c),* a school district ~~is~~ *that withdraws from the intermediate district remains* liable ~~according to paragraph (d)~~ for its share of bonded indebtedness or other debt incurred by the intermediate district ~~to the extent that the bonds or other debt are directly related to the services or activities in which the school district participates or for which the school district provides financial support~~. The school district has continued liability only until the ~~obligation~~ *bonds are retired* or *the* debt is discharged and only according to the payment schedule in effect at the time the *school* board ~~of the intermediate district~~ provides notice *of withdrawal* to the ~~school board~~ *intermediate district*, except that the payment schedule may be altered for the purpose of refunding the outstanding bonds or restructuring other debt ~~if the annual payments of the school district are not increased and if the total obligation of the school district for the outstanding bonds or other debt is not increased~~.

(e) For the purposes of this subdivision, "other debt" means a contractual obligation for which the intermediate district does not have specific authority to levy, except for the levy authorized for special education and secondary vocational education according to section 124.2727, and for which money is not appropriated in the current year's budget. It includes tax and aid anticipation certificates of indebtedness and warrants; however, the procedures for the issuance of tax and aid anticipation certificates and warrants shall be the same as those provided in chapters 124 and 475.

Sec. 24. Minnesota Statutes 1991 Supplement, section 136D.72, subdivision 1, is amended to read:

Subdivision 1. [MEMBERS.] The district shall be operated by a school board consisting of at least one member from each of the school districts within the special intermediate school district. Board members ~~shall be members of the school boards of the respective school districts and~~ shall be appointed by their respective school boards. Members shall serve at the pleasure of their respective school boards and may be subject to recall by a majority vote of the school board. They shall report at least quarterly to their boards on the activities of the intermediate district.

Sec. 25. Minnesota Statutes 1990, section 136D.75, is amended to read:

136D.75 [STATE BOARD APPROVAL TO RUN TECHNICAL COLLEGE, ISSUE BONDS.]

Prior to the commencement of the operation of any technical college, the intermediate school board shall obtain the approval of the state board of education. Prior to the issuance of any bonds contemplated by sections 136D.71 to 136D.77 *for post-secondary technical education*, written approval by the state board of ~~education~~ *technical colleges* shall be obtained.

Sec. 26. Minnesota Statutes 1991 Supplement, section 136D.76, subdivision 2, is amended to read:

Subd. 2. [JOINDER.] ~~An independent school district must receive the approval of the state board of education and the state board of technical colleges to become a participant in the intermediate school district. Thereafter,~~ Upon approval of the majority vote of ~~its~~ *the school district* board and of the intermediate school board and without the requirement for an election, independent school district No. 138 of Chisago and Isanti counties and independent school district No. 141 of Chisago and Washington counties, and any other independent school district adjoining the territory embraced in the intermediate school district may become a participant in the intermediate school district and be governed by the provisions of sections 136D.71 to 136D.77 thereafter. The net tax capacity of the property within the geographic confines of such district shall become proportionately liable for any indebtedness issued, outstanding or authorized of the intermediate school district.

Sec. 27. Minnesota Statutes 1990, section 136D.82, subdivision 1, is amended to read:

Subdivision 1. [BOARD.] The agreement shall provide for a joint school board representing the parties to the agreement. The agreement shall specify the name of the board, the number and manner of election or appointment of its members, their terms and qualifications, and other necessary and desirable provisions. ~~Each member of the board shall be a school board member of a school district that is a party to the agreement.~~

Sec. 28. Minnesota Statutes 1991 Supplement, section 136D.82, subdivision 3, is amended to read:

Subd. 3. [LIMITATION ON ~~PARTICIPATION AND FINANCIAL SUPPORT~~ *MEMBERSHIP*.] (a) No school district shall be required ~~by an agreement or otherwise to participate in or provide financial support for~~ *to be a participating district in* an intermediate school district for a time period ~~in excess of one fiscal year~~ *longer than that set forth in this subdivision*. Any agreement, part of an agreement, or other type of requirement to the contrary is void.

(b) ~~This subdivision shall not affect the continued liability of a school~~

~~district for its share of bonded indebtedness or other debt incurred by the intermediate school district before June 5, 1991. The school district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on June 5, 1991, except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on June 5, 1991, if the annual payments of the school district are not increased and if the total obligation of the school district for its share of outstanding bonds or other debt is not increased.~~

~~(c) To cease participating in or providing financial support for any of the services or activities provided by the intermediate district or~~ To withdraw from ~~the~~ *an* intermediate district, ~~the~~ *a* school board shall adopt a resolution and notify the intermediate board of its decision on or before February 1 of any year. ~~The cessation or~~ Withdrawal shall be effective ~~June 30 of the same year or, at the option of the school board,~~ June 30 of the following fiscal year, *unless the withdrawing school district and the intermediate district agree to a different date. The intermediate board shall file a copy of the withdrawal resolution with the county auditors of the counties in which the intermediate district is located in whole or in part.*

~~(d)~~ *(c) In addition to the requirements of section 136D.88,* before issuing bonds or incurring other debt, the board of an intermediate district shall adopt a resolution proposing to issue bonds or incur other debt and the proposed financial effect of the bonds or other debt upon each participating school district. The resolution shall be adopted within a time sufficient to allow the school board to adopt a resolution within the time permitted by this ~~paragraph~~ *subdivision* and *before any election required by chapter 475 is conducted. The resolution shall also be adopted within a time sufficient to allow the intermediate board and the school board of a participating district* to comply with the statutory deadlines set forth in sections 122.895, 125.12, and 125.17. The intermediate board shall notify each ~~participating~~ school board *of a participating school district* of the contents of the resolution. Within ~~120~~ *60* days of receiving the resolution of the intermediate board, the school board of the participating district shall adopt a resolution stating:

(1) its concurrence with issuing bonds or incurring other debt; *or*

(2) ~~its intention to cease participating in or providing financial support for the service or activity related to the bonds or other debt; or~~

~~(3)~~ its intention to withdraw from the intermediate district.

A school board adopting a resolution according to clause (1) is liable for its share of bonded indebtedness or other debt as proposed by the board of the intermediate district. ~~A school board adopting a resolution according to clause (2) is not liable for the bonded indebtedness or other debt, as proposed by the board of the intermediate district, related to the services or activities in which the school district ceases participating or providing financial support.~~ A school board adopting a resolution according to clause ~~(3)~~ *(2)* is not liable for the bonded indebtedness or other debt *as* proposed by the board of the intermediate district. *Failure of a school board to adopt a resolution within the required time period shall constitute concurrence with issuing bonds or incurring other debt.*

~~(e) After June 5, 1991~~ *(d) Except as provided in paragraph (c),* a school district ~~is~~ *that withdraws from the intermediate district remains* liable ~~according to paragraph (d)~~ for its share of bonded indebtedness or other debt

incurred by the intermediate district ~~to the extent that the bonds or other debt are directly related to the services or activities in which the school district participates or for which the school district provides financial support~~. The school district has continued liability only until the ~~obligation~~ *bonds are retired* or *the* debt is discharged and only according to the payment schedule in effect at the time the *school* board ~~of the intermediate district~~ provides notice *of withdrawal* to the ~~school board~~ *intermediate district*, except that the payment schedule may be altered for the purpose of refunding the outstanding bonds or restructuring other debt ~~if the annual payments of the school district are not increased and if the total obligation of the school district for the outstanding bonds or other debt is not increased~~.

(e) For the purposes of this subdivision, "other debt" means a contractual obligation for which the intermediate district does not have specific authority to levy, except for the levy authorized for special education and secondary vocational education according to section 124.2727, and for which money is not appropriated in the current year's budget. It includes tax and aid anticipation certificates of indebtedness and warrants; however, the procedures for the issuance of tax and aid anticipation certificates and warrants shall be the same as those provided in chapters 124 and 475.

Sec. 29. Minnesota Statutes 1990, section 275.125, is amended by adding a subdivision to read:

Subd. 8f. [SPECIAL COOPERATION LEVY.] *(a) This subdivision does not apply to an education district, intermediate school district, secondary vocational cooperative, special education cooperative, or a joint powers district that received a grant for a cooperative secondary facility. A school district may levy under this subdivision for taxes payable in 1993, 1994, and 1995 if it:*

(1) has more than 30,000 actual pupil units;

(2) is not a member of intermediate school district No. 287, 916, or 917;

(3) provides special education services to at least 3,200 resident and 100 nonresident pupils;

(4) develops model curricula for use by nonresident special education pupils;

(5) consults with other school districts on developing individual education plans for nonresident special education pupils on a regular or emergency basis;

(6) provides secondary vocational programs to resident and nonresident at-risk youths;

(7) provides pregnant teen and teen parent programs to resident and nonresident pupils; and

(8) provides staff development programs and material for teachers in other districts.

(b) The levy may not exceed $50 times the number of actual pupil units in the district.

A school district may recognize 50 percent of the proceeds of the levy in the fiscal year it is certified.

(c) The proceeds of the levy shall be used for special education and secondary vocational education.

Sec. 30. Minnesota Statutes 1991 Supplement, section 275.125, subdivision 11g, is amended to read:

Subd. 11g. [EXTRA CAPITAL EXPENDITURE LEVY FOR INTERACTIVE TELEVISION.] A school district with its central administrative office located within economic development region one, two, three, four, five, *six*, seven, eight, *nine*, and ten may levy up to *the greater of* .5 percent of the adjusted net tax capacity of the district *or $20,000* for the construction, maintenance, and lease costs of an interactive television system for instructional purposes. The approval by the commissioner of education and the application procedures set forth in subdivision 11d shall apply to the levy authority in this subdivision.

Sec. 31. Laws 1991, chapter 265, article 6, section 67, subdivision 3, is amended to read:

Subd. 3. [JULY 1, 1993.] Minnesota Statutes 1990, sections 121.935, subdivision 5; ~~121.91~~ *122.91*, subdivision 7; 122.945, subdivision 4; 124.2721, subdivision 3a; and 124.535, subdivision 3a.

Sec. 32. [REORGANIZATION OPERATING DEBT FOR CERTAIN DISTRICTS.]

Notwithstanding Minnesota Statutes, section 121.915, if independent school districts No. 237, Spring Valley; and No. 236, Wykoff, conduct a successful referendum in 1992 on the question of combination, the reorganization operating debt for independent school districts No. 237, Spring Valley; and No. 236, Wykoff, shall be calculated according to Minnesota Statutes, section 121.915, except that the debt may be calculated as of June 30, 1993.

Sec. 33. [PREK-12 AND COMMUNITY EDUCATION SERVICE DELIVERY SYSTEM.

Subdivision 1. [PURPOSE.] *The purpose of this section is to design and implement a statewide delivery system for educational services that will reduce the number of different cooperative organizations and the multiple levels of administration that accompany those organizations.*

Subd. 2. [SCOPE OF THE SYSTEM.] *(a) A new statewide delivery system shall be designed and implemented by July 1, 1995, for all prekindergarten through grade 12 and community education services provided by the organizations enumerated in this paragraph:*

(1) the Minnesota department of education;

(2) educational cooperative service units established under Minnesota Statutes, section 123.58;

(3) intermediate school districts established under Minnesota Statutes, chapter 136D;

(4) education districts established under Minnesota Statutes, section 122.91;

(5) regional management information centers established under Minnesota Statutes, section 121.935; and

(6) secondary vocational cooperatives established under Minnesota Statutes, section 123.351.

Subd. 3. [REQUIREMENTS FOR THE SYSTEM.] *The new statewide*

delivery system must provide for no more than three organizations for education service delivery;

(1) a school district, as defined in Minnesota Statutes, chapter 123;

(2) an area education organization to provide those programs and services most efficiently and effectively provided through a joint effort of school districts; and

(3) a state level administrative organization comprised of a state board of education and a state department of education with central and regional delivery centers.

Subd. 4. [LOCAL SCHOOL DISTRICT PLANNING.] *School districts shall develop a plan for the efficient and effective delivery of educational programs and services within the new education delivery system. The plan developed by the districts must contain the components enumerated in this subdivision:*

(1) a description of the necessary services to be provided by the school district, the area education organization, and the central and regional delivery centers of the department of education described in subdivision 3;

(2) a specification of the optimal number of school districts and number of pupils that an area education organization and regional center of the department of education should serve;

(3) a method for determining the boundaries of area education organizations and regional centers of the department;

(4) a description of how services provided in the area education organizations should be funded; and

(5) a determination of the role of the school district, the area education organization, and the central and regional centers of the department in ensuring that health and other social services necessary to maximize a pupil's ability to learn are provided to pupils.

Subd. 5. [SCHOOL DISTRICTS.] *The school districts shall make a final report to the legislature by July 1, 1994. The final report must contain recommendations for the design of an education service delivery system in accordance with this section and recommendations for legislation required to implement the system.*

Sec. 34. [COOPERATION REVENUE.]

Subdivision 1. Notwithstanding any other law to the contrary, if the members of a joint school district that received a cooperative secondary facilities grant under section 124.494 on or before May 1, 1991, meet the requirements of Minnesota Statutes 1990, sections 122.241 to 122.246, they shall be eligible for revenue under Minnesota Statutes, section 124.2725.

Subd. 2. The authority in subdivision 1 expires if the members of the joint school district have not combined according to Minnesota Statutes 1990, section 122.244, by July 1, 1996.

Sec. 35. [LAC QUI PARLE COOPERATION LEVY.]

(a) Joint school district No. 6011, Lac Qui Parle Valley, may certify a levy on all the taxable property in the joint district for costs associated with the establishment of the joint district. The levy authorized under this section must not exceed $400,000 in total and must be certified in equal

amounts over each year of a five-year period.

(b) Notwithstanding paragraph (a), if the members of joint school district No. 6011 do not combine under Minnesota Statutes, section 122.244 by July 1, 1996, authority to levy under this section ceases.

Sec. 36. [INTERMEDIATE LEVY INCREASE.]

Notwithstanding any law to the contrary, to restore a portion of the revenue reduction imposed by Laws 1991, chapter 265, article 6, section 60, paragraph (b), an intermediate school district may levy in 1992 for taxes payable in 1993 up to an amount equal to one-sixth of the 1990 payable 1991 levy for special education and secondary vocational education certified by the intermediate school district times 21/27.

Sec. 37. [SECONDARY VOCATIONAL COOPERATIVE LEVY ADJUSTMENT FOR FISCAL YEAR 1993.]

Notwithstanding any other law to the contrary, a school district that certified a levy under Minnesota Statutes, section 124.575, subdivision 3, in 1991 for taxes payable in 1992 may levy in 1992 for taxes payable in 1993 up to an amount equal to:

(1) the amount of aid calculated for fiscal year 1993 under Minnesota Statutes, section 124.575, subdivision 4, for the secondary vocational cooperative to which the school district belonged, times

(2) the ratio of the adjusted net tax capacity of the school district to the adjusted net tax capacity of the secondary vocational cooperative.

The amount of levy permitted under this section shall be transferred to the secondary vocational cooperative according to Minnesota Statutes, section 124.575, subdivision 3a.

Sec. 38. [EDUCATION DISTRICT LEVY ADJUSTMENT FOR FISCAL YEAR 1993.]

Notwithstanding any other law to the contrary, a school district that certified a levy under Minnesota Statutes, section 124.2721, subdivision 3, in 1991 for taxes payable in 1992 may levy in 1992 for taxes payable in 1993 up to an amount equal to:

(1) the amount of aid calculated for fiscal year 1993 under Minnesota Statutes, section 124.2721, subdivision 4, for the education district to which the school district belonged, times

(2) the ratio of the adjusted net tax capacity of the school district to the adjusted net tax capacity of the education district.

The amount of the levy permitted under this section shall be transferred to the education district board according to Minnesota Statutes, section 124.2721, subdivision 3a.

Sec. 39. [REPEALER.]

Subdivision 1. [JUNE 1991.] *Minnesota Statutes 1990, section 136D.76, subdivision 3; Minnesota Statutes 1991 Supplement, sections 124.2727, subdivisions 1, 2, 3, 4, and 5; and 136D.90, subdivision 2, are repealed as of June 1, 1991.*

Subd. 2. [JULY 1, 1992.] *Minnesota Statutes 1990, section 136D.74, subdivision 3; Laws 1991, chapter 265, article 6, section 64; Laws 1991, chapter 265, article 6, sections 4, 20, 22 to 26, 28, 30 to 33, and 41 to*

45, are repealed.

Subd. 3. [EXPIRATION.] *Minnesota Statutes 1990, chapter 136D, as amended, sections 121.935, 122.91 to 122.95, 123.351, 123.358, and 124.575, and Minnesota Statutes 1991, sections 124.2721 and 124.2727 expire as of July 1, 1995.*

Sec. 40. [EFFECTIVE DATE.]

Sections 18, 22, 23, and 28 are effective retroactively to June 1, 1991.

ARTICLE 7

OTHER PROGRAM FUNDING

Section 1. Minnesota Statutes 1991 Supplement, section 121.912, subdivision 6, is amended to read:

Subd. 6. [ACCOUNT TRANSFER FOR REORGANIZING DISTRICTS.] *(a)* A school district that has reorganized according to section 122.22, 122.23, or sections 122.241 to 122.248 may make permanent transfers between any of the funds in the newly created or enlarged district with the exception of the debt redemption fund. Fund transfers under this section may be made only during the year following the effective date of reorganization.

(b) A district that has conducted a successful referendum on the question of combination under section 122.243, subdivision 2, may make permanent transfers between any of the funds in the district with the exception of the debt redemption fund for up to one year prior to the effective date of combination under sections 122.241 to 122.248.

Sec. 2. Minnesota Statutes 1991 Supplement, section 124.2615, subdivision 2, is amended to read:

Subd. 2. [AMOUNT OF AID.] A district is eligible to receive learning readiness aid if the program plan as required by subdivision 1 has been approved by the commissioner of education. ~~For fiscal year 1992,~~ The aid is equal to:

(1) $200 *for fiscal year 1992 and $300 for fiscal year 1993* times the number of eligible four-year old children residing in the district, as determined according to section 124.2711, subdivision 2; plus

(2) $100 *for fiscal year 1992 and $300 for fiscal year 1993* times the result of;

(3) the ratio of the number of pupils enrolled in the school district from families eligible for the free or reduced school lunch program to the total number of pupils enrolled in the school district; times

(4) the number of children in clause (1).

For fiscal year ~~1993~~ *1994* and thereafter, a district shall receive learning readiness aid equal to:

(1) $500 times the number of all participating eligible children; plus

(2) $200 times the number of participating eligible children identified according to section 121.831, subdivision 8.

Sec. 3. Minnesota Statutes 1990, section 124.85, subdivision 4, is amended to read:

Subd. 4. [DISTRICT ACTION.] A district may enter into a guaranteed energy savings contract with a qualified provider if, after review of the report, it finds that the amount it would spend on the energy conservation measures recommended in the report is not likely to exceed the amount to be saved in energy and operation costs over ten years from the date of installation if the recommendations in the report were followed, and the qualified provider provides a written guarantee that the energy or operating cost savings will meet or exceed the costs of the system. The guaranteed energy savings contract may provide for payments over a period of time, not to exceed ten years. *Notwithstanding section 121.912, a district annually may transfer from the general fund to the capital expenditure fund an amount up to the amount saved in energy and operation costs as a result of guaranteed energy savings contracts.*

Sec. 4. [124A.697] [TITLE.]

Sections 4 to 8 may be cited as the "Minnesota education finance act of 1992."

Sec. 5. [124A.70] [BASIC INSTRUCTIONAL AID.]

Subdivision 1. [BASIC OUTCOMES.] *Basic outcomes are defined as learner outcomes that must be achieved as a requirement for graduation, specified in rule by the state board of education. Basic outcomes are those outcomes that have standards of achievement determined by the state board.*

Subd. 2. [AID AMOUNT.] *Basic instructional aid is equal to the aid allowance times the number of pupil units for the school year. The aid allowance for fiscal year 2000 and thereafter is zero.*

Subd. 3. [SPECIAL NEED AID.] *Each district shall receive special need aid equal to zero times the number of actual pupil units for the school year times the district's special need index.*

Subd. 4. [COST DIFFERENTIAL AID.] *Each district shall receive aid equal to zero times the number of actual pupil units for the school year times its cost differential index. This aid is only available if the district has implemented a career teacher program.*

Subd. 5. [AID USES.] *Aid received under this section may only be used to deliver instructional services needed to assure that all pupils in the district achieve basic outcomes through the following uses:*

(1) salaries and benefits for licensed and nonlicensed instructional staff used to instruct or direct instructional delivery or provide academic instructional support services;

(2) instructional supplies and resources including, but not limited to, curricular materials, maps, individualized instructional materials, test materials, and other related supplies;

(3) tuition payments to other service providers for direct instruction or instructional materials; and

(4) computers, interactive television, and other technologically related equipment used in the direct delivery of instruction.

Sec. 6. [124A.71] [ELECTIVE INSTRUCTIONAL REVENUE.]

Subdivision 1. [ELECTIVE OUTCOMES.] *Elective outcomes are defined as learner outcomes that may be offered to students that are not defined as basic outcomes. The standards of achievement of elective outcomes are*

determined by the local school board.

Subd. 2. [REVENUE.] *Elective instructional revenue is equal to the elective instructional revenue allowance times the number of pupil units for the school year. The revenue allowance for fiscal year 2000 and thereafter is zero.*

Subd. 3. [LEVY.] *Elective instructional levy is equal to elective instructional revenue times the lesser of one or the ratio of:*

(1) net tax capacity divided by the number of pupil units for the year the revenue is attributable, divided by

(2) the equalizing factor.

Subd. 4. [AID.] *Elective instructional aid is equal to elective instructional revenue minus elective instructional levy. If a district levies less than the authorized amount, the aid shall be reduced proportionately.*

Subd. 5. [REVENUE USE.] *Elective instructional revenue may only be used for the following purposes:*

(1) salaries and benefits for licensed and nonlicensed instructional staff used to instruct or direct instructional delivery;

(2) instructional supplies and resources including, but not limited to, curricular materials, maps, individualized instructional materials, test materials, and other related supplies;

(3) tuition payments to other service providers for direct instruction or instructional materials;

(4) computers, interactive television, and other technologically related equipment used in the direct delivery of instruction;

(5) instructional support services including staff development, curriculum development, and other instructional support services;

(6) pupil support services including health, counseling, and psychological services;

(7) administrative costs that are not to exceed five percent of the operating budget for the year; and

(8) school district facility operations and maintenance.

Sec. 7. [124A.72] [LOCAL DISCRETIONARY REVENUE.]

Subdivision 1. [LOCAL DISCRETIONARY REVENUE.] *Local discretionary revenue is available for districts to implement programs to offer outcomes or to cover other district operating expenditures not provided according to sections 4 and 5.*

Subd. 2. [REVENUE.] *A district's local discretionary revenue is equal to the amount authorized according to section 124A.03. Revenue may not exceed zero times the actual pupil units for the year the revenue is attributable.*

Subd. 3. [LEVY.] *Local discretionary levy is equal to local discretionary revenue times the lesser of one or the ratio of:*

(1) net tax capacity divided by the number of pupil units for the year the revenue is attributable, divided by

(2) the equalizing factor.

Subd. 4. [AID.] *Local discretionary aid is equal to local discretionary revenue minus local discretionary levy. If a district levies less than the authorized amount, the aid shall be reduced proportionately.*

Sec. 8. [124A.73] [EDUCATION TRUST FUND.]

Subdivision 1. [CREATION.] *The commissioner shall deposit to the credit of the education 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 school districts or to repay advances made from the general fund, as provided under subdivision 4.*

Subd. 2. [APPROPRIATION.] *The money to be paid by law from the education trust fund is appropriated annually.*

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 the trust fund and other law; and

(2) the payments authorized by law to be made out of the trust.

(b) If the estimated payments exceed the estimated receipts of the trust fund, the appropriations from the trust to each program are proportionately reduced, unless otherwise provided by law.

Subd. 4. [GENERAL FUND ADVANCE.] *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. 9. [124C.62] [SUMMER HEALTH CARE INTERNS.]

Subdivision 1. [SUMMER INTERNSHIPS.] *The commissioner of education shall award grants to hospitals and clinics to establish a summer health care intern program for pupils who intend to complete high school graduation requirements and who are between their junior and senior year of high school. The purpose of the program is to expose interested high school pupils to various careers within the health care profession.*

Subd. 2. [CRITERIA.] *(a) The commissioner, with the advice of the Minnesota medical association and the Minnesota hospital association, shall establish criteria for awarding grants to hospitals and clinics.*

(b) The criteria must include, among other things:

(1) the kinds of formal exposure to the health care profession a hospital or clinic can provide to a pupil;

(2) the need for health care professionals in a particular area; and

(3) the willingness of a hospital or clinic to pay one-half the costs of employing a pupil.

(c) The Minnesota medical association and the Minnesota hospital association must provide the commissioner, by January 31, 1993, with a list of hospitals and clinics willing to participate in the program and what provisions those hospitals or clinics will make to ensure a pupil's adequate

exposure to the health care profession, and indicate whether a hospital or clinic is willing to pay one-half the costs of employing a pupil.

Subd. 3. [GRANTS.] *The commissioner shall award grants to hospitals and clinics meeting the requirements of subdivision 2. The grants must be used to pay one-half of the costs of employing a pupil in a hospital or clinic during the course of the program. No more than five pupils may be selected from any one high school to participate in the program and no more than one-half of the number of pupils selected may be from the seven-county metropolitan area.*

Sec. 10. [126.239] [ADVANCED PLACEMENT AND INTERNATIONAL BACCALAUREATE PROGRAMS.]

Subdivision 1. [TRAINING PROGRAMS FOR TEACHERS.] *A secondary teacher assigned by a school district to teach an advanced placement or international baccalaureate course may participate in a training program offered by the college board or International Baccalaureate North America, Inc. The state may pay a portion of the tuition, room, and board costs a teacher incurs in participating in a training program. The commissioner of education shall determine application procedures and deadlines, and select teachers to participate in the training program. The procedures determined by the commissioner shall, to the extent possible, ensure that advanced placement and international baccalaureate courses become available in all parts of the state and that a variety of course offerings are available in school districts. This subdivision does not prevent teacher participation in training programs offered by the college board or International Baccalaureate North America, Inc., when tuition is paid by a source other than the state.*

Subd. 2. [SUPPORT PROGRAMS.] *The commissioner shall provide support programs during the school year for teachers who attended the training programs and teachers experienced in teaching advanced placement or international baccalaureate courses. The support programs shall provide teachers with opportunities to share instructional ideas with other teachers. The state may pay the costs of participating in the support programs, including substitute teachers, if necessary, and program affiliation costs.*

Subd. 3. [SUBSIDY FOR EXAMINATION FEES.] *The state may pay all or part of the fee for advanced placement or international baccalaureate examinations for pupils in public and nonpublic schools whose circumstances make state payment advisable. The state board of education shall adopt a schedule for fee subsidies that may allow payment of the entire fee for low-income families, as defined by the state board. The state board may also determine the circumstances under which the fee is subsidized, in whole or in part. The state board shall determine procedures for state payments of fees.*

Subd. 4. [INFORMATION.] *The commissioner shall submit the following information to the education committees of the legislature each year by January 1:*

(1) the number of pupils enrolled in advanced placement and international baccalaureate courses in each school district;

(2) the number of teachers in each district attending training programs offered by the college board or International Baccalaureate North America, Inc.;

(3) the number of teachers in each district participating in support programs;

(4) recent trends in the field of advanced placement and international baccalaureate programs;

(5) expenditures for each category in this section; and

(6) other recommendations for the state program.

Sec. 11. 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 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. 12. Minnesota Statutes 1990, section 275.125, is amended by adding a subdivision to read:

Subd. 6k. [HEALTH INSURANCE LEVY.] *(a) A school district may levy the amount necessary to make employer contributions for insurance for retired employees under this subdivision. Notwithstanding section 121.904, 50 percent of the amount levied shall be recognized as revenue for the fiscal year in which the levy is certified. This levy shall not be considered in computing the aid reduction under section 124.155.*

(b) The school board of a joint vocational technical district formed under sections 136C.60 to 136C.69 and the school board 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 of which the person is a member 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;

(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 May 15, 1992, and before July 21, 1992.

A school board paying insurance under this subdivision may not exclude any eligible employees.

(c) An employee who is eligible both for the health insurance benefit under this subdivision 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 provided under the collective bargaining agreement personnel plan or the incentive provided under this subdivision, but may not receive both. For purposes of this subdivision, 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.

(d) An employee who retires under this subdivision using the rule of 90 must not be included in the calculations required by section 356.85.

(e) Unilateral implementation of this section by a public employer is not an unfair labor practice for purposes of chapter 179A. The authority provided in this subdivision for an employer to pay health insurance costs for certain retired employees is not subject to the limits in section 179A.20, subdivision 2a.

(f) If a school district levies according to this subdivision, it may not also levy according to article 6, section 9, for eligible employees.

Sec. 13. Minnesota Statutes 1990, section 275.125, is amended by adding a subdivision to read:

Subd. 24. [RETIRED EMPLOYEE HEALTH BENEFITS LEVY.] *For taxes payable in 1993 and 1994 only, a school district may levy an amount up to the amount the district is required by the collective bargaining agreement in effect on March 30, 1992, to pay for health insurance or unreimbursed medical expenses for licensed and nonlicensed employees who have terminated services in the employing district and withdrawn from active teaching service or other active service, as applicable, before July 1, 1992. The total amount of the levy each year may not exceed $300,000.*

Notwithstanding section 121.904, 50 percent of the proceeds of this levy

shall be recognized in the fiscal year in which it is certified.

Sec. 14. Laws 1991, chapter 265, article 8, section 14, is amended to read:

Sec. 14. [NONOPERATING FUND TRANSFERS.]

~~On~~ *By* June 30, 1992, *and by June 30, 1993,* a school district may permanently transfer money from the capital expenditure ~~fund~~ *facilities or equipment accounts* and from the debt redemption fund, to the extent the transferred money is not needed for principal and interest payments on bonds outstanding at the time of transfer, to the transportation fund, capital expenditure fund, or the debt redemption fund. *A transfer may not be made from the capital expenditure facilities or equipment accounts that results in a deficit account balance in either account or a deficit in the combined account balance for facilities and equipment as of June 30, 1992, or as of June 30, 1993.* No levies *and no state aids* shall be reduced as a result of a transfer. Each district transferring money ~~according to this section~~ *from the capital expenditure facilities or equipment accounts* shall report to the commissioner of education ~~a report of~~ *on* each transfer. *A district may not transfer money from the debt redemption fund to the capital expenditure fund or to the transportation fund without prior approval from the commissioner of education. The commissioner shall approve a transfer from the debt redemption fund only if the district retired its bonded indebtedness during fiscal year 1992 or 1993 or the district's 1991 payable 1992 or 1992 payable 1993 debt service levy was reduced to zero according to Minnesota Statutes, section 475.61, subdivision 3.* The commissioner of education shall report to the chairs of the education funding divisions of the house of representatives and the senate the aggregate transfers, by fund, made by school districts.

Sec. 15. [COMPLEMENT.]

The complement of the department of education is increased by .5 for fiscal year 1993 for coordinating the advanced placement and international baccalaureate training programs.

Sec. 16. [OPERATING DEBT LEVY FOR LAKE SUPERIOR SCHOOL DISTRICT.]

Subdivision 1. [OPERATING DEBT ACCOUNT.] *On July 1, 1992, independent school district No. 381, Lake Superior, shall establish a reserved account in the general fund. The balance in the account shall equal the unreserved undesignated fund balance in the operating funds of the district as of June 30, 1992.*

Subd. 2. [LEVY.] *For taxes payable in each of the years 1993 through 1997, the district may levy an amount up to 20 percent of the balance in the account on July 1, 1992. The balance in the account shall be adjusted each year by the amount of the proceeds of the levy. The proceeds of the levy shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.*

Subd. 3. [NO LOCAL APPROVAL.] *Pursuant to Minnesota Statutes, section 645.023, subdivision 1, paragraph (a), this section is effective without local approval.*

Sec. 17. [OPERATING DEBT LEVY FOR COLERAINE SCHOOL DISTRICT.]

Subdivision 1. [OPERATING DEBT ACCOUNT.] *On July 1, 1992, independent school district No. 316, Coleraine, shall establish a reserved account in the general fund. The balance in the account shall equal the unreserved undesignated fund balance in the operating funds of the district as of June 30, 1992.*

Subd. 2. [LEVY.] *For taxes payable in each of the years 1993 through 1997, the district may levy an amount up to 20 percent of the balance in the account on July 1, 1992. The balance in the account shall be adjusted each year by the amount of the proceeds of the levy. The proceeds of the levy shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.*

Subd. 3. [NO LOCAL APPROVAL.] *Pursuant to Minnesota Statutes, section 645.023, subdivision 1, paragraph (a), this section is effective without local approval.*

Sec. 18. [FUND TRANSFER; NASHWAUK-KEEWATIN.]

Notwithstanding Minnesota Statutes, section 121.912, subdivision 1, or any other law to the contrary, on June 30, 1992, independent school district No. 319, Nashwauk-Keewatin, may permanently transfer $40,000 from the bus purchase account to the capital expenditure fund without making a levy reduction.

Sec. 19. [FUND TRANSFER; LESTER PRAIRIE.]

Notwithstanding any law to the contrary, on June 30, 1992, independent school district No. 424, Lester Prairie, may transfer $100,000 from its general fund to its capital expenditure fund to purchase computer and interactive television equipment that the district is leasing.

Sec. 20. [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.

Sec. 21. [FUND TRANSFER; RANDOLPH.]

Notwithstanding Minnesota Statutes, section 121.912, subdivision 1, or any other law to the contrary, on June 30, 1992, independent school district No. 195, Randolph, may permanently transfer money from any operating fund other than the community service fund and any nonoperating fund other than the debt redemption fund to the general fund.

Sec. 22. [NETT LAKE; CARRYFORWARD.]

The appropriations for grants to Nett Lake for unemployment compensation payments and insurance premiums contained in Laws 1991, chapter 265, article 8, section 19, subdivision 14, do not cancel and the balances are available in fiscal year 1993.

Sec. 23. [APPROPRIATION.]

(a) Money appropriated in Laws 1990, chapter 562, article 12, section 2, for a summer health intern program does not cancel but is available to the commissioner for the fiscal year ending June 30, 1993, as specified in this section:

(1) $12,000 is available for the operating expenses of the Minnesota education in agriculture leadership council; and

(2) the remaining amount is available for purposes of section 3.

(b) Up to ten percent of the amount in paragraph (a), clause (2) may be used by the commissioner to secure services of vocational licensed instructors or other health personnel to coordinate and facilitate the internship program.

Sec. 24. [APPROPRIATION; GRANT FOR SCIENCE AND MATH.]

$150,000 in fiscal year 1993 is appropriated from the general fund to the commissioner of education to supplement a grant from the National Science Foundation. The appropriation is for a systemic initiative in science and mathematics education.

Sec. 25. [LEARNING READINESS AID.]

The department of education shall report to the education committees of the legislature by January 1, 1993, a formula for learning readiness aid for school districts. The formula shall take into consideration the number of participating eligible children in school districts, provide incentives to districts to conduct outreach activities, encourage all eligible children to participate, and provide adequate services to individual children based on each child's needs.

Sec. 26. [ICE ARENA LEVY.]

(a) Each year, an independent school district operating and maintaining an ice arena, may levy for the net operational costs of the ice arena. The levy may not exceed the net actual costs of operation of the arena for the previous year. Net actual costs are defined as operating costs less any operating revenues.

(b) Any school district operating and maintaining an ice arena must demonstrate to the satisfaction of the office of monitoring in the department of education that the district will offer equal sports opportunities for male and female students to use its ice 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.

Sec. 27. [DEPARTMENT STUDY.]

Subdivision 1. [WORK WITH DISTRICTS.] *The department of education shall work with school districts to determine the required educational services and costs of the services needed to establish the allowances in sections 5 to 8. The department may establish a representative sample of districts to include in the research. The department shall evaluate the inclusion of revenue provided under Minnesota Statutes, sections 124.311, 124.32, 124.332, 124.573, and 124.574, in the allowance. The department shall report to the education committees of the legislature on the progress of the study on February 1 of each year.*

Subd. 2. [INDEX.] *The department shall evaluate and develop a cost differential index for each school district. The index shall distinguish the prices and costs of resources needed to provide instructional services over which a local board may exercise discretion from those prices and costs of resources over which the district cannot exercise discretion.*

Subd. 3. [ANOTHER INDEX.] *The department shall evaluate and*

develop a special need index for each school district. The department may consider the number of children in the district that are eligible for aid to families with dependent children or for free and reduced lunches and any other indicators determined to significantly affect the ability of a child to achieve adopted outcomes.

Sec. 28. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] *The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.*

Subd. 2. [ADVANCED PLACEMENT AND INTERNATIONAL BACCALUREATE PROGRAMS.] *For the state advanced placement and international baccalaureate programs, including training programs, support programs, and examination fee subsidies:*

$300,000 1993

Sec. 29. [APPROPRIATION.]

There is appropriated from the general fund to the department of education $20,000 for fiscal year 1993 to continue the programming of Laws 1990, chapter 562, article 7, section 24, subdivision 3.

Sec. 30. [REPEALER.]

Minnesota Statutes 1990, section 124.274; and Laws 1990, chapter 562, article 12, are repealed.

Sec. 31. [REPEALER.]

Minnesota Statutes 1990, sections 124A.02, subdivision 24; 124A.23, subdivisions 2 and 3; 124A.26, subdivisions 2 and 3; 124A.27; 124A.28; and 124A.29, subdivision 2; and Minnesota Statutes 1991 Supplement, sections 124A.02, subdivisions 16 and 23; 124A.03, subdivisions 1b, 1c, 1d, 1e, 1f, 1g, 1h, and 1i; 124A.04; 124A.22, subdivisions 2, 3, 4, 4a, 4b, 8, and 9; 124A.23, subdivisions 1, 4, and 5; 124A.24; 124A.26, subdivision 1; and 124A.29, subdivision 1, are repealed effective June 30, 1999; Laws 1991, chapter 265, article 7, section 35, is repealed.

Sec. 32. [EFFECTIVE DATE.]

Sections 1, 9, 14, 18, 19, 20, 21, 22, 23, and 30 are effective the day following final enactment. Sections 4 to 8 are effective for revenue for fiscal year 2000.

ARTICLE 8

MISCELLANEOUS

Section 1. Minnesota Statutes 1990, section 121.16, subdivision 1, is amended to read:

Subdivision 1. The department shall be under the administrative control of the commissioner of education which office is established. The commissioner shall be the secretary of the state board. The commissioner shall be appointed by the *state board with the approval of the* governor under the provisions of section 15.06. *For purposes of section 15.06, the state board is the appointing authority.*

The commissioner shall be a person who possesses educational attainment and breadth of experience in the administration of public education and of

the finances pertaining thereto commensurate with the spirit and intent of this code. Notwithstanding any other law to the contrary, the commissioner may appoint two deputy commissioners who shall serve in the unclassified service. The commissioner shall also appoint other employees as may be necessary for the organization of the department. The commissioner shall perform such duties as the law and the rules of the state board may provide and be held responsible for the efficient administration and discipline of the department. The commissioner shall make recommendations to the board and be charged with the execution of powers and duties which the state board may prescribe, from time to time, to promote public education in the state, to safeguard the finances pertaining thereto, and to enable the state board to carry out its duties.

Sec. 2. Minnesota Statutes 1991 Supplement, section 121.585, subdivision 3, is amended to read:

Subd. 3. [HOURS OF INSTRUCTION.] Pupils participating in a program must be able to receive the same total number of hours of instruction they would receive if they were not in the program. If a pupil has not completed the graduation requirements of the district after completing the minimum number of secondary school hours of instruction, the district may allow the pupil to continue to enroll in courses needed for graduation.

For the purposes of section 120.101, subdivision 5, the minimum number of hours for a year determined for the appropriate grade level of instruction shall constitute *170 days through the 1994-1995 school year and* the number of days of instruction required under section 120.101, subdivision 5b *thereafter*. Hours of instruction that occur after the close of the instructional year in June shall be attributed to the following fiscal year.

Sec. 3. Minnesota Statutes 1990, section 121.935, is amended by adding a subdivision to read:

Subd. 9. [FINANCIAL SERVICES.] *Regional management information centers may provide financial management information services to cities, counties, towns, or other governmental units at mutually negotiated prices.*

Sec. 4. Minnesota Statutes 1990, section 123.58, is amended by adding a subdivision to read:

Subd. 12. [SERVICES.] *Educational cooperative service units may provide administrative, purchasing, and data processing services to cities, counties, towns, or other governmental units at mutually negotiated prices.*

Sec. 5. Minnesota Statutes 1990, section 123.744, as amended by Laws 1991, chapter 265, article 9, section 41, as reenacted, is amended to read:

[123.744] [SCHOOL BOARDS; STUDENT MEMBERS.]

The board of directors of any school district shall appoint a student to serve as an advisory member to the school board or shall establish a youth advisory council to make formal and informal recommendations to the school board. If a student advisory member is appointed to the board, the student shall serve as an advisory member to the board only while attending school in the district~~, and shall not receive any compensation or be reimbursed~~. *The board may reimburse the student advisory member* for ~~any~~ expenses ~~incurred~~ *the student incurs* while serving ~~in this capacity~~ *on the board.*

A student advisory member shall be permitted to attend school board meetings, to be furnished with agenda materials, to introduce items for

inclusion in the agenda, and to participate in discussion but shall not be entitled to vote.

If a youth advisory council is established, the board shall meet with council members at least three times per year to discuss education matters and board actions affecting the district student population.

Neither the student member nor youth advisory council members may participate in any closed discussion concerning the negotiation or implementation of a collective bargaining agreement and must not be present at a closed meeting permitted under section 471.705, subdivision 1a or 1d.

Sec. 6. Minnesota Statutes 1991 Supplement, section 124.646, subdivision 4, is amended to read:

Subd. 4. [SCHOOL FOOD SERVICE FUND.] (a) The expenses described in this subdivision must be recorded as provided in this subdivision.

(b) In each school district, the expenses for a school food service program for pupils must be attributed to a school food service fund. Under a food service program, the school food service may prepare or serve milk, meals, or snacks in connection with school or community service activities.

(c) Revenues and expenditures for food service activities must be recorded in the food service fund. The costs of processing applications, accounting for meals, preparing and serving food, providing kitchen custodial services, and other expenses involving the preparing of meals or the kitchen section of the lunchroom may be charged to the food service fund or to the general fund of the district. The costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, and other administrative costs of the food service program~~, including the costs attributable to the superintendent and the financial manager~~ must be charged to the general fund.

That portion of superintendent and fiscal manager costs that can be documented as attributable to the food service program may be charged to the food service fund provided that the school district does not employ or contract with a food service director or other individual who manages the food service program, or food service management company. If the cost of the superintendent or fiscal manager is charged to the food service fund, the charge must be at a wage rate not to exceed the statewide average for food service directors as determined by the department of education.

(d) Capital expenditures for the purchase of food service equipment must be made from the capital fund and not the food service fund, unless two conditions apply:

(1) the unreserved balance in the food service fund at the end of the last fiscal year is greater than the cost of the equipment to be purchased; and

(2) the department of education has approved the purchase of the equipment.

(e) If the two conditions set out in paragraph (d) apply, the equipment may be purchased from the food service fund.

(f) If a deficit in the food service fund exists at the end of a fiscal year, and the deficit is not eliminated by revenues from food service operations in the next fiscal year, then the deficit must be eliminated by a permanent fund transfer from the general fund at the end of that second fiscal year. *However, if a district contracts with a food service management company during the period in which the deficit has accrued, the deficit must be*

eliminated by a payment from the food service management company.

(g) Notwithstanding paragraph (f), a district may incur a deficit in the food service fund for up to three years without making the permanent transfer if the district submits to the commissioner by January 1 of the second fiscal year a plan for eliminating that deficit at the end of the third fiscal year.

(h) If a surplus in the food service fund exists at the end of a fiscal year for three successive years, a district may recode for that fiscal year the costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, and other administrative costs of the food service program charged to the general fund according to paragraph (c) and charge those costs to the food service fund in a total amount not to exceed the amount of surplus in the food service fund.

Sec. 7. Minnesota Statutes 1990, section 124C.61, is amended to read:

124C.61 [PARENTAL INVOLVEMENT PROGRAMS.]

Subdivision 1. [PROGRAM GOALS.] The department of education, in consultation with the state curriculum advisory committee, must develop guidelines and model plans for parental involvement programs that will:

(1) engage the interests and talents of parents or guardians in recognizing and meeting the emotional, intellectual, and physical needs of their school-age children;

(2) promote healthy self-concepts among parents or guardians and other family members;

(3) offer parents or guardians a chance to share and learn about educational skills, techniques, and ideas; ~~and~~

(4) provide creative learning experiences for parents or guardians and their school-age children, *including involvement from parents or guardians of color; and*

(5) encourage parents to actively participate in their district's curriculum advisory committee under section 126.666 in order to assist the school board in improving children's education programs.

Subd. 2. [PLAN CONTENTS.] Model plans for a parental involvement program must include at least the following:

(1) program goals;

(2) means for achieving program goals;

(3) methods for informing parents or guardians, in a timely way, about the program;

(4) strategies for ensuring the full participation of parents or guardians, including those parents or guardians who lack literacy skills or whose native language is not English, *including involvement from parents or guardians of color*;

(5) procedures for coordinating the program with kindergarten through grade 12 curriculum, with parental involvement programs currently available in the community, *with the PER process under sections 126.661 to 126.67*, and with other education facilities located in the community;

(6) strategies for training teachers and other school staff to work effectively with parents and guardians;

(7) procedures for parents or guardians and educators to evaluate and report progress toward program goals; and

(8) a mechanism for convening a local community advisory committee composed primarily of parents or guardians to advise a district on implementing a parental involvement program.

Subd. 3. [PLAN ACTIVITIES.] Activities contained in the model plans must include:

(1) educational opportunities for families that enhance children's learning development;

(2) educational programs for parents or guardians on families' educational responsibilities and resources;

(3) the hiring, training, and use of parental involvement liaison workers to coordinate family involvement activities and to foster communication among families, educators, and students;

(4) curriculum materials and assistance in implementing home and community-based learning activities that reinforce and extend classroom instruction and student motivation;

(5) technical assistance, including training to design and carry out family involvement programs;

(6) parent resource centers;

(7) parent training programs and reasonable and necessary expenditures associated with parents' attendance at training sessions;

(8) reports to parents on children's progress;

(9) use of parents as classroom volunteers, tutors, and aides; ~~or~~

(10) soliciting parents' suggestions in planning, developing, and implementing school programs;

(11) educational programs and opportunities for parents or guardians that are multicultural, gender fair, and disability sensitive; and

(12) involvement in a district's curriculum advisory committee or a school building team under section 126.666.

Sec. 8. Minnesota Statutes 1990, section 125.05, subdivision 1, is amended to read:

Subdivision 1. [~~QUALIFICATIONS~~ *AUTHORITY TO LICENSE.*] *(a)* The ~~authority to~~ *board of teaching shall* license teachers, as defined in section 125.03, subdivision 1, ~~is vested in the board of teaching~~ except ~~that the authority to~~ *for supervisory personnel, as defined in section 125.03, subdivision 4.*

(b) The state board of education shall license supervisory personnel as defined in section 125.03, subdivision 4~~, is vested in the state board of education. The authority to~~

(c) The state board of technical colleges, according to section 136C.04, shall license post-secondary vocational and adult vocational teachers, support personnel, and supervisory personnel in technical colleges ~~is vested in the state board of technical colleges according to section 136C.04, subdivision 9. Licenses must be issued to persons the board of teaching or the state board of education finds to be competent for their respective positions. For teachers,~~

~~as defined in section 125.03, subdivision 5, competency includes successful completion of an examination of skills in reading, writing, and mathematics for persons applying for initial licenses. Qualifications of teachers and other professional employees except supervisory personnel must be determined by the board of teaching under the rules it adopts.~~

(d) Licenses under the jurisdiction of the board of teaching *and the state board of education* must be issued through the licensing section of the department of education. ~~Licenses under the jurisdiction of the state board of education must be issued through the licensing section of the department of education.~~

Sec. 9. Minnesota Statutes 1990, section 125.05, is amended by adding a subdivision to read:

Subd. 1a. [TEACHER AND SUPPORT PERSONNEL QUALIFICATIONS.] *(a) The board of teaching shall issue licenses under its jurisdiction to persons the board finds to be qualified and competent for their respective positions.*

(b) The board shall require a person to successfully complete an examination of skills in reading, writing, and mathematics before being admitted to a post-secondary teacher preparation program approved by the board 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.

(c) Before admission to a pilot internship program, the board shall require a person to successfully complete an examination of general pedagogical knowledge. Before granting a first continuing license to participants in the pilot projects, the board shall require a person to successfully complete a supervised and assessed internship in a professional development school and an examination of licensure-specific teaching skills. The board shall determine effective dates for the examination of general pedagogical knowledge, the internship, and examinations of licensure-specific skills.

Sec. 10. Minnesota Statutes 1990, section 125.05, is amended by adding a subdivision to read:

Subd. 1b. [PILOT PROJECTS.] *(a) The board of teaching shall develop pilot projects on restructuring teacher preparation and licensure in Minnesota. The pilot projects shall evaluate models that require, as a condition for licensure, a year long internship following completion of an approved teacher preparation program. The pilot projects shall require supervision and assessment of interns according to guidelines adopted by the board. The board shall, through an independent contractor selected in consultation with the advisory task force established in section 125.185, subdivision 4a, evaluate the effectiveness of the restructured licensure model in comparison to other models of preparing and licensing teachers, including models that provide internships within existing preparation programs.*

(b) The board shall submit an appropriation request to the 1993 legislature to begin the pilot projects. The board shall, during the 1993-1995 biennium, identify sites for the pilot projects, create professional development schools, and prepare staff at the pilot sites. The board shall also assist colleges and universities participating in the pilot projects to redesign teacher education programs.

(c) The pilot projects shall be operational and begin admitting candidates

for licensure in 1995.

(d) The board shall present an evaluation of the pilot projects and recommendations regarding statewide implementation of the restructured licensure model to the education committees of the legislature by January 15, 1998. The evaluation must be done by an independent contractor and must include the comments and recommendations of the advisory task force.

(e) It is the intent of the legislature that if the restructured licensure model proves effective, the model will be implemented statewide by the year 2000. The board shall not implement a statewide restructured licensure program without specific legislative authorization.

(f) The board shall, after consulting with the advisory task force, establish the qualifications for interns in the pilot projects and the requirements for an intern license.

Sec. 11. Minnesota Statutes 1990, section 125.05, is amended by adding a subdivision to read:

Subd. 1c. [SUPERVISORY AND COACH QUALIFICATIONS.] *The state board of education shall issue licenses under its jurisdiction to persons the state board finds to be qualified and competent for their respective positions under the rules it adopts.*

Sec. 12. Minnesota Statutes 1990, section 125.05, subdivision 7, is amended to read:

Subd. 7. [LIMIT ON FIELDS OF LICENSURE.] Unless the action of the board of teaching is approved by specific law, the board may not, after July 1, 1989:

(1) develop additional fields of licensure;

(2) divide existing fields of licensure; or

(3) extend any licensure requirements to any duties that could be performed on March 15, 1989, without a license.

The board may establish fields for provisional licensure, but shall submit each field to the legislature for approval. If approval by specific law is not obtained within one year after the provisional license is established, the board shall discontinue the field of provisional licensure.

The board may study ways to reconfigure its licensure system to develop and propose flexibility within the existing licensure structure. The board may not proceed under chapter 14 until it reports the results of its study to the education committees of the legislature and obtains authorization by specific law, as required by this subdivision.

Sec. 13. Minnesota Statutes 1990, section 125.12, is amended by adding a subdivision to read:

Subd. 4b. [APPLICABILITY.] *Subdivision 4a does not apply to a school district that has formally adopted a review process for continuing contract teachers that has been mutually agreed upon by the exclusive representative of the teachers in the district and the school board.*

Sec. 14. Minnesota Statutes 1990, section 125.17, is amended by adding a subdivision to read:

Subd. 3b. [APPLICABILITY.] *Subdivision 3a does not apply to a school district that has formally adopted a review process for nonprobationary*

teachers that has been mutually agreed upon by the exclusive representative of the teachers in the district and the school board.

Sec. 15. Minnesota Statutes 1991 Supplement, section 125.185, subdivision 4, is amended to read:

Subd. 4. [LICENSE AND RULES.] *(a)* The board shall adopt rules to license public school teachers and interns subject to chapter 14.

(b) The board shall adopt rules ~~for examination of teachers, as defined in section 125.03, subdivision 5. The rules may allow for~~ *requiring successful* completion of ~~the~~ *an* examination of skills in reading, writing, and mathematics before ~~entering or during~~ *being admitted to* a teacher ~~education~~ *preparation* program.

(c) The board shall adopt rules to approve teacher ~~education~~ *preparation* programs.

(d) The board ~~of teaching~~ shall provide the leadership and shall adopt rules ~~by October 1, 1988,~~ for the redesign of teacher education programs to implement a research based, results-oriented curriculum that focuses on the skills teachers need in order to be effective. The board shall implement new systems of ~~teaching education~~ *teacher preparation* program evaluation to assure program effectiveness based on proficiency of graduates in demonstrating attainment of program outcomes.

(e) The board shall adopt rules requiring successful completion of an examination of general pedagogical knowledge and examinations of licensure-specific teaching skills. The rules shall be effective on the dates determined by the board, but not later than July 1, 1999.

(f) Until July 1, 1998, the board may select schools to be pilot professional development schools according to initial criteria adopted by the board. Initial criteria are not subject to chapter 14. Upon specific legislative authorization to implement a statewide restructured licensure program, the board shall adopt rules to approve or disapprove professional development schools.

~~These rules~~ *(g) The board* shall ~~require~~ *adopt rules requiring* teacher educators to work directly with elementary or secondary school teachers in elementary or secondary schools to obtain ~~a~~ periodic exposure to the elementary or secondary teaching environment.

(h) The board shall ~~also~~ grant licenses to interns and to candidates for initial licenses.

(i) The board shall design and implement an assessment system which requires ~~candidates~~ *a candidate* for *an* initial ~~licensure~~ *license* and first continuing ~~licensure~~ *license* to demonstrate the abilities necessary to perform selected, representative teaching tasks at appropriate levels.

(j) The board shall receive recommendations from local committees as established by the board for the renewal of teaching licenses.

(k) The board shall grant life licenses to those who qualify according to requirements established by the board, and suspend or revoke licenses pursuant to sections 125.09 and 214.10. ~~Notwithstanding any law or rule to the contrary,~~ The board shall not establish any expiration date for application for life licenses.

(l) With regard to *post-secondary* vocational education teachers the board

of teaching shall adopt and maintain as its rules the rules of ~~the state board of education and~~ the state board of technical colleges.

Sec. 16. Minnesota Statutes 1991 Supplement, section 125.185, subdivision 4a, is amended to read:

Subd. 4a. ~~Notwithstanding section 125.05, or any other law to the contrary, the authority of the board of teaching and the state board of education to approve teacher education programs and to issue teacher licenses expires on June 30, 1996. Any license issued by the board of teaching or the state board of education after July 1, 1991, must expire by June 30, 1996.~~

The board of teaching, in cooperation with the state board of education and the higher education coordinating board, shall develop policies and corresponding goals for making teacher ~~education~~ *preparation* curriculum more consistent with the purpose of state public education. The revised teacher ~~education~~ *preparation* curriculum must be consistent with the board of teaching rules required under subdivision 4 for redesigning teacher ~~education~~ *preparation* programs to implement a research-based, results-oriented curriculum. The revised teacher ~~education~~ *preparation* curriculum ~~may~~ *shall* include, *upon specific legislative authorization to implement a statewide restructured licensure program,* a requirement that teacher ~~education~~ *preparation* programs contain a one-year ~~mentorship program~~ *supervised and assessed internship in a professional development school approved by the board.* The ~~mentorship~~ *internship* program must provide ~~students~~ *the interns* with elementary or secondary teaching experience and appropriate professional support and evaluation from licensed classroom teachers~~, including mentor teachers. By February 1, 1992, the board of teaching shall provide the education committees of the legislature with detailed written guidelines, strategies, and programs to implement the revised teacher education curriculum. By February 1, 1993,~~. The board of teaching ~~and the state board of education~~ shall adopt rules under chapter 14 that are consistent with the guidelines, strategies, and programs provided to the legislature *in 1992*, including amending board rules governing the issuing, expiring, and renewing of teacher licenses. *The board shall not implement a statewide restructured licensure program without specific legislative authorization.*

The board of teaching shall appoint an advisory task force to advise the board on implementing the restructured teacher preparation and licensure system. The task force shall consist of 25 members. Each of the following organizations shall select a member to serve on the task force: inter-faculty organization, University of Minnesota, Minnesota private college council, Minnesota association of colleges for teacher education, Minnesota education association, Minnesota federation of teachers, Minnesota association of teacher educators, Minnesota association of school administrators, Minnesota association of secondary school principals, Minnesota association of elementary school principals, Minnesota vocational association, Minnesota congress of parents, teachers, and students, Minnesota school boards association, education cooperative service units, the state university system, the Minnesota state university student association, the Minnesota association of private college students, the University of Minnesota student senate, and the Minnesota business partnership. In addition, the board shall appoint one member of the board of teaching to the task force. The task force shall include three ex officio members representing the commissioner of education, the state board of education, and the higher education coordinating board. Expenses incurred by task force members shall be reimbursed by the organizations they represent.

During the pilot period of the plan, the advisory task force shall meet at least six times each year and advise the board on restructuring the teacher preparation and licensure system.

The board of teaching shall, after consulting with the advisory task force, submit a progress report on implementing the restructured teacher preparation and licensure system to the education committees of the legislature by January 1 of each year. Before fully implementing the restructured system, the board of teaching shall include a report on the pilot period.

The task force shall continuously monitor the progress of the pilot projects developed under section 125.05, subdivision 1b, and assist the board in addressing policy questions implicated in restructuring the teacher preparation and licensure system, including:

(1) what impact the restructured system has on low income or place-bound persons;

(2) how the restructured system ensures the ethnic and cultural diversity of the teaching force;

(3) what the cost implications of the restructured system are for students, public and private teacher preparation institutions, and the state;

(4) what the status of teacher interns under the restructured system is with respect to licensure, tenure, and retirement and other employment benefits;

(5) what the relationship is between teacher preparation institutions and internship programs under the restructured system; and

(6) what the comparative costs and benefits are of a restructured program and existing teacher preparation programs with an internship component.

The higher education coordinating board shall assist ~~the state's~~ teacher preparation institutions in developing teacher ~~education~~ *preparation* curriculum for their students that is consistent with the guidelines, programs, and strategies approved by the legislature. ~~The institutions must use the revised teacher education curriculum to instruct their students beginning in the 1996-1997 school year.~~

The board of teaching shall disapprove a teacher preparation institution that has not implemented the revised teacher preparation curriculum by the 1996-1997 academic year.

Sec. 17. 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 agreements 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. 18. Minnesota Statutes 1990, section 128C.01, subdivision 4, is amended to read:

Subd. 4. [BOARD.] (a) The league must have a ~~21-member~~ *20-member* governing board.

(1) ~~The commissioner of education, or the commissioner's representative, is a nonvoting member.~~

~~(2)~~ The governor must appoint four members according to section 15.0597. Each of the four appointees must be a parent. At least one of them must be an American Indian, an Asian, a Black, or a Hispanic.

~~(3)~~ *(2)* The Minnesota association of secondary school principals must appoint two of its members.

~~(4)~~ *(3)* The remaining 14 members must be selected according to league bylaws.

(b) The terms, compensation, removal of members, and the filling of membership vacancies are governed by section 15.0575.

Sec. 19. Minnesota Statutes 1990, section 128C.02, is amended by adding a subdivision to read:

Subd. 1a. [ANNUAL REPORT.] *The board annually shall prepare a written report containing the information about the league that the commissioner is required to obtain and review under section 128C.20. The board shall present copies of the report in a timely manner to the education committees of the legislature.*

Sec. 20. 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, 50 percent of the proceeds of this levy shall be recognized in the fiscal year in which it is certified.

Sec. 21. 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, *or 275.125, subdivision 14a,* 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 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. 22. Minnesota Statutes 1990, section 275.125, subdivision 14a, is amended to read:

Subd. 14a. [LEVY FOR LOCAL SHARE OF TECHNICAL COLLEGE CONSTRUCTION.] (a) The definitions in section 136C.02 apply to this subdivision. "Construction" includes acquisition and betterment of land, buildings, and capital improvements for technical colleges.

(b) A district maintaining a technical college may levy for its share of the cost of construction of technical college facilities as provided in this subdivision.

(c) The construction must be authorized by a specific legislative act pursuant to section 136C.07, subdivision 5, after January 1, 1980. The act must require the state to pay part of the cost of technical college construction and the district to pay part of the cost.

(d) The district may levy an amount equal to the local share of the cost of technical college construction minus the amount of any unreserved net balance in the district's technical college building construction fund. A district may levy the total amount authorized by this subdivision in one year, or a proportionate amount of the total authorized amount each year for up to three successive years.

(e) ~~By the August 1~~ Before a district certifies the first levy pursuant to this subdivision, at least three weeks published notice of the proposed levy shall be given in the legal newspaper with the largest circulation in the district. The notice shall state the purpose and duration of the proposed levy and the amount of the proposed levy in dollars and in terms of the local tax rate. Upon petition within 20 days after the notice of the greater of (a) 50 voters, or (b) 15 percent of the ~~number of~~ *registered* voters ~~who voted in~~ *of* the district ~~at the most recent regular school board election~~ *on the day the petition is filed with the school board*, the board shall call a referendum on the proposed levy. The referendum shall be held on a date set by the school board, but no later than ~~the September 20 before the levy is certified~~ *ten days prior to the adoption of the final property tax levy under section 275.065. The referendum shall be considered a referendum to increase taxes under section 275.065, subdivision 6*. The question on the ballot shall state the amount of the proposed levy in terms of the local tax rate and in dollars in the first year of the proposed levy.

(f) A district may not levy for the cost of a construction project pursuant

to this subdivision if it issues any bonds to finance any costs of the project.

Sec. 23. Minnesota Statutes 1991 Supplement, section 298.28, subdivision 4, is amended to read:

Subd. 4. [SCHOOL DISTRICTS.] (a) 27.5 cents per taxable ton plus the increase provided in paragraph (d) must be allocated to qualifying school districts to be distributed, based upon the certification of the commissioner of revenue, under paragraphs (b) and (c).

(b) 5.5 cents per taxable ton must be distributed to the school districts in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. The distribution must be based on the apportionment formula prescribed in subdivision 2.

(c)(i) 22 cents per taxable ton, less any amount distributed under paragraph (e), shall be distributed to a group of school districts comprised of those school districts in which the taconite was mined or quarried or the concentrate produced or in which there is a qualifying municipality as defined by section 273.134 in direct proportion to school district indexes as follows: for each school district, its pupil units determined under section 124.17 for the prior school year shall be multiplied by the ratio of the average adjusted net tax capacity per pupil unit for school districts receiving aid under this clause as calculated pursuant to chapter 124A for the school year ending prior to distribution to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that portion of the distribution which its index bears to the sum of the indices for all school districts that receive the distributions.

(ii) Notwithstanding clause (i), each school district that receives a distribution under sections 298.018; 298.23 to 298.28, exclusive of any amount received under this clause; 298.34 to 298.39; 298.391 to 298.396; 298.405; or any law imposing a tax on severed mineral values that is less than the amount of its levy reduction under section 275.125, subdivision 9, for the second year prior to the year of the distribution shall receive a distribution equal to the difference; the amount necessary to make this payment shall be derived from proportionate reductions in the initial distribution to other school districts under clause (i).

(d) On July 15, in years prior to 1988, an amount equal to the increase derived by increasing the amount determined by paragraph (c) in the same proportion as the increase in the steel mill products index over the base year of 1977 as provided in section 298.24, subdivision 1, clause (a), shall be distributed to any school district described in paragraph (c) where a levy increase pursuant to section 124A.03, subdivision 2, is authorized by referendum, according to the following formula. On July 15, 1988, the increase over the amount established for 1987 shall be determined as if there had been an increase in the tax rate under section 298.24, subdivision 1, paragraph (b), according to the increase in the implicit price deflator. On July 15, 1989, 1990, and 1991, the increase over the amount established for the prior year shall be determined according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1, paragraph (a). In 1992 and 1993, the amount distributed per ton shall be the same as that determined for distribution in 1991. In 1994, the amount distributed per ton shall be equal to the amount per ton distributed in 1991 increased in the same proportion as the increase between the fourth quarter of 1988 and the fourth quarter of 1992 in the implicit price deflator as defined in section 298.24, subdivision 1. On July 15, 1995, and subsequent years, the increase

over the amount established for the prior year shall be determined according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1. Each district shall receive the product of:

(i) $175 times the pupil units identified in section 124.17, subdivision 1, enrolled in the second previous year or the 1983-1984 school year, whichever is greater, less the product of 1.8 percent times the district's taxable net tax capacity in the second previous year; times

(ii) the lesser of:

(A) one, or

(B) the ratio of the sum of the amount certified pursuant to section 124A.03, subdivision 1g, in the previous year, plus the amount certified pursuant to section 124A.03, subdivision 1i, in the previous year, plus the referendum aid according to section 124A.03, subdivision 1h, for the current year, to the product of 1.8 percent times the district's taxable net tax capacity in the second previous year.

If the total amount provided by paragraph (d) is insufficient to make the payments herein required then the entitlement of $175 per pupil unit shall be reduced uniformly so as not to exceed the funds available. Any amounts received by a qualifying school district in any fiscal year pursuant to paragraph (d) shall not be applied to reduce general education aid which the district receives pursuant to section 124A.23 or the permissible levies of the district. Any amount remaining after the payments provided in this paragraph shall be paid to the commissioner of iron range resources and rehabilitation who shall deposit the same in the taconite environmental protection fund and the northeast Minnesota economic protection trust fund as provided in subdivision 11.

Each district receiving money according to this paragraph shall reserve $25 times the number of pupil units in the district. It may use the money ~~only~~ *for early childhood programs or* for outcome-based learning programs that enhance the academic quality of the district's curriculum. The *outcome-based learning* programs must be approved by the commissioner of education.

(e) There shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32 in 1975.

Sec. 24. Minnesota Statutes 1991 Supplement, section 364.09, is amended to read:

364.09 [EXCEPTIONS.]

(a) This chapter shall not apply to the practice of law enforcement, to fire protection agencies, to eligibility for a private detective or protective agent license, to eligibility for a family day care license, a family foster care license, a home care provider license, ~~to eligibility for a license issued or renewed by the board of teaching or state board of education,~~ *or* to eligibility for school bus driver endorsements~~,~~. *This chapter also shall not apply to eligibility for a license issued or renewed by the board of teaching or state board of education* or to eligibility for juvenile corrections employment where the offense involved child physical or sexual abuse or criminal sexual conduct.

(b) This chapter does not apply to a school district.

(c) Nothing in this section shall be construed to preclude the Minnesota

police and peace officers training board or the state fire marshal from recommending policies set forth in this chapter to the attorney general for adoption in the attorney general's discretion to apply to law enforcement or fire protection agencies.

Sec. 25. Laws 1990, chapter 366, section 1, subdivision 2, is amended to read:

Subd. 2. The superintendent of schools of special school district No. 1, Minneapolis, may appoint a person to each of the ~~following~~ positions *in clauses (1) to (7) and more than one person to the positions in clauses (8) and (9)* to perform the duties and services the superintendent may direct:

(1) administrator/licensed personnel;

(2) administrator/nonlicensed personnel;

(3) administrative assistant finance and operations;

(4) manager of transportation operations;

(5) director of finance;

(6) administrative assistant/research and development; ~~and~~

(7) director of affirmative action*;*

(8) parent liaison; and

(9) public school nurse.

Sec. 26. Laws 1991, chapter 265, article 8, section 19, subdivision 6, is amended to read:

Subd. 6. [SCHOOL LUNCH AND FOOD STORAGE AID.] For school lunch aid according to Minnesota Statutes, section 124.646, and Code of Federal Regulations, title 7, section 210.17, and for food storage and transportation costs for United States Department of Agriculture donated commodities; and for a temporary transfer to the commodity processing revolving fund to provide cash flow to permit schools and other recipients of donated commodities to take advantage of volume processing rates and for school milk aid according to Minnesota Statutes, section 124.648:

$5,925,000 1992

$5,925,000 1993

Any unexpended balance remaining from the appropriations in this subdivision shall be prorated among participating schools based on the number of free, reduced, and fully paid federally reimbursable student lunches served during that school year.

If the appropriation amount attributable to either year is insufficient, the rate of payment for each *free, reduced, and* fully paid *federally reimbursable* student lunch shall be reduced and the aid for that year shall be prorated among participating schools so as not to exceed the total authorized appropriation for that year.

Any temporary transfer processed in accordance with this subdivision to the commodity processing fund will be returned by June 30 in each year so that school lunch aid and food storage costs can be fully paid as scheduled.

Not more than $800,000 of the amount appropriated each year may be used for school milk aid.

Sec. 27. [SEVERANCE PAY.]

Employees of the Hibbing technical college who are over the age of 50 and have more than 20 years of combined experience with independent school district No. 701 or Hibbing technical college as of July 1, 1992, shall have no loss in severance pay benefits due to the formation of a technical college district according to Minnesota Statutes, section 136C.71.

Sec. 28. [STUDY.]

(a) The Minnesota council on disabilities may conduct a study of the health needs of Minnesota students from birth to age 21 who are medically fragile or technology dependent. The council shall have the power to make grants, from money appropriated to it, to organizations or individuals in order to obtain assistance in conducting the study. The department of education may cooperate with the council in conducting the study.

(b) The study must result in:

(1) a working definition of the conditions labeled "medically fragile" and "technology dependent";

(2) an unduplicated census of children defined as medically fragile or technology dependent served by school districts;

(3) an unduplicated census of children defined as medically fragile or technology dependent served by licensed hospitals and nursing homes;

(4) identification of personnel and all other resources available to school districts to serve these children;

(5) identification of resources needed but not available to school districts to serve these children;

(6) recommended guidelines for serving the educational and support needs of these children;

(7) recommendations for appropriate training of educational and support staff to serve these children; and

(8) recommendations for better coordination of education, health, and social services to children and their families.

(c) The council is encouraged to involve representatives of the following groups:

(1) children who are medically fragile or technology dependent and their families;

(2) relevant professionals and paraprofessionals serving these children, including nurses, social workers, and teachers;

(3) advocates for children and families; and

(4) other relevant groups as determined by the commissioner.

(d) A preliminary report must be made to the legislature by February 1, 1993, and a final report must be made by February 1, 1994.

Sec. 29. [REENACTMENT.]

Minnesota Statutes 1990, section 123.744, as amended by Laws 1991, chapter 265, article 9, section 41, is reenacted.

Sec. 30. [PEER REVIEW MANDATE DELAY.]

Laws 1991, chapter 265, article 9, sections 45, 46, 47, 48, 52, 53, 54, and 55, are effective July 1, 1994, notwithstanding Laws 1991, chapter 265.

Sec. 31. [RECOMMENDATIONS ON BINDING ARBITRATION.]

As an alternative to the bargaining deadline and aid penalty in Minnesota Statutes, section 124A.22, subdivision 2a, the legislative commission on employee relations must evaluate and make recommendations to the legislature regarding the use of binding arbitration as a method to resolve negotiations at impasse between exclusive representatives for teachers and school boards. The report must be submitted by January 15, 1993.

Sec. 32. [LEGISLATIVE COMMITMENT TO A RESULTS-ORIENTED GRADUATION RULE.]

The legislature is committed to establishing a rigorous, results-oriented graduation rule for Minnesota's public school students. To that end, the state board of education shall use its rulemaking authority granted under Minnesota Statutes, section 121.11, subdivision 12, to adopt a statewide, results-oriented graduation rule according to the timeline in section 34. The board shall not prescribe in rule or otherwise the delivery system, form of instruction, or a single statewide form of assessment that local sites must use to meet the requirements contained in the rule.

Sec. 33. [STATE BOARD GRADUATION RULE.]

The state board of education shall report to the education committees of the legislature a progress report about the proposed high school graduation rule by February 1, 1993, and a final report about the proposed rule by January 1, 1994. Notwithstanding Minnesota Statutes, section 121.11, subdivision 12, the state board of education may continue its proceedings to adopt a graduation rule but must not take final action under Minnesota Statutes, sections 14.131 to 14.20 to adopt the rule before July 1. The 180-day time limit in Minnesota Statutes, section 14.19, does not apply to the rule.

Sec. 34. [BOARD OF TEACHING TO APPOINT LICENSING TASK FORCE.]

The board of teaching shall appoint a task force composed of board members and representatives of support personnel, including school counselors, school psychologists, school nurses, school social workers, media generalists and media supervisors, to study and recommend to the education committees of the legislature by February 15, 1993, the appropriate role for the board in licensing support personnel and whether support personnel should be required to successfully complete:

(1) an examination of skills in reading, writing, and mathematics;

(2) other examinations required of teachers; or

(3) a supervised and assessed internship in a professional development school.

Expenses incurred by task force members shall be reimbursed by the organizations they represent.

Sec. 35. [REPEALER.]

Minnesota Statutes 1990, section 125.03, subdivision 5, is repealed.

Sec. 36. [EFFECTIVE DATES.]

Section 1 is effective the first Monday of January, 1995. Section 6 is effective retroactive to the beginning of the 1991-1992 school year. Section 25 is effective the day after the governing body of special school district No. 1, Minneapolis, complies with Minnesota Statutes, section 645.021, subdivision 3.

ARTICLE 9

CHOICE PROGRAMS

Section 1. Minnesota Statutes 1991 Supplement, section 120.062, subdivision 8a, is amended to read:

Subd. 8a. [EXCEPTIONS TO DEADLINES.] Notwithstanding subdivision 4, the following pupil application procedures apply:

(a) Upon agreement of the resident and nonresident school districts, a pupil may submit an application to a nonresident district after January 15 for enrollment beginning the following school year.

(b) If, as a result of entering into, modifying, or terminating an agreement ~~under section 122.541 or 122.535~~ *between school boards*, a pupil is assigned after December 1 to a different school *for enrollment beginning at any time*, the pupil, the pupil's siblings, or any other pupil residing in the pupil's residence may submit an application to a nonresident district at any time before July 1 for enrollment beginning the following school year.

(c) A pupil who becomes a resident of a school district after December 1 may submit an application to a nonresident district on January 15 or any time after that date for enrollment beginning any time before the following December 1.

(d) If the commissioner of education and the commissioner of human rights determine that the policies, procedures, or practices of a school district are in violation of Title VI of the Civil Rights Act of 1964 (Public Law Number 88-352) or chapter 363, any pupil in the district may submit an application to a nonresident district at any time for enrollment beginning at any time.

For exceptions under this subdivision, the applicant, the applicant's parent or guardian, the district of residence, and the district of attendance must observe, in a prompt and efficient manner, the application and notice procedures in subdivisions 4 and 6, except that the application and notice deadlines do not apply.

Sec. 2. Minnesota Statutes 1990, section 123.33, subdivision 7, is amended to read:

Subd. 7. The board shall superintend and manage the schools of the district; adopt rules for their organization, government, and instruction; keep registers; and prescribe textbooks and courses of study. The board may enter into an agreement with a post-secondary institution for secondary or post-secondary nonsectarian courses to be taught at a secondary school ~~or a~~, nonsectarian post-secondary institution, *or another location*.

Sec. 3. Minnesota Statutes 1991 Supplement, section 123.3514, subdivision 4, is amended to read:

Subd. 4. [AUTHORIZATION; NOTIFICATION.] Notwithstanding any other law to the contrary, an 11th or 12th grade pupil, except a foreign exchange pupil enrolled in a district under a cultural exchange program,

may apply to an eligible institution, as defined in subdivision 3, to enroll in nonsectarian courses offered ~~at~~ *by* that post-secondary institution. If an institution accepts a secondary pupil for enrollment under this section, the institution shall send written notice to the pupil, the pupil's school district, and the commissioner of education within ten days of acceptance. The notice shall indicate the course and hours of enrollment of that pupil. If the pupil enrolls in a course for post-secondary credit, the institution shall notify the pupil about payment in the customary manner used by the institution.

Sec. 4. [REENACTMENT.]

Minnesota Statutes 1990, section 123.3514, subdivisions 6 and 6b, as amended by Laws 1991, chapter 265, article 9, sections 38 and 39, are reenacted.

Sec. 5. Laws 1991, chapter 265, article 9, section 75, is amended to read:

Sec. 75. [REPEALER.]

Minnesota Statutes 1990, sections 120.105; 121.932, subdivision 1; 121.933, subdivision 2; 121.935, subdivision 3; 121.937, subdivision 2; 122.43, subdivision 1; ~~123.3514, subdivisions 6 and 6b;~~ and 123.73, are repealed. Minnesota Rules, parts 3560.0030, subparts 2(A), 4, and 5; 3560.0040, subparts 2 and 4; and 3560.0060, are repealed.

~~Minnesota Statutes 1990, section 123.744, is repealed.~~ Laws 1988, chapter 703, article 1, section 23, as amended by Laws 1989, chapter 293, section 81; and Laws 1989, chapters 293, section 82, and 329, article 9, section 30, are repealed.

Sec. 6. Minnesota Statutes 1990, section 123.3514, is amended by adding a subdivision to read:

Subd. 4e. [COURSES ACCORDING TO AGREEMENTS.] *An eligible pupil, according to subdivision 4, may enroll in a nonsectarian course taught by a secondary teacher or a post-secondary faculty member and offered at a secondary school, or another location, according to an agreement between a school board and the governing body of an eligible public post-secondary system or an eligible private post-secondary institution, as defined in subdivision 3. All provisions of this section shall apply to a pupil, school board, school district, and the governing body of a post-secondary institution, except as otherwise provided.*

Sec. 7. Minnesota Statutes 1990, section 123.3514, subdivision 6, as amended by Laws 1991, chapter 265, article 9, section 38, as reenacted, is amended to read:

Subd. 6. [FINANCIAL ARRANGEMENTS.] ~~At the end of each school year~~ *For a pupil enrolled in a course under this section*, the department of education shall ~~pay the tuition reimbursement amount within 30 days to the post-secondary institutions~~ *make payments according to this subdivision* for courses that were taken for secondary credit. ~~The amount of tuition reimbursement shall equal the lesser of:~~

~~(1) the actual costs of tuition, textbooks, materials, and fees directly related to the course taken by the secondary pupil; or~~

~~(2) an amount equal to the difference between the basic revenue of the district for that pupil and an amount computed by multiplying the basic revenue of the district for that pupil by a ratio. The ratio to be used is the total number~~

~~of hours that the pupil is enrolled in courses in the secondary school during the regular school year over the total number of secondary instructional hours per pupil in that pupil's resident district.~~

~~For fiscal year 1992, for a pupil attending a post-secondary institution under this section, whether the pupil is enrolled in the post-secondary institution for secondary credit, post-secondary credit, or a combination of both, a school district shall receive aid equal to the sum of:~~

~~(1) 12 percent of the formula allowance, according to section 124.22, subdivision 2, times 1.3; plus~~

~~(2) for a pupil who attends a secondary school part time, the formula allowance, according to section 124.22, subdivision 2, times 1.3, times the ratio of the total number of hours the pupil is in membership for courses taken by the pupil for credit, to 1020 hours.~~

~~If a pupil is enrolled in a course for post-secondary credit, the school district shall include the pupil in the average daily membership only for the portion of time during which the pupil is enrolled in courses at the secondary school and enrolled in courses at a post-secondary institution for secondary credit.~~

The department shall not ~~pay any tuition reimbursement or other costs of~~ *make payments to a school district or post-secondary institution for* a course taken for post-secondary credit only.

~~For fiscal year 1993 and thereafter,~~ A *public* post-secondary *system or private post-secondary* institution shall ~~be reimbursed according to~~ *receive* the following:

(1) for an institution granting quarter credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the formula allowance, multiplied by 1.3, and divided by 45; or

(2) for an institution granting semester credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the general revenue formula allowance, multiplied by 1.3, and divided by 30.

The department of education shall pay to each public post-secondary system and to each private institution 100 percent of the amount in clause (1) or (2) within 30 days of receiving initial enrollment information each quarter or semester. If changes in enrollment occur during a quarter or semester, the change shall be reported by the post-secondary system or institution at the time the enrollment information for the succeeding quarter or semester is submitted. At any time the department of education notifies a post-secondary system or institution that an overpayment has been made, the system or institution shall promptly remit the amount due.

~~For fiscal year 1993 and thereafter,~~ A school district shall receive:

(1) for a pupil who is not enrolled in classes at a secondary school, 12 percent of the formula allowance, according to section ~~124.22~~ *124A.22*, subdivision 2, times 1.3; or

(2) for a pupil who attends a secondary school part time, ~~88 percent of the product of~~ the formula allowance, according to section ~~124.22~~ *124A.22*, subdivision 2, times 1.3, times the ratio of the total number of hours the pupil is in membership for courses taken by the pupil for credit, to 1020 hours.

Sec. 8. Minnesota Statutes 1990, section 123.3514, subdivision 6b, as amended by Laws 1991, chapter 265, article 9, section 39, as reenacted, is amended to read:

Subd. 6b. [FINANCIAL ARRANGEMENTS, PUPILS AGE 21 OR OVER.] ~~At the end of each school year~~ *For a pupil enrolled in a course according to this section*, the department of education shall ~~pay the tuition reimbursement amount to the post-secondary institutions~~ *make payments according to this subdivision* for courses taken to fulfill high school graduation requirements by pupils eligible for adult high school graduation aid. ~~The amount of the tuition reimbursement equals the lesser of:~~

~~(1) the actual costs of tuition, textbooks, materials, and fees directly related to the course or program taken by the pupil; or~~

~~(2) an amount equal to the difference between the adult high school graduation aid attributable to that pupil and an amount computed by multiplying the adult high school graduation aid by the ratio of the total number of hours that the pupil is enrolled in courses in the secondary school during the regular school year over the total number of secondary instructional hours per pupil in that pupil's resident district.~~

~~For fiscal year 1992, for a pupil attending a post-secondary institution under this section, whether the pupil is enrolled in the post-secondary institution for secondary credit, post-secondary credit, or a combination of both, a school district shall receive aid equal to the sum of:~~

~~(1) 12 percent of the formula allowance, according to section 124.22, subdivision 2, times 1.3; plus~~

~~(2) for a pupil who attends a secondary school part time, the adult high school graduation aid times 1.3, times the ratio of the total number of hours the pupil is in membership for courses taken by the pupil for credit, to 1020 hours.~~

~~If a pupil is enrolled in a course for post-secondary credit, the school district shall include the pupil in average daily membership as computed under section 120.17, subdivision 1, only for the portion of time during which the pupil is enrolled in courses at the secondary school and enrolled in courses at the post-secondary institution for secondary credit.~~

The department must not ~~pay any tuition reimbursement or other costs of~~ *make payments to a school district or post-secondary institution for* a course taken for post-secondary credit only.

~~For fiscal year 1993 and thereafter,~~ A *public* post-secondary *system or private post-secondary* institution shall ~~be reimbursed according to~~ *receive* the following:

(1) for an institution granting quarter credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the formula allowance, multiplied by 1.3, and divided by 45; or

(2) for an institution granting semester credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the general revenue formula allowance multiplied by 1.3, and divided by 30.

The department of education shall pay to each public post-secondary system and to each private institution 100 percent of the amount in clause (1) or (2) within 30 days of receiving initial enrollment information each

quarter or semester. If changes in enrollment occur during a quarter or semester, the change shall be reported by the post-secondary system or institution at the time the enrollment information for the succeeding quarter or semester is submitted. At any time the department of education notifies a post-secondary system or institution that an overpayment has been made, the system or institution shall promptly remit the amount due.

~~For fiscal year 1993 and thereafter,~~ A school district shall receive:

(1) for a pupil who is not enrolled in classes at a secondary program, 12 percent of the ~~adult high school graduation aid~~ *general education formula allowance times .65*, times 1.3; or

(2) for a pupil who attends classes at a secondary program part time, ~~88 percent of the product of~~ the ~~adult high school graduation aid~~ *general education formula allowance times .65*, times 1.3, times the ratio of the total number of hours the pupil is in membership for courses taken by the pupil for credit to 1020 hours.

Sec. 9. Minnesota Statutes 1990, section 123.3514, is amended by adding a subdivision to read:

Subd. 6c. [FINANCIAL ARRANGEMENTS FOR COURSES PROVIDED ACCORDING TO AGREEMENTS.] *The agreement between a school board and the governing body of a public post-secondary system or private post-secondary institution shall set forth the payment amounts and arrangements, if any, from the school board to the post-secondary institution. No payments shall be made by the department of education according to subdivision 6 or 6b. For the purpose of computing state aids for a school district, a pupil enrolled according to subdivision 4e shall be counted in the average daily membership of the school district as though the pupil were enrolled in a secondary course that is not offered in connection with an agreement. Nothing in this subdivision shall be construed to prohibit a public post-secondary system or private post-secondary institution from receiving additional state funding that may be available under any other law.*

Sec. 10. Minnesota Statutes 1991 Supplement, section 123.3514, subdivision 11, is amended to read:

Subd. 11. [PUPILS ~~AT A DISTANCE~~ *40 MILES OR MORE* FROM AN ELIGIBLE INSTITUTION.] A pupil who is enrolled in a secondary school that is located 40 miles or more from the nearest eligible institution may request that the resident district offer at least one accelerated or advanced academic course within the resident district in which the pupil may enroll for post-secondary credit. A pupil may enroll in a course offered under this subdivision for either secondary or post-secondary credit according to subdivision 5.

A district must offer an accelerated or advanced academic course for post-secondary credit if one or more pupils requests such a course under this subdivision. The district may decide which course to offer, how to offer the course, and whether to offer one or more courses. The district must offer at least one such course in the next academic period and must continue to offer at least one accelerated or advanced academic course for post-secondary credit in later academic periods.

Sec. 11. Minnesota Statutes 1990, section 123.3514, is amended by adding a subdivision to read:

Subd. 11a. [PUPILS LESS THAN 40 MILES FROM AN ELIGIBLE INSTITUTION.] *A pupil enrolled in a secondary school that is located less than 40 miles from the nearest eligible institution may enroll in a post-secondary course provided at the secondary school.*

Sec. 12. Minnesota Statutes 1990, section 126.22, is amended by adding a subdivision to read:

Subd. 2a. [ADDITIONAL ELIGIBLE PUPILS.] *In addition to the eligible pupils under subdivision 2, clauses (a), (b), and (c), the following pupils are eligible:*

(1) victims of physical or sexual abuse;

(2) pupils who have experienced mental health problems; and

(3) pupils who have experienced homelessness any time within a six-month period prior to the date of requesting a transfer to an eligible program.

Sec. 13. Minnesota Statutes 1991 Supplement, section 126.23, is amended to read:

126.23 [AID FOR PRIVATE ALTERNATIVE PROGRAMS.]

If a pupil enrolls in ~~a nonsectarian~~ *an* alternative program, *eligible under section 126.22, subdivision 3, paragraph (d), or subdivision 3a,* operated by a private organization that has contracted with a school district to provide educational services for eligible pupils under section 126.22, subdivision 2, the resident district must reimburse the provider an amount equal to at least 88 percent of the basic revenue of the district for each pupil attending the program full time. For a pupil attending the program part time, basic revenue paid to the program shall be reduced proportionately, according to the amount of time the pupil attends the program, and basic revenue paid to the district shall be reduced accordingly. Pupils for whom a district provides reimbursement may not be counted by the district for any purpose other than computation of basic revenue, according to section 124A.22, subdivision 2. If payment is made to a district or program for a pupil under this section, the department of education shall not make a payment for the same pupil under section 126.22, subdivision 8.

Sec. 14. [135A.18] [AUTHORIZATION FOR AGREEMENTS.]

The governing board of a public post-secondary system may enter into an agreement with a school board to provide a nonsectarian course taught by secondary teachers or post-secondary faculty members to an eligible pupil, as defined in section 123.3514, subdivision 4, and offered at a secondary school or another location.

Sec. 15. [EFFECTIVE DATE.]

Section 3 is effective retroactively to July 1, 1991, and applies to the 1991-1992 and later school years. Sections 10 and 11 are effective July 1, 1993.

Sections 6 and 14 are effective retroactively to July 1, 1991.

ARTICLE 10

LIBRARIES

Section 1. Minnesota Statutes 1991 Supplement, section 13.40, subdivision 2, is amended to read:

Subd. 2. [PRIVATE DATA; ~~RECORDS OF BORROWING~~ *LIBRARY BORROWERS.*] ~~That portion of~~ *The following* data maintained by a library ~~which links~~ *are private data on individuals and may not be disclosed for other than library purposes except pursuant to a court order:*

(1) data that link a library patron's name with materials requested or borrowed by the patron or ~~which links~~ *that link* a patron's name with a specific subject about which the patron has requested information or materials ~~is classified as private, under section 13.02, subdivision 12, and shall not be disclosed except pursuant to a valid court order~~; *or*

(2) data in applications for borrower cards, other than the name of the borrower.

Sec. 2. Minnesota Statutes 1990, section 134.34, subdivision 1, is amended to read:

Subdivision 1. [LOCAL SUPPORT LEVELS.] A regional library basic system support grant shall be made to any regional public library system where there are at least three participating counties and where each participating city and county, ~~except in the first year of participation as provided in section 134.33,~~ is providing for public library service support the lesser of (a) ~~an amount equivalent to 0.33 percent of the adjusted gross tax capacity of the taxable property of that city or county, as determined by the commissioner of revenue for the second year preceding that calendar year in 1990 and~~ an amount equivalent to ~~.41~~ *.82* percent of the *adjusted* net tax capacity of the taxable property of that city or county, as determined by the commissioner of revenue for the second year preceding that calendar year in 1991 and later years or (b) a per capita amount calculated under the provisions of this subdivision. The per capita amount is established for calendar year ~~1990~~ *1993* as ~~$3.62~~ *$7.62*. In succeeding calendar years, the per capita amount shall be increased by a percentage equal to one-half of the percentage by which the total state adjusted net tax capacity of property as determined by the commissioner of revenue for the second year preceding that calendar year increases over that total adjusted net tax capacity for the third year preceding that calendar year. The minimum level of support shall be certified annually to the participating cities and counties by the department of education. A city which is a part of a regional public library system shall not be required to provide this level of support if the property of that city is already taxable by the county for the support of that regional public library system. In no event shall the department of education require any city or county to provide a higher level of support than the level of support specified in this section in order for a system to qualify for a regional library basic system support grant. This section shall not be construed to prohibit a city or county from providing a higher level of support for public libraries than the level of support specified in this section.

Sec. 3. Minnesota Statutes 1990, section 134.34, is amended by adding a subdivision to read:

Subd. 4a. [SUPPORT GRANTS.] *In state fiscal years 1993, 1994, and 1995, a regional library basic system support grant also may be made to a regional public library system for a participating city or county which meets the requirements under paragraph (a) or (b).*

(a) The city or county decreases the dollar amount provided by it for operating purposes of public library service if the amount provided by the city or county is not less than the amount provided by the city or county

for such purposes in the second preceding year.

(b)(1) The city or county provided for operating purposes of public library services an amount exceeding 125 percent of the state average percentage of the adjusted net tax capacity or 125 percent of the state average local support per capita; and

(2) the local government aid distribution for the current calendar year under chapter 477A has been reduced below the originally certified amount for payment in the preceding calendar year, if the dollar amount of the reduction from the previous calendar year in support for operating purposes of public library services is not greater than the dollar amount by which support for operating purposes of public library service would be decreased if the reduction in support were in direct proportion to the local government aid reduction as a percentage of the previous calendar year's revenue base as defined in section 477A.011, subdivision 27. Determination of a grant under paragraph (b) shall be based on the most recent calendar year for which data are available.

The city or county shall file a report with the department of education indicating the dollar amount and percentage of reduction in public library operating funds.

Sec. 4. [REPEALER.]

Minnesota Statutes 1990, section 134.34, subdivision 2, is repealed.

Sec. 5. [EFFECTIVE DATE.]

Section 2 is effective January 1, 1993.

Section 3 is effective the day following final enactment.

Section 4 is effective January 1, 1993.

ARTICLE 11

STATE AGENCIES

Section 1. Minnesota Statutes 1991 Supplement, section 120.17, subdivision 7a, is amended to read:

Subd. 7a. [ATTENDANCE AT SCHOOL FOR THE HANDICAPPED.] Responsibility for special instruction and services for a visually disabled or hearing impaired child attending the Minnesota state academy for the deaf or the Minnesota state academy for the blind shall be determined in the following manner:

(a) The legal residence of the child shall be the school district in which the child's parent or guardian resides.

(b) When it is determined pursuant to section 128A.05, subdivision 1 or 2, that the child is entitled to attend either school, the state board shall provide the appropriate educational program for the child. The state board shall make a tuition charge to the child's district of residence for the cost of providing the program. The amount of tuition charged shall not exceed the basic revenue of the district for that child, for the amount of time the child is in the program. For purposes of this subdivision, "basic revenue" has the meaning given it in section 124A.22, subdivision 2. The district of the child's residence shall pay the tuition and may claim general education aid for the child. The district of the child's residence shall not receive aid pursuant to section 124.32, subdivision 5, for tuition paid pursuant to this

subdivision. Tuition received by the state board, except for tuition received under clause (c), shall be deposited in the state treasury as provided in clause (g).

(c) In addition to the tuition charge allowed in clause (b), the academies may charge the child's district of residence for the academy's unreimbursed cost of providing an instructional aide assigned to that child, if that aide is required by the child's individual education plan. Tuition received under this clause must be used by the academies to provide the required service.

(d) When it is determined that the child can benefit from public school enrollment but that the child should also remain in attendance at the applicable school, the school district where the institution is located shall provide an appropriate educational program for the child and shall make a tuition charge to the state board for the actual cost of providing the program, less any amount of aid received pursuant to section 124.32. The state board shall pay the tuition and other program costs including the unreimbursed transportation costs. Aids for handicapped children shall be paid to the district providing the special instruction and services. Special transportation shall be provided by the district providing the educational program and the state shall reimburse such district within the limits provided by law.

(e) Notwithstanding the provisions of clauses (b) and (d), the state board may agree to make a tuition charge for less than the amount specified in clause (b) for pupils attending the applicable school who are residents of the district where the institution is located and who do not board at the institution, if that district agrees to make a tuition charge to the state board for less than the amount specified in clause (d) for providing appropriate educational programs to pupils attending the applicable school.

(f) Notwithstanding the provisions of clauses (b) and (d), the state board may agree to supply staff from the Minnesota state academy for the deaf and the Minnesota state academy for the blind to participate in the programs provided by the district where the institutions are located when the programs are provided to students in attendance at the state schools.

(g) On May 1 of each year, the state board shall count the actual number of Minnesota resident *kindergarten and* elementary students and the actual number of Minnesota resident secondary students enrolled and receiving education services at the Minnesota state academy for the deaf and the Minnesota state academy for the blind. The state board shall deposit in the state treasury an amount equal to all tuition received less:

(1) the total number of students on May 1 less 175, times the ratio of the number of *kindergarten and* elementary students to the total number of students on May 1, times the general education formula allowance; plus

(2) the total number of students on May 1 less 175, times the ratio of the number of secondary students on May 1 to the total number of students on May 1, times 1.3, times the general education formula allowance.

(h) The sum provided by the calculation in clause (g), subclauses (1) and (2), must be deposited in the state treasury and credited to the general operation account of the academy for the deaf and the academy for the blind.

(i) There is annually appropriated to the department of education for the Faribault academies the tuition amounts received and credited to the general operation account of the academies under this section. *A balance in an*

appropriation under this paragraph does not cancel but is available in successive fiscal years.

Sec. 2. Minnesota Statutes 1990, section 124C.07, is amended to read:

124C.07 [COMPREHENSIVE ARTS PLANNING PROGRAM.]

The department of education shall prescribe the form and manner of application by *one or more* school districts to be designated as a site to participate in the comprehensive arts planning program. Up to 30 sites may be selected. The department of education shall designate sites in consultation with the Minnesota alliance for arts in education, *the Minnesota center for arts education*, and the Minnesota state arts board.

Sec. 3. Minnesota Statutes 1990, section 124C.08, subdivision 2, is amended to read:

Subd. 2. [CRITERIA.] The department of education, in consultation with the ~~Minnesota alliance for arts in education~~ *comprehensive arts planning program state steering committee*, shall establish criteria for site selection. Criteria shall include at least the following:

(1) a willingness by the district *or group of districts* to designate a program chair for comprehensive arts planning with sufficient authority to implement the program;

(2) a willingness by the district *or group of districts* to create a committee comprised of school district and community people whose function is to promote comprehensive arts education in the district;

(3) commitment on the part of committee members to participate in training offered by the department of education;

(4) a commitment of the committee to conduct a needs assessment of arts education;

(5) commitment by the committee to evaluating its involvement in the program;

(6) a willingness by the district to adopt a long-range plan for arts education in the district;

(7) no previous involvement of the district in the comprehensive arts planning program, *unless that district has joined a new group of districts*; and

(8) location of the district *or group of districts* to assure representation of urban, suburban, and rural districts and distribution of sites throughout the state.

Sec. 4. Minnesota Statutes 1990, section 124C.09, is amended to read:

124C.09 [DEPARTMENT RESPONSIBILITY.]

The department of education, in cooperation with the Minnesota alliance for arts in education ~~and~~, the Minnesota state arts board, *and the Minnesota center for arts education* shall provide materials, training, and assistance to the arts education committees in the school districts. The department may contract with the Minnesota alliance for arts in education for its involvement in providing services, including staff assistance, to the program.

Sec. 5. Minnesota Statutes 1990, section 128A.09, is amended by adding a subdivision to read:

Subd. 1a. [CONTRACTS; FEES; APPROPRIATION.] *The state board may enter into agreements for the academies to provide respite care and supplemental educational instruction and services including assessments and counseling. The agreements may be made with public or private agencies or institutions, school districts, education cooperative service units, or counties. The board may authorize the academies to provide conferences, seminars, nondistrict and district requested technical assistance, and production of instructionally-related materials.*

Sec. 6. Minnesota Statutes 1990, section 128A.09, subdivision 2, is amended to read:

Subd. 2. [FEES; APPROPRIATION.] Income ~~from fees for conferences, seminars, nondistrict technical assistance, and production of instructionally-related materials~~ *received under section 5* must be deposited in the state treasury and credited to a revolving fund of the academies. Money in the revolving fund for fees from conferences, seminars, ~~nondistrict~~ technical assistance, ~~and~~ production of instructionally-related materials *and other services* is annually appropriated to the academies to defray expenses of ~~the conferences, seminars, technical assistance, and production of materials~~ *those services*. Payment from the revolving fund for conferences and other fees may be made only according to vouchers authorized by the administrator of the academies.

Sec. 7. Laws 1991, chapter 265, article 7, section 41, subdivision 4, is amended to read:

Subd. 4. [OUTCOME-BASED EDUCATION PROGRAM CONTRACTS.] For entering into contracts for outcome-based education programs according to section 37:

$675,000 1992

$675,000 1993

$55,000 each year is for evaluation and administration of the program.

A balance in the first year does not cancel but is available in the second year.

Sec. 8. Laws 1991, chapter 265, article 11, section 23, subdivision 1, is amended to read:

Subdivision 1. [DEPARTMENT OF EDUCATION.] (a) The sums indicated in this section are appropriated from the general fund, unless otherwise indicated, to the department of education for the fiscal years designated.

(b) The amounts that may be spent for each program are specified in the following subdivisions.

(c) The approved complement is:

	1992	1993
General Fund	258.5	~~258.5~~ *214.5*
Federal	135.6	~~135.6~~ *137.7*
Other	28.9	~~28.9~~ *25.3*
Total	423.0	~~423.0~~ *377.5*

(d) The commissioner of education, with the approval of the commissioner of finance, may transfer unencumbered balances among the programs during

the biennium. Transfers must be reported immediately to the education finance division of the education committee of the house of representatives and the education funding division of the education committee of the senate. During the biennium, the commissioner may transfer money among the various objects of expenditure categories and activities within each program, unless restricted by executive order.

(e) The commissioner of education may transfer complement among funds if necessary and must provide a listing of the transfers to the commissioner of finance at the end of each fiscal year. Material changes must be approved by the commissioner of finance and reported to the house education finance division and the senate education funding division.

(f) The expenditures of federal grants and aids as shown in the biennial budget document are approved and shall be spent as indicated.

(g) The commissioner shall continue to enforce Minnesota Statutes, section 126.21, and other civil rights laws as they apply to programs supervised by the commissioner. This function must not be performed by the same person who, with funding under a federal grant, is providing technical assistance to school districts in implementing nondiscrimination laws.

(h) It is the policy of the legislature to maximize the delivery of educational services to students. If a reduction in the number of employees of the department of education is necessary, the commissioner must make the reduction to personnel based on the following:

(1) Compute a ratio for each category of management, supervisory, line, and support personnel equal to:

(i) the salaries paid to personnel in each category, for the fiscal year ending June 30, 1991, divided by

(ii) the total salaries paid to employees in the department for the fiscal year ending June 30, 1991.

(2) Reduce the personnel budget in each category of personnel by an amount equal to the total budget reduction determined by the department for personnel reduction, times the ratio computed in clause (1).

(3) The total budget reduction is the difference between the general fund appropriation for the department and the amount recommended by the governor.

Sec. 9. [LAND TRANSFER.]

Subdivision 1. [PERMITTED.] *(a) Notwithstanding Minnesota Statutes, chapters 94 and 103F or any other law to the contrary, the state of Minnesota may convey the land described in paragraph (b) to independent school district No. 656, Faribault.*

(b) The land which may be conveyed under paragraph (a) is legally described in general as follows:

All that part of the Southeast Quarter of the Southwest Quarter (SE 1/4 of SW 1/4) and all that part of the Southwest Quarter of the Southeast Quarter (SW 1/4 of SE 1/4), all in Section 29, Township 110 North, Range 20 West, in the City of Faribault, Rice County, Minnesota, owned by the state of Minnesota or any department or division thereof.

or

All that part of the Northwest Quarter of the Southwest Quarter (NW 1/4 of SW 1/4) of Section 28, and of the Northeast Quarter of the Southeast Quarter (NE 1/4 of SE 1/4) of Section 29, all in Township 110 North, Range 20 West, Rice County, Minnesota, owned by the State of Minnesota or any department or division thereof.

(c) A more precise legal description in substantial conformance with the description in paragraph (b) must be provided by the grantee in the instruments of conveyance. Both the precise legal descriptions and the instruments of conveyance must be approved as to form by the attorney general.

Subd. 2. [CONSIDERATION.] *The consideration for the conveyance permitted by subdivision 1 is the amount at which the parcel or parcels are appraised by a qualified state appraiser who is appointed by agreement of the parties.*

Subd. 3. [APPROPRIATION.] *The proceeds of the sale are appropriated to the department of education for the use of the state academies for whose account the sale is made and may be used for capital improvements at the academies.*

Subd. 4. [PURPOSE.] *The land permitted to be conveyed under subdivision 1 is to be used as part of a site for an elementary school.*

Sec. 10. [APPROPRIATIONS REDUCTION.]

The general fund appropriations in Laws 1991, chapter 265, are reduced for the fiscal years indicated for the programs shown by the following amounts:

	1992	*1993*
Transportation Aid	*($1,468,200)*	*(259,100)*
Summer Special Education Aid	*(23,100)*	
Individualized Learning and Development Aid	*(401,200)*	*(70,800)*
Assurance of Mastery	*(11,300)*	*(2,000)*
Special Programs Equalization Aid		*(1,000,000)*
Adult Basic Education Aid		*(200,000)*
Capital Expenditure Facilities Aid		*(940,800)*
Capital Expenditure Equipment Aid		*(955,100)*
Health and Safety Aid	*(1,147,500)*	*(202,500)*
Secondary Vocational Cooperative Aid	*(5,700)*	*(1,000)*
Educational Cooperative Service Units		*(15,000)*
Management Information Centers		*(136,000)*
Nonpublic Pupil Aid	*(146,500)*	*(25,800)*
Teacher Mentorship		*(10,000)*
Educational Effectiveness		*(30,000)*
State PER Assistance		*(24,000)*
Department of Education		*(140,000)*

The commissioner of education may allocate the reduction in the department among the department's programs. The reduction may not be made from the Faribault academies.

Sec. 11. [REPEALER.]

Minnesota Statutes 1990, sections 121.25; 121.26; 121.27; 121.28; 128A.022, subdivisions 5 and 7; and 128A.024, subdivision 1, are repealed.

Sec. 12. [EFFECTIVE DATE.]

Sections 1, 7, 9, and 10 are effective the day following final enactment.

ARTICLE 12

NONCONTROVERSIAL AND TECHNICAL CHANGES

Section 1. Minnesota Statutes 1991 Supplement, section 120.064, subdivision 4, is amended to read:

Subd. 4. [FORMATION OF SCHOOL.] (a) A sponsor may authorize one or more licensed teachers under section ~~215.182~~ *125.05*, subdivision ~~2~~ *1*, to form and operate an outcome-based school subject to approval by the state board of education. The teachers shall organize and operate a school as a cooperative under chapter 308A or nonprofit corporation under chapter 317A.

(b) Before a teacher may begin to form and operate a school, the sponsor must file an affidavit with the state board of education stating its intent to authorize an outcome-based school. The affidavit must state the terms and conditions under which the sponsor would authorize an outcome-based school. The state board must approve or disapprove the sponsor's proposed authorization within 30 days of receipt of the affidavit. Failure to obtain state board approval precludes a sponsor from authorizing the outcome-based school that was the subject of the affidavit.

(c) The teachers authorized to organize and operate a school shall hold an election for members of the school's board of directors. All staff members employed at the school and all parents of children enrolled in the school may participate in the election. Licensed teachers employed at the school must be a majority of the members of the board of directors.

(d) The sponsor's authorization for an outcome-based school shall be in the form of a written contract signed by the sponsor and the board of directors of the outcome-based school.

Sec. 2. Minnesota Statutes 1990, section 122.23, subdivision 12, is amended to read:

Subd. 12. The school board shall determine the date of the election, the number of boundaries of voting precincts, and the location of the polling places where voting shall be conducted, and the hours the polls will be open. The school board shall also provide official ballots which shall be used exclusively and shall be in the following form:

For consolidation . . . . .

Against consolidation . . . . .

The school board shall appoint ~~three~~ election judges ~~for each polling place~~ who shall act as clerks of election. ~~The school board may pay these election judges not to exceed $1 per hour.~~ The ballots and results shall be certified to the school board who shall canvass and tabulate the total vote cast for and against the proposal.

Sec. 3. Minnesota Statutes 1990, section 122.23, subdivision 13a, is amended to read:

Subd. 13a. [CONSOLIDATION IN AN EVEN-NUMBERED YEAR.] Notwithstanding subdivision 13, school districts may consolidate ~~during~~ *effective July 1 of* an even-numbered year if the school board and the exclusive bargaining representative of the teachers in each affected district agree to the effective date of the consolidation. The agreement must be in writing

and submitted to the commissioner of education.

Sec. 4. Minnesota Statutes 1990, section 122.23, subdivision 16, is amended to read:

Subd. 16. As of the effective date of the consolidation, the bonded debt of all component districts shall be paid according to the plan for consolidation proposed in the approved plat~~, pursuant to the provisions of subdivision 16a or 16b, as applicable~~ *and according to this subdivision.*

(a) If the plan for consolidation so provides, the bonded debt of all component districts shall be paid according to levies previously made for that debt under chapter 475. In this case, the obligation of the taxable property in the component districts with reference to the payment of such bonded debt is not affected by the consolidation.

(b) If the plan for consolidation makes no provision for the disposition of bonded debt, all the taxable property in the newly created district is taxable for the payment of any bonded debt incurred by any component district in the proportion which the net tax capacity of that part of a preexisting district which is included in the newly created district bears to the net tax capacity of the entire preexisting district as of the time of the consolidation.

(c) If the plan for consolidation so provides, all the taxable property in the newly created district will be taxable for a portion of the bonded debt incurred by any component district prior to the consolidation.

Apportionment required under paragraphs (b) and (c) shall be made by the county auditor and shall be incorporated as an annex to the order of the commissioner dividing the assets and liabilities of the component parts. This subdivision shall not relieve any property from any tax liability for payment of any bonded obligation but taxable property in the newly created district becomes primarily liable for the payment of bonded debts to the extent of the proportion stated.

Sec. 5. Minnesota Statutes 1990, section 122.247, subdivision 1, is amended to read:

Subdivision 1. [REFERENDUM ~~LEVIES~~ *REVENUES.*] The referendum ~~levy~~ *revenue* authorization of the combined district shall be one of the methods set forth in section 122.531, subdivision 2a, 2b, or 2c, and must be consistent with the plan adopted according to section 122.242, and any subsequent modifications.

Sec. 6. Minnesota Statutes 1990, section 122.531, subdivision 1a, is amended to read:

Subd. 1a. [INVOLUNTARY DISSOLUTION REFERENDUM ~~LEVIES~~ *REVENUE.*] As of the effective date of the involuntary dissolution of a district and its attachment to one or more existing districts pursuant to sections 122.32, or 122.41 to 122.52, the authorization for any referendum ~~levy~~ *revenue* previously approved by the voters of the dissolved district in that district pursuant to section 124A.03, subdivision 2, or its predecessor or successor provision, is canceled. The authorization for any referendum ~~levy~~ *revenue* previously approved by the voters of a district to which all or part of the dissolved district is attached shall not be affected by the attachment and shall apply to the entire area of the district as enlarged by the attachment.

Sec. 7. Minnesota Statutes 1990, section 122.531, subdivision 2c, is amended to read:

Subd. 2c. If the plan for consolidation provides for discontinuance of referendum ~~levies~~ *revenue* previously approved by voters of the component districts pursuant to section 124A.03, subdivision 2, or its predecessor provision, the newly created district shall not ~~make~~ *receive* ~~a~~ referendum ~~levy~~ *revenue* unless the voters of the newly created district authorize ~~a~~ referendum ~~levy~~ *revenue* pursuant to section 124A.03, subdivision 2.

Sec. 8. Minnesota Statutes 1990, section 123.35, is amended by adding a subdivision to read:

Subd. 19a. [LIMITATION ON PARTICIPATION AND FINANCIAL SUPPORT.] *(a) No school district shall be required by any type of formal or informal agreement, including a joint powers agreement, or otherwise to participate in or provide financial support for the purposes of the agreement for a time period in excess of one fiscal year. Any agreement, part of an agreement, or other type of requirement to the contrary is void.*

(b) This subdivision shall not affect the continued liability of a school district for its share of bonded indebtedness or other debt incurred as a result of any agreement before July 1, 1993. The school district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on July 1, 1993, except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on July 1, 1993, if the annual payments of the school district are not increased and if the total obligation of the school district for its share of outstanding bonds or other debt is not increased.

(c) To cease participating in or providing financial support for any of the services or activities relating to the agreement or to terminate participation in the agreement, the school board shall adopt a resolution and notify other parties to the agreement of its decision on or before February 1 of any year. The cessation or withdrawal shall be effective June 30 of the same year or, at the option of the school board, June 30 of the following fiscal year.

(d) Before issuing bonds or incurring other debt, the governing body responsible for implementing the agreement shall adopt a resolution proposing to issue bonds or incur other debt and the proposed financial effect of the bonds or other debt upon each participating district. The resolution shall be adopted within a time sufficient to allow the school board to adopt a resolution within the time permitted by this paragraph and to comply with the statutory deadlines set forth in sections 122.895, 125.12, and 125.17. The governing body responsible for implementing the agreement shall notify each participating school board of the contents of the resolution. Within 120 days of receiving the resolution of the governing body, the school board of the participating district shall adopt a resolution stating:

(1) its concurrence with issuing bonds or incurring other debt;

(2) its intention to cease participating in or providing financial support for the service or activity related to the bonds or other debt; or

(3) its intention to terminate participation in the agreement.

A school board adopting a resolution according to clause (1) is liable for its share of bonded indebtedness or other debt as proposed by the governing body implementing the agreement. A school board adopting a resolution according to clause (2) is not liable for the bonded indebtedness or other debt, as proposed by the governing body, related to the services or activities in which the district ceases participating or providing financial support. A

school board adopting a resolution according to clause (3) is not liable for the bonded indebtedness or other debt proposed by the governing body implementing the agreement.

(e) After July 1, 1993, a district is liable according to paragraph (d) for its share of bonded indebtedness or other debt incurred by the governing body implementing the agreement to the extent that the bonds or other debt are directly related to the services or activities in which the district participates or for which the district provides financial support. The district has continued liability only until the obligation or debt is discharged and only according to the payment schedule in effect at the time the governing body implementing the agreement provides notice to the school board, except that the payment schedule may be altered for the purpose of refunding the outstanding bonds or restructuring other debt if the annual payments of the district are not increased and if the total obligation of the district for the outstanding bonds or other debt is not increased.

Sec. 9. Minnesota Statutes 1991 Supplement, section 124.155, subdivision 2, is amended to read:

Subd. 2. [ADJUSTMENT TO AIDS.] *(a)* The amount specified in subdivision 1 shall be used to adjust the following state aids and credits in the order listed:

~~(a)~~ *(1)* general education aid authorized in sections 124A.23 and 124B.20;

~~(b)~~ *(2)* secondary vocational aid authorized in section 124.573;

~~(c)~~ *(3)* special education aid authorized in section 124.32;

~~(d)~~ *(4)* secondary vocational aid for handicapped children authorized in section 124.574;

~~(e)~~ *(5)* aid for pupils of limited English proficiency authorized in section 124.273;

~~(f)~~ *(6)* transportation aid authorized in section 124.225;

~~(g)~~ *(7)* community education programs aid authorized in section 124.2713;

~~(h)~~ *(8)* adult education aid authorized in section 124.26;

~~(i)~~ *(9)* early childhood family education aid authorized in section 124.2711;

~~(j)~~ *(10)* capital expenditure aid authorized in sections 124.243, 124.244, and 124.83;

~~(k)~~ *(11)* education district aid according to section 124.2721;

~~(l)~~ *(12)* secondary vocational cooperative aid according to section 124.575;

~~(m)~~ *(13)* assurance of mastery aid according to section 124.311;

~~(n)~~ *(14)* individual learning and development aid according to section 124.331;

~~(o)~~ *(15)* homestead credit under section 273.13 for taxes payable in 1989 and additional homestead and agricultural credit guarantee under section 273.1398, subdivision 5, for taxes payable in 1990 and thereafter;

~~(p)~~ *(16)* agricultural credit under section 273.132 for taxes payable in 1989

and additional homestead and agricultural credit guarantee under section 273.1398, subdivision 5, for taxes payable in 1990 and thereafter;

~~(q)~~ *(17)* homestead and agricultural credit aid and disparity reduction aid authorized in section 273.1398, subdivision 2; ~~and~~

~~(r)~~ *(18)* attached machinery aid authorized in section 273.138, subdivision 3; *and*

(19) alternative delivery aid authorized in section 124.322.

(b) The commissioner of education shall schedule the timing of the adjustments to state aids and credits specified in subdivision 1, as close to the end of the fiscal year as possible.

Sec. 10. Minnesota Statutes 1991 Supplement, section 124.19, subdivision 1, is amended to read:

Subdivision 1. [INSTRUCTIONAL TIME.] Every district shall maintain school in session or provide instruction in other districts for at least *170 days through the 1994-1995 school year and* the number of days required in *section 120.101*, subdivision ~~1b~~ *5b thereafter*, not including summer school, or the equivalent in a district operating a flexible school year program. A district that holds school for the required minimum number of days and is otherwise qualified is entitled to state aid as provided by law. If school is not held for the required minimum number of days, state aid shall be reduced by the ratio that the difference between the required number of days and the number of days school is held bears to the required number of days, multiplied by 60 percent of the basic revenue, as defined in section 124A.22, subdivision 2, of the district for that year. However, districts maintaining school for fewer than the required minimum number of days do not lose state aid (1) if the circumstances causing loss of school days below the required minimum number of days are beyond the control of the board, (2) if proper evidence is submitted, and (3) if a good faith attempt made to make up time lost due to these circumstances. The loss of school days resulting from a lawful employee strike shall not be considered a circumstance beyond the control of the board. Days devoted to meetings authorized or called by the commissioner may not be included as part of the required minimum number of days of school. For grades 1 to 12, days devoted to parent-teacher conferences, teachers' workshops, or other staff development opportunities as part of the required minimum number of days must not exceed *five days through the 1994-1995 school year and for subsequent school years* the difference between the number of days required in subdivision 1b and the number of instructional days required in subdivision ~~1b~~ *5b*. For kindergarten, days devoted to parent-teacher conferences, teachers' workshops, or other staff development opportunities as part of the required minimum number of days must not exceed twice the number of days for grades 1 to 12.

Sec. 11. Minnesota Statutes 1991 Supplement, section 124.214, subdivision 2, is amended to read:

Subd. 2. [ABATEMENTS.] Whenever by virtue of chapter 278, sections 270.07, 375.192, or otherwise, the net tax capacity of any school district for any taxable year is changed after the taxes for that year have been spread by the county auditor and the local tax rate as determined by the county auditor based upon the original net tax capacity is applied upon the changed net tax capacities, the county auditor shall, prior to February 1 of each year, certify to the commissioner of education the amount of any resulting net revenue loss that accrued to the school district during the preceding year. Each year, the

commissioner shall pay an abatement adjustment to the district in an amount calculated according to the provisions of this subdivision. This amount shall be deducted from the amount of the levy authorized by section 275.48. The amount of the abatement adjustment shall be the product of:

(1) the net revenue loss as certified by the county auditor, times

(2) the ratio of:

(a) the sum of the amounts of the district's certified levy in the preceding year according to the following:

(i) section 124A.23 if the district receives general education aid according to that section, or section 124B.20, if the education district of which the district is a member receives general education aid according to that section;

(ii) section 275.125, subdivisions 5 and 5c, if the district receives transportation aid according to section 124.225;

(iii) section 124.243, if the district receives capital expenditure facilities aid according to that section;

(iv) section 124.244, if the district receives capital expenditure equipment aid according to that section;

(v) section 124.83, if the district receives health and safety aid according to that section;

(vi) sections 124.2713, 124.2714, and 124.2715, if the district receives aid for community education programs according to any of those sections; ~~and~~

(vii) section 275.125, subdivision 8b, if the district receives early childhood family education aid according to section 124.2711;

(viii) section 124.321, subdivision 3, if the district receives special education levy equalization aid according to that section;

(ix) section 124A.03, subdivision 1g, if the district receives referendum equalization aid according to that section; and

(x) section 124A.22, subdivision 4a, if the district receives training and experience aid according to that section;

(b) to the total amount of the district's certified levy in the preceding October, plus or minus auditor's adjustments.

Sec. 12. Minnesota Statutes 1991 Supplement, section 124.214, subdivision 3, is amended to read:

Subd. 3. [EXCESS TAX INCREMENT.] If a return of excess tax increment is made to a school district pursuant to section 469.176, subdivision 2, or upon decertification of a tax increment district, the school district's aid and levy limitations must be adjusted for the fiscal year in which the excess tax increment is paid under the provisions of this subdivision.

(a) An amount must be subtracted from the school district's aid for the current fiscal year equal to the product of:

(1) the amount of the payment of excess tax increment to the school district, times

(2) the ratio of:

(A) the sum of the amounts of the school district's certified levy for the fiscal year in which the excess tax increment is paid according to the following:

(i) section 124A.23, if the district receives general education aid according to that section, or section 124B.20, if the education district of which the district is a member receives general education aid according to that section;

(ii) section 275.125, subdivisions 5 and 5c, if the school district receives transportation aid according to section 124.225;

(iii) section 124.243, if the district receives capital expenditure facilities aid according to that section;

(iv) section 124.244, if the district receives capital expenditure equipment aid according to that section;

(v) section 124.83, if the district receives health and safety aid according to that section;

(vi) sections 124.2713, 124.2714, and 124.2715, if the district receives aid for community education programs according to any of those sections; ~~and~~

(vii) section 275.125, subdivision 8b, if the district receives early childhood family education aid according to section 124.2711;

(viii) section 124.321, subdivision 3, if the district receives special education levy equalization aid according to that section;

(ix) section 124A.03, subdivision 1g, if the district receives referendum equalization aid according to that section; and

(x) section 124A.22, subdivision 4a, if the district receives training and experience aid according to that section;

(B) to the total amount of the school district's certified levy for the fiscal year, plus or minus auditor's adjustments.

(b) An amount must be subtracted from the school district's levy limitation for the next levy certified equal to the difference between:

(1) the amount of the distribution of excess increment, and

(2) the amount subtracted from aid pursuant to clause (a).

If the aid and levy reductions required by this subdivision cannot be made to the aid for the fiscal year specified or to the levy specified, the reductions must be made from aid for subsequent fiscal years, and from subsequent levies. The school district shall use the payment of excess tax increment to replace the aid and levy revenue reduced under this subdivision.

This subdivision applies only to the total amount of excess increments received by a school district for a calendar year that exceeds $25,000.

Sec. 13. Minnesota Statutes 1990, section 124A.22, is amended by adding a subdivision to read:

Subd. 8a. [SUPPLEMENTAL LEVY.] *To obtain supplemental revenue, a district may levy an amount not more than the product of its supplemental revenue for the school year times the lesser of one or the ratio of its general education levy to its general education revenue, excluding training and experience revenue and supplemental revenue, for the same year.*

Sec. 14. Minnesota Statutes 1990, section 124A.22, is amended by adding

a subdivision to read:

Subd. 8b. [SUPPLEMENTAL AID.] *A district's supplemental aid equals its supplemental revenue minus its supplemental levy times the ratio of the actual amount levied to the permitted levy.*

Sec. 15. Minnesota Statutes 1990, section 124A.23, subdivision 3, is amended to read:

Subd. 3. [GENERAL EDUCATION LEVY; DISTRICTS OFF THE FORMULA.] If the amount of the general education levy for a district exceeds the district's general education revenue, excluding *training and experience revenue and* supplemental revenue, the amount of the general education levy shall be limited to the following:

(1) the district's general education revenue, excluding *training and experience revenue and* supplemental revenue; plus

(2) the amount of the aid reduction for the same school year according to section 124A.24; minus

(3) payments made for the same school year according to section 124A.035, subdivision 4.

For purposes of statutory cross-reference, a levy made according to this subdivision shall be construed to be the levy made according to subdivision 2.

Sec. 16. Minnesota Statutes 1991 Supplement, section 124A.23, subdivision 4, is amended to read:

Subd. 4. [GENERAL EDUCATION AID.] A district's general education aid is the sum of the following amounts:

(1) the product of (i) the difference between the general education revenue, excluding *training and experience revenue and* supplemental revenue, and the general education levy, times (ii) the ratio of the actual amount levied to the permitted levy;

(2) ~~the product of (i) the difference between the supplemental revenue and the supplemental levy, times (ii) the ratio of the actual amount levied to the permitted levy~~ *training and experience aid according to section 124A.22, subdivision 4b*;

(3) *supplemental aid according to section 11;*

(4) shared time aid according to section 124A.02, subdivision 21; and

~~(4)~~ *(5)* referendum aid according to section 124A.03.

Sec. 17. Minnesota Statutes 1991 Supplement, section 124A.24, is amended to read:

124A.24 [GENERAL EDUCATION LEVY EQUITY.]

If a district's general education levy is determined according to section 124A.23, subdivision 3, an amount must be deducted from state aid authorized in this chapter and chapters 124 and 124B, receivable for the same school year, and from other state payments receivable for the same school year authorized in chapter 273. The aid in section 124.646 must not be reduced.

The amount of the deduction equals the difference between:

(1) the general education tax rate, according to section 124A.23, times the district's adjusted net tax capacity used to determine the general education aid for the same school year; and

(2) the district's general education revenue, excluding *training and experience revenue and* supplemental revenue, for the same school year, according to section 124A.22.

However, for fiscal year 1992, the amount of the deduction shall be four-sixths of the difference between clauses (1) and (2); and for fiscal year 1993, the amount of the deduction shall be five-sixths of the difference between clauses (1) and (2).

Sec. 18. Minnesota Statutes 1990, section 124A.26, subdivision 2, is amended to read:

Subd. 2. [LEVY REDUCTION.] If a district's general education revenue is reduced, the general education levy shall be reduced by the following amount:

(1) the reduction specified in subdivision 1, times

(2) the lesser of one or the ratio of the district's general education levy to its general education revenue, excluding *training and experience revenue and* supplemental revenue.

Sec. 19. Minnesota Statutes 1990, section 125.18, subdivision 1, is amended to read:

Subdivision 1. A teacher who holds a license ~~from the department~~, *according to chapter 125 or 136C*, and a contract for employment ~~in~~ *by* a ~~public~~ school *district or other organization providing public education* may be granted a sabbatical leave by the board employing ~~such person~~ *the teacher* under rules promulgated by ~~such~~ *the* board.

Sec. 20. Minnesota Statutes 1990, section 136D.27, subdivision 2, is amended to read:

Subd. 2. [PROHIBITED LEVIES.] Notwithstanding section 136D.24 or any other law to the contrary, the joint school board may not certify, either itself, to any participating district, or to any cooperating school district, any levies for any purpose, except the levies authorized by ~~subdivision 1,~~ sections *124.2727*, 124.83, subdivision 4, 127.05, 275.125, subdivisions 8c and 14a, 275.48, and 475.61, and for the joint school board's obligations under section 268.06, subdivision 25, for which a levy is authorized by section 275.125, subdivision 4.

Sec. 21. Minnesota Statutes 1990, section 136D.74, subdivision 2a, is amended to read:

Subd. 2a. [PROHIBITED LEVIES.] Notwithstanding ~~subdivisions 2 and~~ *subdivision* 4, section 136D.73, subdivision 3, or any other law to the contrary, the intermediate school board may not certify, either itself, to any participating district, or to any cooperating school district, any levies for any purpose, except the levies authorized by ~~subdivision 1,~~ sections *124.2727*, 124.83, subdivision 4, 127.05, 275.125, subdivisions 8c and 14a, 275.48, and 475.61, and for the intermediate school board's obligations under section 268.06, subdivision 25, for which a levy is authorized by section 275.125, subdivision 4.

Sec. 22. Minnesota Statutes 1990, section 136D.87, subdivision 2, is

amended to read:

Subd. 2. [PROHIBITED LEVIES.] Notwithstanding section 136D.84 or any other law to the contrary, the joint school board may not certify, either itself, to any participating district, or to any cooperating school district, any levies for any purpose, except the levies authorized by ~~subdivision 1,~~ sections *124.2727,* 124.83, subdivision 4, 127.05, 275.125, subdivisions 8c and 14a, 275.48, and 475.61, and for the joint school board's obligations under section 268.06, subdivision 25, for which a levy is authorized by section 275.125, subdivision 4.

Sec. 23. Minnesota Statutes 1990, section 205A.10, subdivision 2, is amended to read:

Subd. 2. [ELECTION, CONDUCT.] A school district election must be by secret ballot and must be held and the returns made in the manner provided for the state general election, as far as practicable. The vote totals from an absentee ballot board established pursuant to section 203B.13 may be tabulated and reported by the school district as a whole rather than by precinct. For school district elections not held in conjunction with a statewide election, the school board shall appoint election judges as provided in section 204B.21, subdivision 2. The provisions of sections 204B.19, subdivision 5; 204C.15; 204C.19; 206.63; *206.64, subdivision 2;* 206.74, subdivision 3; 206.75; ~~and~~ 206.83*; and 206.86, subdivision 2*, relating to party balance in appointment of judges and to duties to be performed by judges of different major political parties do not apply to school district elections not held in conjunction with a statewide election.

Sec. 24. Minnesota Statutes 1991 Supplement, section 275.065, subdivision 1, is amended to read:

Subdivision 1. [PROPOSED LEVY.] Notwithstanding any law or charter to the contrary, on or before September 1, each taxing authority, other than a school district, shall adopt a proposed budget and each taxing authority shall certify to the county auditor the proposed or, in the case of a town, the final property tax levy for taxes payable in the following year. If the board of estimate and taxation or any similar board that establishes maximum tax levies for taxing jurisdictions within a first class city certifies the maximum property tax levies for funds under its jurisdiction by charter to the county auditor by September 1, the city shall be deemed to have certified its levies for those taxing jurisdictions. For purposes of this section, "taxing authority" includes all home rule and statutory cities, towns, counties, school districts, and special taxing districts. The commissioner of revenue shall determine what constitutes a special taxing district for purposes of this section. Intermediate school districts that levy a tax under chapter *124 or* 136D, joint powers boards established under sections 124.491 to 124.495, and common school districts No. 323, Franconia, and No. 815, Prinsburg, are special taxing districts for purposes of this section.

Sec. 25. Minnesota Statutes 1990, section 275.125, is amended by adding a subdivision to read:

Subd. 23. [LEVY ADJUSTMENT FOR ENACTED CHANGES.] *Whenever a change enacted in law changes the levy authority for a school district or an intermediate school district for a fiscal year after the levy for that fiscal year has been certified by the district under section 275.07, the department of education shall adjust the next levy certified by the district by the amount of the change in levy authority for that fiscal year resulting from the change.*

Notwithstanding section 121.904, the entire amount for fiscal year 1992 and 50 percent for fiscal years thereafter of the levy adjustment must be recognized as revenue in the fiscal year the levy is certified, if sufficient levy resources are available under generally accepted accounting principles in the district fund where the adjustment is to occur. School districts that do not have sufficient levy resources available in the fund where the adjustment is to occur shall recognize in the fiscal year the levy is certified an amount equal to the levy resources available. The remaining adjustment amount shall be recognized as revenue in the fiscal year after the levy is certified.

Sec. 26. Laws 1991, chapter 265, article 7, section 37, subdivision 6, is amended to read:

Subd. 6. [CONTRACT FUNDS.] ~~Any unexpended~~ Contract funds awarded to a school, school district, or group of districts ~~in one fiscal year do not cancel but are available in the next fiscal year~~ *shall be used only for outcome-based education purposes and activities specified in the contract. Any of the contract funds unexpended in the first fiscal year shall be available to the award recipient in the second fiscal year for the same purposes and activities.*

Sec. 27. Laws 1991, chapter 265, article 9, section 76, is amended to read:

Sec. 76. [EFFECTIVE DATE.]

Section 123.38, subdivision 2b, is effective the day following final enactment and applies to the 1990-1991 school year and thereafter. Sections 123.33, subdivision 1; and 123.3514, subdivision 4 are effective the day following final enactment and apply to 1991-1992 and later school years.

Sections 122.895; 123.35, subdivision 20; 125.09, subdivision 4; 128C.01, subdivision 5; 214.10, subdivision 9 are effective the day following final enactment. Section 122.41 is effective July 1, 1992. Section 120.062, subdivision 8a, paragraphs (b) and (c), are effective retroactively to December 1, 1990. ~~Sections 123.3514, subdivision 4; and~~ *Section* 124.17, subdivision 1c ~~are~~ *is* effective retroactively to July 1, 1990. Section 281.17 is effective for taxes deemed delinquent after December 31, 1991. Sections 125.12, subdivisions 3a and 4a; and 125.17, subdivisions 2a and 3a are effective July 1, 1993. Sections 121.931, subdivisions 6a, 7, and 8; 121.932, subdivisions 2, 3, and 5; 121.933, subdivision 1; 121.934, subdivision 7; 121.935, subdivisions 1, 4, 6, and 8; 121.936, subdivisions 1, 2, and 4; and 121.937, subdivision 1, are effective July 1, 1993.

Under Minnesota Statutes, section 123.34, subdivision 9, a contract executed before July 1, 1991, between a superintendent and a school board that continues in effect beyond June 30, 1991, shall continue until terminated under those terms that were lawful at the time the contract was executed.

Sections 15 to 30 are effective July 1, 1993. Section 74 is effective the day following final enactment.

Sec. 28. [REENACTMENT.]

Minnesota Statutes 1990, section 120.105 repealed by Laws 1991, chapter 265, article 9, section 75 is reenacted and remains in effect without interruption.

Sec. 29. [INSTRUCTION TO REVISOR.]

In addition to the recodification of subdivisions of Minnesota Statutes, section 275.125, required by Laws 1991, chapter 130, section 37, the revisor of

statutes, in the 1992 edition of Minnesota Statutes, shall recodify in the education code all subdivisions of Minnesota Statutes, section 275.125, added by any chapter of Laws 1991 or Laws 1992, notwithstanding any law to the contrary.

Sec. 30. [REPEALER.]

(a) Minnesota Statutes 1991 Supplement, section 123.35, subdivision 19, is repealed effective July 1, 1993.

(b) Minnesota Statutes 1991 Supplement, section 124.646, subdivision 2, is repealed effective the day following final enactment.

(c) Minnesota Statutes 1990, section 124A.23, subdivision 2a; and Laws 1991, chapter 265, articles 2, section 18; 3, section 36; 5, section 17; and 6, section 60, are repealed effective July 1, 1992.

Sec. 31. [EFFECTIVE DATE.]

Section 8 is effective July 1, 1993. Section 25 is effective retroactively to May 1, 1991, and applies beginning with adjustments to the 1991 payable 1992 levy for fiscal year 1992."

Delete the title and insert:

"A bill for an act relating to education; providing for general education revenue, transportation, special programs, community services, facilities and equipment, education organization and cooperation, other aids and levies, other education programs, miscellaneous education matters, libraries, state education agencies; imposing a tax; modifying appropriations; appropriating money; amending Minnesota Statutes 1990, sections 120.17, subdivisions 2, 3a, 8a, 16, and by adding a subdivision; 121.148, subdivision 3; 121.16, subdivision 1; 121.935, by adding a subdivision; 122.23, subdivisions 12, 13, 13a, and 16; 122.241, subdivision 3; 122.247, subdivision 1; 122.531, subdivisions 1a, 2, 2a, 2b, 2c, and by adding subdivisions; 122.532, subdivision 2; 123.33, subdivision 7; 123.35, by adding a subdivision; 123.3514, subdivisions 6, as amended, as reenacted, 6b, as amended, as reenacted, and by adding subdivisions; 123.39, subdivision 8d; 123.58, by adding a subdivision; 123.744, as amended, as reenacted; 124.155, subdivision 1; 124.243, subdivisions 2, 6, and by adding a subdivision; 124.244, subdivision 1; 124.2725, subdivisions 13 and 14; 124.331, subdivisions 1 and 3; 124.431, by adding a subdivision; 124.493, subdivision 1; 124.494, subdivisions 2, 4, and 5; 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; 125.18, subdivision 1; 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.22, subdivision 1; 136D.27, subdivision 2; 136D.74, subdivision 2a; 136D.75; 136D.82, subdivision 1; 136D.87, subdivision 2; 205A.10, subdivision 2; and 275.125, subdivision 14a, and by adding subdivisions; Minnesota Statutes 1991 Supplement, sections 13.40, subdivision 2; 120.062, subdivision 8a; 120.064, subdivision 4; 120.17, subdivisions 3b, 7a, and 11a; 120.181; 121.585, subdivision 3; 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, 1b, and 3; 124.155, subdivision 2; 124.19, subdivisions 1 and 7; 124.195, subdivisions 2 and 3a; 124.214, subdivisions 2 and 3; 124.2601, subdivision 6; 124.2605; 124.2615, subdivision 2; 124.2721, subdivision 3b; 124.2727, subdivision 6, and by adding a subdivision; 124.479; 124.493, subdivision 3; 124.646, subdivision 4; 124.84, subdivision 3; 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; 126.23; 126.70; 136D.22, subdivision 3; 136D.71, subdivision 2; 136D.72, subdivision 1; 136D.76, subdivision 2; 136D.82, subdivision 3; 245A.03, subdivision 2; 275.065, subdivisions 1 and 6; 275.125, subdivisions 6j and 11g; 298.28, subdivision 4; 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, section 67, subdivision 3; 7, sections 37, subdivision 6, and 41, subdivision 4; 8, sections 14 and 19, subdivision 6; 9, sections 75 and 76; and 11, section 23, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 124; 124A; 126; and 135A; repealing Minnesota Statutes 1990, sections 121.25; 121.26; 121.27; 121.28; 124.274; 124A.02, subdivision 24; 124A.23, subdivisions 2, 2a, and 3; 124A.26, subdivisions 2 and 3; 124A.27; 124A.28; 124A.29, subdivision 2; 125.03, subdivision 5; 126.071, subdivisions 2, 3, and 4; 128A.022, subdivisions 5 and 7; 128A.024, subdivision 1; 134.34, subdivision 2; 136D.74, subdivision 3; and 136D.76, subdivision 3; Minnesota Statutes 1991 Supplement, sections 123.35, subdivision 19; 124.2727, subdivisions 1, 2, 3, 4, and 5; 124.646, subdivision 2; 124A.02, subdivisions 16 and 23; 124A.03, subdivisions 1b, 1c, 1d, 1e, 1f, 1g, 1h, and 1i; 124A.04; 124A.22, subdivisions 2, 3, 4, 4a, 4b, 8, and 9; 124A.23, subdivisions 1, 4, and 5; 124A.24; 124A.26, subdivision 1; 124A.29, subdivision 1; 126.071, subdivision 1; and 136D.90, subdivision 2; Laws 1990, chapters 562, article 12; and 604, article 8, section 12; Laws 1991, chapter 265, articles 2, section 18; 3, section 36; 5, section 17; 6, sections 4, 20, 22 to 26, 28, 30 to 33, 41 to 45, 60, and 64; 7, section 35."

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

House Conferees: (Signed) Ken Nelson, Jerry J. Bauerly, Bob McEachern, Alice Hausman, Charlie Weaver

Senate Conferees: (Signed) Ronald R. Dicklich, Gregory L. Dahl, Gary M. DeCramer, Sandra L. Pappas, Gary W. Laidig

Mr. Dicklich moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2121 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2121 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, D.J.	Moe, R.D.	Riveness
Beckman	Dicklich	Johnson, J.B.	Morse	Sams
Benson, D.D.	Finn	Johnston	Neuville	Samuelson
Benson, J.E.	Flynn	Kroening	Novak	Solon
Berg	Frank	Laidig	Olson	Spear
Berglin	Frederickson, D.J.	Langseth	Pappas	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pariseau	Traub
Bertram	Gustafson	Lessard	Piper	Vickerman
Chmielewski	Halberg	Luther	Pogemiller	
Cohen	Hottinger	Marty	Price	
Dahl	Hughes	Merriam	Reichgott	
Day	Johnson, D.E.	Metzen	Renneke	

Messrs. Belanger, Knaak, Mondale and Terwilliger voted in the negative.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S.F. No. 897 and that the rules of the Senate be so far suspended as to give S.F. No. 897, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

S.F. No. 897: A bill for an act relating to driving while intoxicated; making it a crime to refuse to submit to testing under the implied consent law; expanding the scope of the administrative plate impoundment law; authorizing the forfeiture of vehicles used to commit certain repeat DWI offenses; increasing certain license revocation periods; revising the implied consent advisory; imposing waiting periods on the issuance of limited licenses; increasing certain fees; updating laws relating to operating a snowmobile, all-terrain vehicle, motorboat, or aircraft, and to hunting, while intoxicated; imposing penalties for hunting while intoxicated; appropriating money; amending Minnesota Statutes 1990, sections 84.91; 84.911; 86B.331; 86B.335, subdivisions 1, 2, 4, 5, and 6; 97A.421, subdivision 4; 97B.065; 168.042, subdivisions 1, 2, 4, 10, and 11; 169.121, subdivisions 1a, 3, 3a, 3b, 3c, 4, and 5; 169.123, subdivision 4; 169.126, subdivision 1; 169.129; 360.0752, subdivision 6, and by adding a subdivision; and 360.0753, subdivisions 2, 7, and 9; Minnesota Statutes 1991 Supplement, sections 169.121, subdivision 5a; 169.123, subdivision 2; 169.126, subdivision 2; 169.1265, subdivision 3; 171.30, subdivision 2a; and 171.305, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 97B; and 169; repealing Minnesota Statutes 1990, section 169.126, subdivision 4c.

Mr. Neuville moved to amend S.F. No. 897 as follows:

Page 2, line 18, strike "third" and insert "*second*"

Page 2, line 19, strike "fourth" and insert "*third*"

Page 12, line 28, delete everything after "*offense*" " and insert "*means a gross misdemeanor violation of section 169.121 or 169.129.*"

Page 12, delete lines 29 to 36

Page 13, delete lines 1 to 6

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 37 and nays 23, as follows:

Those who voted in the affirmative were:

Beckman	Davis	Johnson, J.B.	Morse	Renneke
Belanger	Day	Johnston	Neuville	Sams
Benson, D.D.	Flynn	Kelly	Novak	Terwilliger
Benson, J.E.	Frank	Knaak	Olson	Traub
Bernhagen	Frederickson, D.R.	Laidig	Pappas	Vickerman
Brataas	Gustafson	Luther	Pariseau	
Cohen	Hottinger	McGowan	Price	
Dahl	Johnson, D.E.	Mondale	Ranum	

Those who voted in the negative were:

Adkins	Dicklich	Lessard	Moe, R.D.	Solon
Berg	Finn	Marty	Piper	Spear
Berglin	Halberg	Mehrkens	Pogemiller	Stumpf
Bertram	Johnson, D.J.	Merriam	Reichgott	
Chmielewski	Kroening	Metzen	Samuelson	

The motion prevailed. So the amendment was adopted.

Mr. Lessard moved to amend S.F. No. 897 as follows:

Page 5, line 27, delete everything after the second "*section*"

Page 5, line 28, delete everything before "*169.129*"

Page 5, line 29, delete everything before the first "*609.21*,"

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

S.F. No. 897 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 61 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnston	Mondale	Riveness
Beckman	DeCramer	Kelly	Morse	Sams
Belanger	Finn	Knaak	Neuville	Samuelson
Benson, D.D.	Flynn	Kroening	Novak	Solon
Benson, J.E.	Frank	Laidig	Olson	Spear
Berglin	Frederickson, D.R.	Langseth	Pappas	Stumpf
Bernhagen	Gustafson	Luther	Pariseau	Terwilliger
Bertram	Halberg	Marty	Piper	Traub
Brataas	Hottinger	McGowan	Pogemiller	Vickerman
Chmielewski	Hughes	Mehrkens	Price	
Cohen	Johnson, D.E.	Merriam	Ranum	
Dahl	Johnson, D.J.	Metzen	Reichgott	
Davis	Johnson, J.B.	Moe, R.D.	Renneke	

Mr. Berg voted in the negative.

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

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 2250 a Special Order to be heard immediately.

SPECIAL ORDER

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.

Mr. Luther moved to amend H.F. No. 2250, the unofficial engrossment, as follows:

Page 1, line 11, after the period, insert "*In the case of a peace officer,*"

Page 1, line 13, before "*officer*" insert "*peace*"

Page 1, line 14, delete "*public safety*" and insert "*peace*"

The motion prevailed. So the amendment was adopted.

H.F. No. 2250 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 51 and nays 5, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnston	Neuville	Samuelson
Beckman	Day	Kelly	Novak	Solon
Belanger	Finn	Laidig	Olson	Spear
Benson, D.D.	Flynn	Lessard	Pappas	Stumpf
Benson, J.E.	Frank	Luther	Pariseau	Terwilliger
Berg	Frederickson, D.R.	McGowan	Pogemiller	Traub
Bernhagen	Gustafson	Mehrkens	Ranum	Vickerman
Bertram	Hottinger	Metzen	Reichgott	
Brataas	Johnson, D.E.	Moe, R.D.	Renneke	
Chmielewski	Johnson, D.J.	Mondale	Riveness	
Cohen	Johnson, J.B.	Morse	Sams	

Those who voted in the negative were:

DeCramer	Knaak	Merriam	Piper	Price

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 2509 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 2509: A bill for an act relating to motor fuels; weights and measures; regulating octane and oxygenated fuels; 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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kelly	Metzen	Renneke
Beckman	Dicklich	Knaak	Moe, R.D.	Riveness
Belanger	Finn	Kroening	Mondale	Sams
Benson, J.E.	Flynn	Laidig	Morse	Samuelson
Berg	Frank	Langseth	Neuville	Solon
Bernhagen	Frederickson, D.R.	Larson	Novak	Spear
Bertram	Gustafson	Lessard	Olson	Stumpf
Brataas	Hottinger	Luther	Pappas	Terwilliger
Chmielewski	Johnson, D.E.	Marty	Pariseau	Traub
Cohen	Johnson, D.J.	McGowan	Pogemiller	Vickerman
Davis	Johnson, J.B.	Mehrkens	Price	
Day	Johnston	Merriam	Ranum	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 2732 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 2732: 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; 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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Dicklich	Kelly	Mondale	Riveness
Beckman	Finn	Knaak	Morse	Sams
Belanger	Flynn	Kroening	Neuville	Samuelson
Benson, J.E.	Frank	Laidig	Novak	Solon
Berg	Frederickson, D.R.	Larson	Olson	Stumpf
Bernhagen	Gustafson	Lessard	Pariseau	Terwilliger
Bertram	Hottinger	Luther	Piper	Traub
Brataas	Hughes	Marty	Pogemiller	Vickerman
Cohen	Johnson, D.E.	Mehrkens	Price	
Davis	Johnson, D.J.	Merriam	Ranum	
Day	Johnson, J.B.	Metzen	Reichgott	
DeCramer	Johnston	Moe, R.D.	Renneke	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2136 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON 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.

April 13, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2136, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment.

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

Senate Conferees: (Signed) Ted A. Mondale, Sam G. Solon

House Conferees: (Signed) Jim Farrell, Pat Beard

Mr. Mondale moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2136 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2136 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 44 and nays 9, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	Metzen	Riveness
Beckman	Day	Johnson, J.B.	Moe, R.D.	Sams
Belanger	DeCramer	Kelly	Mondale	Samuelson
Benson, J.E.	Finn	Kroening	Morse	Solon
Berglin	Flynn	Laidig	Novak	Stumpf
Bernhagen	Frank	Lessard	Piper	Terwilliger
Bertram	Frederickson, D.R.	Luther	Pogemiller	Traub
Chmielewski	Hottinger	Mehrkens	Price	Vickerman
Cohen	Hughes	Merriam	Ranum	

Those who voted in the negative were:

Berg	Johnston	Larson	Olson	Renneke
Brataas	Knaak	Neuville	Pariseau	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 2746 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 2746: A bill for an act relating to occupations and professions; board of accountancy; establishing procedures for the board to carry out disciplinary proceedings; providing penalties; amending Minnesota Statutes 1990, section 326.211, subdivision 9; proposing coding for new law in Minnesota Statutes, chapter 326; repealing Minnesota Statutes 1990, sections 326.23; and 326.231.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kelly	Metzen	Ranum
Beckman	Finn	Knaak	Moe, R.D.	Renneke
Belanger	Flynn	Kroening	Mondale	Riveness
Benson, J.E.	Frank	Laidig	Morse	Sams
Berglin	Frederickson, D.R.	Langseth	Neuville	Samuelson
Bernhagen	Gustafson	Larson	Novak	Solon
Bertram	Hottinger	Lessard	Olson	Stumpf
Brataas	Hughes	Luther	Pariseau	Terwilliger
Chmielewski	Johnson, D.E.	Marty	Piper	Traub
Cohen	Johnson, J.B.	Mehrkens	Pogemiller	Vickerman
Davis	Johnston	Merriam	Price	

So the bill passed and its title was agreed to.

MEMBERS EXCUSED

Messrs. Novak and Samuelson were excused from the Session of today from 12:00 noon to 1:20 p.m. Ms. Olson was excused from the Session of today from 12:00 noon to 1:10 p.m. Ms. Reichgott was excused from the Session of today from 12:00 noon to 1:45 p.m. Mr. Chmielewski was excused from the Session of today from 12:00 noon to 3:00 p.m. Mr. Pogemiller was excused from the Session of today from 1:50 to 2:50 p.m. Mr. McGowan was excused from the Session of today from 9:30 to 10:00 p.m. Ms. Traub was excused from the Session of today from 2:30 to 4:30 p.m. Mr. Waldorf was excused from the Session of today at 10:00 p.m. Mr. Frederickson, D.J. was excused from the Session of today at 10:10 p.m. Mr. Halberg was excused from the Session of today at 11:00 p.m. Mr. Dahl was excused from the Session of today at 10:50 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 10:00 a.m., Wednesday, April 15, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

NINETY-NINTH DAY

St. Paul, Minnesota, Wednesday, April 15, 1992

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

CALL OF THE SENATE

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

Prayer was offered by Senator Dean E. Johnson.

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

Adkins	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moe, R.D.	Riveness
Belanger	Dicklich	Kelly	Mondale	Sams
Benson, D.D.	Finn	Knaak	Morse	Samuelson
Benson, J.E.	Flynn	Kroening	Neuville	Solon
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Halberg	Luther	Piper	Vickerman
Chmielewski	Hottinger	Marty	Pogemiller	Waldorf
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

April 13, 1992

The Honorable Jerome M. Hughes
President of the Senate

Dear President Hughes:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, Senate File Nos. 1252, 1558, 1985, 2299, 2311, 2352, 2382, 2383 and 2392.

Warmest regards,

Arne H. Carlson, Governor

April 13, 1992

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
2637		418	5:02 p.m. April 8	April 9
	2924	419	4:20 p.m. April 8	April 9
	1996	420	4:22 p.m. April 8	April 9
	1852	421	4:25 p.m. April 8	April 9
	2186	422	4:26 p.m. April 8	April 9
	2572	423	4:27 p.m. April 8	April 9
	1833	424	5:05 p.m. April 8	April 9
	2034	425	5:08 p.m. April 8	April 9
	2081	426	5:12 p.m. April 8	April 9
	1416	427	2:15 p.m. April 9	April 10
	2683	428	4:29 p.m. April 8	April 9
	2792	429	4:10 p.m. April 9	April 10
	2732	430	4:59 p.m. April 8	April 9
	2369	431	4:29 p.m. April 8	April 9
	2137	432	4:25 p.m. April 9	April 10
	1827	433	4:48 p.m. April 8	April 9
	1489	435	4:22 p.m. April 9	April 10
	2640	436	5:15 p.m. April 8	April 9
	2287	437	4:40 p.m. April 8	April 9
	2142	438	5:17 p.m. April 8	April 9
2028		439	4:42 p.m. April 8	April 9

Sincerely,
Joan Anderson Growe
Secretary of State

April 14, 1992

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
	2063	440	2:14 p.m. April 10	April 13
	2707	441		April 13
	2082	442	2:10 p.m. April 10	April 13
	1350	443	1:20 p.m. April 13	April 14
	1978	444	1:33 p.m. April 13	April 14
	1889	445	1:28 p.m. April 13	April 14
1252		447	1:36 p.m. April 13	April 14
1558		448	1:40 p.m. April 13	April 14
2383		449	1:05 p.m. April 13	April 14
2311		450	1:52 p.m. April 13	April 14
2392		451	1:08 p.m. April 13	April 14
1985		452	1:42 p.m. April 13	April 14
2382		454	1:57 p.m. April 13	April 14
2352		455	1:55 p.m. April 13	April 14
2299		456	1:45 p.m. April 13	April 14

Sincerely,
Joan Anderson Growe
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 2017, 2282, 2286, 2556, 1319 and 1854.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 14, 1992

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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.

Senate File No. 512 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 14, 1992

CONCURRENCE AND REPASSAGE

Mr. Berg moved that the Senate concur in the amendments by the House to S.F. No. 512 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 512 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 47 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Moe, R.D.	Sams
Beckman	DeCramer	Kroening	Mondale	Samuelson
Belanger	Dicklich	Laidig	Neuville	Solon
Benson, J.E.	Flynn	Langseth	Novak	Spear
Berg	Frank	Larson	Olson	Terwilliger
Bernhagen	Frederickson, D.R.	Lessard	Pariseau	Traub
Bertram	Halberg	Luther	Price	Waldorf
Brataas	Hughes	McGowan	Ranum	
Cohen	Johnson, D.E.	Mehrkens	Renneke	
Dahl	Johnson, D.J.	Metzen	Riveness	

Mr. Finn voted in the negative.

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 2314: A bill for an act relating to the city of Minneapolis; requiring an equitable participation by planning districts in neighborhood revitalization programs; amending Minnesota Statutes 1990, section 469.1831, by adding a subdivision.

Senate File No. 2314 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 14, 1992

Mr. Kroening moved that S.F. No. 2314 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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.

Senate File No. 2510 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 14, 1992

CONCURRENCE AND REPASSAGE

Ms. Flynn moved that the Senate concur in the amendments by the House to S.F. No. 2510 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2510 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 53 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, D.J.	Metzen	Reichgott
Beckman	DeCramer	Johnson, J.B.	Moe, R.D.	Renneke
Belanger	Dicklich	Knaak	Mondale	Riveness
Benson, D.D.	Finn	Kroening	Neuville	Sams
Benson, J.E.	Flynn	Laidig	Novak	Samuelson
Berglin	Frank	Langseth	Olson	Solon
Bernhagen	Frederickson, D.R.	Larson	Pappas	Spear
Bertram	Gustafson	Lessard	Pariseau	Terwilliger
Brataas	Halberg	Luther	Piper	Traub
Cohen	Hottinger	McGowan	Price	
Dahl	Hughes	Mehrkens	Ranum	

Mr. Waldorf voted in the negative.

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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.

Senate File No. 1787 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 14, 1992

CONCURRENCE AND REPASSAGE

Mr. Benson, D.D. moved that the Senate concur in the amendments by the House to S.F. No. 1787 and that the bill be placed on its repassage as amended. The motion prevailed.

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; authorizing a private sale of lands in Washington county; prescribing conditions; amending Minnesota Statutes 1991 Supplement, section 103F.535, subdivision 1; repealing Minnesota Statutes 1990, section 103F.535, subdivisions 2 and 3.

Was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, D.J.	Metzen	Reichgott
Beckman	DeCramer	Johnson, J.B.	Moe, R.D.	Renneke
Belanger	Dicklich	Knaak	Mondale	Riveness
Benson, D.D.	Finn	Kroening	Neuville	Sams
Benson, J.E.	Flynn	Laidig	Novak	Samuelson
Berglin	Frank	Langseth	Olson	Solon
Bernhagen	Frederickson, D.R.	Larson	Pappas	Spear
Bertram	Gustafson	Lessard	Pariseau	Terwilliger
Brataas	Halberg	Luther	Piper	Traub
Cohen	Hottinger	McGowan	Price	Waldorf
Dahl	Hughes	Mehrkens	Ranum	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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; modifying 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.

Senate File No. 1230 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 14, 1992

Mr. Moe, R.D. moved that S.F. No. 1230 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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.

Senate File No. 1691 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 14, 1992

Mr. Moe, R.D., for Mr. Kelly, moved that the Senate do not concur in the amendments by the House to S.F. No. 1691, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

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.

There has been appointed as such committee on the part of the House:

Jaros, Bishop and Hasskamp.

Senate File No. 2111 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 14, 1992

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

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.

There has been appointed as such committee on the part of the House:

Pugh, Milbert and Abrams.

Senate File No. 2194 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 14, 1992

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

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.

There has been appointed as such committee on the part of the House:

Munger, Lourey and Koppendrayer.

Senate File No. 2499 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 14, 1992

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2884:

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 House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Rest, Sarna and Bauerly have been appointed as such committee on the part of the House.

House File No. 2884 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 14, 1992

Mr. Moe, R.D., for Mr. Pogemiller, moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2884, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1838, 1989, 2717, 2134, 1453, 769, 2649 and 2368.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 14, 1992

FIRST READING OF HOUSE BILLS

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

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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1894, now on General Orders.

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.

Referred to the Committee on Finance.

H.F. No. 2717: A bill for an act relating to water; providing that well setback rules may be waived for dairy farmers; 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; amending Minnesota Statutes 1990, sections 32.394, by adding subdivisions; 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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2102.

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 liquefied petroleum gas; appropriating money to energy and conservation account for programs to improve energy efficiency of residential oil-fired and liquefied petroleum gas heating plants in low-income households; amending Minnesota Statutes 1990, section 115C.08, subdivision 3; Minnesota Statutes 1991 Supplement, sections 16B.61, subdivision 3; 239.78; and 299F.011, subdivision 4c; proposing coding for new law in Minnesota Statutes, chapters 116; and 239.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2030, now on General Orders.

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; requiring a metropolitan disposal system rate structure study; regulating the fully developed area study; amending Minnesota Statutes 1990, sections 115.03, subdivision 1; 115.20, subdivisions 1, 3, 4, 5, and 6; Laws 1991, chapter 183, section 1; proposing coding for new law in Minnesota Statutes, chapters 116; and 446A.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1292, now on General Orders.

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; establishing a certain temporary surcharge; appropriating money; amending Minnesota Statutes 1991 Supplement, section 336.9-413; 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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 850, now on the Calendar.

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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2384, now on General Orders.

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; increasing registration fees for vehicles of motor carriers; assessing penalties; appropriating money; amending Minnesota Statutes 1990, sections 221.011, subdivisions 7, 8, 9, 14, and by

adding subdivisions; 221.036, subdivisions 1 and 3; 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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2665.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

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

H.F. No. 2001 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
				2001	1934

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2001 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2001 and insert the language after the enacting clause of S.F. No. 1934, the first engrossment; further, delete the title of H.F. No. 2001 and insert the title of S.F. No. 1934, the first engrossment.

And when so amended H.F. No. 2001 will be identical to S.F. No. 1934, and further recommends that H.F. No. 2001 be given its second reading and substituted for S.F. No. 1934, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 2437 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2437	2095				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2437 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2437 and insert the language after the enacting clause of S.F. No. 2095, the third

engrossment; further, delete the title of H.F. No. 2437 and insert the title of S.F. No. 2095, the third engrossment.

And when so amended H.F. No. 2437 will be identical to S.F. No. 2095, and further recommends that H.F. No. 2437 be given its second reading and substituted for S.F. No. 2095, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 2804 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2804	2572				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2804 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2804 and insert the language after the enacting clause of S.F. No. 2572, the first engrossment; further, delete the title of H.F. No. 2804 and insert the title of S.F. No. 2572, the first engrossment.

And when so amended H.F. No. 2804 will be identical to S.F. No. 2572, and further recommends that H.F. No. 2804 be given its second reading and substituted for S.F. No. 2572, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 217 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
217	394				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 217 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 217 and insert the language after the enacting clause of S.F. No. 394, the second engrossment; further, delete the title of H.F. No. 217 and insert the title of S.F. No. 394, the second engrossment.

And when so amended H.F. No. 217 will be identical to S.F. No. 394,

and further recommends that H.F. No. 217 be given its second reading and substituted for S.F. No. 394, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 1985 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1985	1866				

and that the above Senate File be indefinitely postponed.

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

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

H.F. No. 2749 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2749	2503				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2749 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2749 and insert the language after the enacting clause of S.F. No. 2503, further, delete the title of H.F. No. 2749 and insert the title of S.F. No. 2503.

And when so amended H.F. No. 2749 will be identical to S.F. No. 2503, and further recommends that H.F. No. 2749 be given its second reading and substituted for S.F. No. 2503, and that the Senate File be indefinitely postponed.

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

SECOND READING OF HOUSE BILLS

H.F. Nos. 2001, 2437, 2804, 217, 1985 and 2749 were read the second time.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Merriam moved that the following members be excused for a Conference Committee on H.F. No. 1903 at 10:00 a.m.:

Messrs. Merriam; Morse; Johnson, D.E.; Stumpf and Vickerman. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Johnson, D.J. moved that the following members be excused for a Conference Committee on H.F. No. 2940 at 10:00 a.m.:

Messrs. Frederickson, D.J.; Johnson, D.J.; Pogemiller; Mrs. Brataas and Ms. Reichgott. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Ms. Berglin moved that the following members be excused for a Conference Committee on H.F. No. 2800 at 10:00 a.m.:

Messrs. Benson, D.D.; Hottinger; Knaak, Mses. Berglin and Piper. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Ms. Ranum moved that the following members be excused for a Conference Committee on H.F. No. 2181 at 11:40 a.m.:

Messrs. Merriam, Neuville and Ms. Ranum. The motion prevailed.

MOTIONS AND RESOLUTIONS

Ms. Reichgott moved that S.F. No. 2088 be taken from the table. 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.

CONCURRENCE AND REPASSAGE

Ms. Reichgott moved that the Senate concur in the amendments by the House to S.F. No. 2088 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2088 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 52 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Mehrkens	Renneke
Beckman	Day	Johnson, J.B.	Metzen	Riveness
Belanger	DeCramer	Kelly	Mondale	Sams
Benson, D.D.	Finn	Knaak	Neuville	Solon
Benson, J.E.	Flynn	Kroening	Novak	Spear
Berg	Frank	Laidig	Olson	Terwilliger
Bernhagen	Frederickson, D.R.	Langseth	Pappas	Traub
Bertram	Gustafson	Larson	Pariseau	Waldorf
Brataas	Halberg	Lessard	Price	
Chmielewski	Hottinger	Luther	Ranum	
Cohen	Hughes	McGowan	Reichgott	

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1938 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON 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.

April 14, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1938, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 1938 be further amended 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 actively participated in, or knowingly acquiesced to, a violation of chapter 152, or the real property constitutes proceeds derived from or traceable to a use described in subdivision 2.*

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 assignment 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 county and* involving the same tenant, *and within one year after notice of the first occurrence*, 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."

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

Senate Conferees: (Signed) Sandra L. Pappas, Randy C. Kelly, Fritz Knaak

House Conferees: (Signed) Andy Dawkins, Thomas W. Pugh, Douglas Swenson

Ms. Pappas moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1938 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1938 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 51 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, D.E.	Metzen	Riveness
Beckman	DeCramer	Johnson, D.J.	Mondale	Sams
Belanger	Dicklich	Kelly	Neuville	Solon
Benson, J.E.	Finn	Knaak	Novak	Spear
Berg	Flynn	Laidig	Olson	Terwilliger
Bernhagen	Frank	Langseth	Pappas	Traub
Bertram	Frederickson, D.R.	Larson	Pariseau	Waldorf
Brataas	Gustafson	Lessard	Price	
Chmielewski	Halberg	Luther	Ranum	
Cohen	Hottinger	McGowan	Reichgott	
Davis	Hughes	Mehrkens	Renneke	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2257 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON 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.

April 14, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2257, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 2257 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. 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. 2. 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~~ *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 seller's retained portion of the loan.

Sec. 3. 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. 4. 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~~.

Sec. 5. [EFFECTIVE DATE.]

Section 3 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to agricultural development; changing certain loan participation limits; redefining "agricultural business enterprise" and "farming" for purposes of the Minnesota agricultural development act; amending Minnesota Statutes 1990, sections 41B.039, subdivision 2; and 41B.042, subdivision 4; Minnesota Statutes 1991 Supplement, section 41C.02, subdivisions 2 and 10."

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

Senate Conferees: (Signed) Dallas C. Sams, Charles R. Davis, Earl W. Renneke

House Conferees: (Signed) Ted Winter, Andy Steensma, Steve Dille

Mr. Sams moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2257 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No 2257 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 49 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Hughes	Luther	Price
Beckman	Day	Johnson, D.E.	McGowan	Ranum
Benson, J.E.	DeCramer	Johnson, D.J.	Mehrkens	Reichgott
Berg	Dicklich	Johnson, J.B.	Metzen	Renneke
Bernhagen	Finn	Kelly	Mondale	Sams
Bertram	Flynn	Kroening	Neuville	Spear
Brataas	Frank	Laidig	Novak	Terwilliger
Chmielewski	Frederickson, D.R.	Langseth	Olson	Traub
Cohen	Gustafson	Larson	Pappas	Waldorf
Dahl	Halberg	Lessard	Pariseau	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Luther moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

CALENDAR

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Dahl	Hughes	McGowan	Reichgott
Beckman	Davis	Johnson, D.E.	Mehrkens	Renneke
Belanger	Day	Johnson, D.J.	Metzen	Riveness
Benson, D.D.	DeCramer	Johnson, J.B.	Mondale	Sams
Benson, J.E.	Dicklich	Kelly	Neuville	Samuelson
Berg	Finn	Knaak	Novak	Spear
Berglin	Flynn	Kroening	Olson	Terwilliger
Bernhagen	Frank	Laidig	Pappas	Traub
Bertram	Frederickson, D.R.	Langseth	Pariseau	Waldorf
Brataas	Gustafson	Larson	Piper	
Chmielewski	Halberg	Lessard	Price	
Cohen	Hottinger	Luther	Ranum	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	Mehrkens	Renneke
Beckman	Day	Johnson, D.J.	Metzen	Riveness
Belanger	DeCramer	Johnson, J.B.	Mondale	Sams
Benson, D.D.	Dicklich	Kelly	Neuville	Samuelson
Benson, J.E.	Finn	Knaak	Novak	Spear
Berg	Flynn	Kroening	Olson	Terwilliger
Berglin	Frank	Laidig	Pappas	Traub
Bernhagen	Frederickson, D.R.	Langseth	Pariseau	Waldorf
Bertram	Gustafson	Larson	Piper	
Chmielewski	Halberg	Lessard	Price	
Cohen	Hottinger	Luther	Ranum	
Dahl	Hughes	McGowan	Reichgott	

So the bill passed and its title was agreed to.

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 the Chisago county.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Hughes	Luther	Ranum
Beckman	Davis	Johnson, D.E.	McGowan	Reichgott
Belanger	Day	Johnson, D.J.	Mehrkens	Renneke
Benson, D.D.	DeCramer	Johnson, J.B.	Metzen	Riveness
Benson, J.E.	Dicklich	Johnston	Mondale	Sams
Berg	Finn	Kelly	Neuville	Samuelson
Berglin	Flynn	Knaak	Novak	Spear
Bernhagen	Frank	Kroening	Olson	Terwilliger
Bertram	Frederickson, D.R.	Laidig	Pappas	Traub
Brataas	Gustafson	Langseth	Pariseau	Waldorf
Chmielewski	Halberg	Larson	Piper	
Cohen	Hottinger	Lessard	Price	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Hughes	Luther	Ranum
Beckman	Davis	Johnson, D.E.	McGowan	Reichgott
Belanger	Day	Johnson, D.J.	Mehrkens	Renneke
Benson, D.D.	DeCramer	Johnson, J.B.	Metzen	Riveness
Benson, J.E.	Dicklich	Johnston	Mondale	Sams
Berg	Finn	Kelly	Neuville	Samuelson
Berglin	Flynn	Knaak	Novak	Spear
Bernhagen	Frank	Kroening	Olson	Terwilliger
Bertram	Frederickson, D.R.	Laidig	Pappas	Traub
Brataas	Gustafson	Langseth	Pariseau	Waldorf
Chmielewski	Halberg	Larson	Piper	
Cohen	Hottinger	Lessard	Price	

So the bill passed and its title was agreed to.

S.F. No. 2451: A bill for an act relating to Dakota county; providing financing for transportation planning activities; authorizing a regional railroad authority to transfer light rail money.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Dahl	Hughes	Luther	Ranum
Beckman	Davis	Johnson, D.E.	McGowan	Reichgott
Belanger	Day	Johnson, D.J.	Mehrkens	Renneke
Benson, D.D.	DeCramer	Johnson, J.B.	Metzen	Riveness
Benson, J.E.	Dicklich	Johnston	Mondale	Sams
Berg	Finn	Kelly	Neuville	Samuelson
Berglin	Flynn	Knaak	Novak	Terwilliger
Bernhagen	Frank	Kroening	Olson	Traub
Bertram	Frederickson, D.R.	Laidig	Pappas	Waldorf
Brataas	Gustafson	Langseth	Pariseau	
Chmielewski	Halberg	Larson	Piper	
Cohen	Hottinger	Lessard	Price	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Mr. Luther moved that the rules of the Senate be so far suspended that the following bills be designated a Special Orders Calendar: H.F. Nos. 2848, 2261, 2501, S.F. Nos. 1512 and 2336. The motion prevailed.

SPECIAL ORDER

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 49 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Hottinger	Luther	Price
Beckman	Cohen	Johnson, D.J.	McGowan	Reichgott
Belanger	Dahl	Johnson, J.B.	Mehrkens	Renneke
Benson, D.D.	Davis	Johnston	Moe, R.D.	Riveness
Benson, J.E.	DeCramer	Kelly	Mondale	Sams
Berg	Dicklich	Knaak	Novak	Spear
Berglin	Finn	Laidig	Olson	Terwilliger
Bernhagen	Flynn	Langseth	Pappas	Traub
Bertram	Frank	Larson	Pariseau	Waldorf
Brataas	Frederickson, D.R.	Lessard	Piper	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1917 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1917: A bill for an act relating to the state board of investment; management of funds under board control; authorizing certain investments by the board; amending Minnesota Statutes 1990, sections 11A.14, subdivision 2; 11A.16, subdivision 5; 11A.17, subdivisions 1, 4, 9, 14, and by adding a subdivision; 11A.18, subdivision 11; 116P.11; 352D.04, subdivision 1; 352D.09, subdivision 7; and 354B.05, subdivision 3; Minnesota Statutes 1991 Supplement, sections 11A.24, subdivision 4; 353D.05, subdivisions 2 and 3; and 354B.07, subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 40 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Lessard	Pappas
Beckman	Davis	Johnson, J.B.	Luther	Pariseau
Belanger	Day	Johnston	McGowan	Renneke
Benson, J.E.	DeCramer	Kelly	Mehrkens	Sams
Bernhagen	Dicklich	Kroening	Metzen	Spear
Bertram	Flynn	Laidig	Moe, R.D.	Terwilliger
Chmielewski	Frank	Langseth	Novak	Traub
Cohen	Frederickson, D.R.	Larson	Olson	Waldorf

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 2099 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 2099: A bill for an act relating to insurance; auto; prohibiting discrimination in automobile insurance policies; requiring insurers to fully reimburse insureds for deductible amounts before retaining subrogation proceeds; specifying how subrogation recoveries affect insureds; amending Minnesota Statutes 1990, section 72A.20, subdivision 23; Minnesota Statutes 1991 Supplement, section 72A.201, subdivision 6.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 47 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, J.B.	Metzen	Sams
Beckman	Day	Johnston	Mondale	Samuelson
Belanger	DeCramer	Kroening	Novak	Spear
Benson, J.E.	Dicklich	Laidig	Olson	Stumpf
Berg	Flynn	Langseth	Pappas	Terwilliger
Bernhagen	Frank	Larson	Pariseau	Traub
Bertram	Frederickson, D.R.	Lessard	Price	Waldorf
Brataas	Halberg	Luther	Reichgott	
Cohen	Hughes	McGowan	Renneke	
Dahl	Johnson, D.J.	Mehrkens	Riveness	

So the bill passed and its title was agreed to.

SPECIAL ORDER

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.

Mr. Riveness moved to amend H.F. No. 2261, as amended pursuant to Rule 49, adopted by the Senate April 13, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2402.)

Page 4, line 13, delete "*1,*"

Page 4, line 14, before "*are*" insert "*and Minnesota Statutes 1991 Supplement, section 9.031, subdivision 1,*"

Amend the title as follows:

Page 1, line 7, delete "1,"

Page 1, line 8, before the period, insert "; Minnesota Statutes 1991 Supplement, section 9.031, subdivision 1"

The motion prevailed. So the amendment was adopted.

Mr. Riveness then moved to amend H.F. No. 2261, as amended pursuant to Rule 49, adopted by the Senate April 13, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2402.)

Page 1, delete lines 21 to 24

Page 4, delete section 8

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Metzen moved to amend H.F. No. 2261, as amended pursuant to Rule 49, adopted by the Senate April 13, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2402.)

Page 4, after line 11, insert:

"Sec. 9. Minnesota Statutes 1990, section 289A.40, subdivision 1, is amended to read:

Subdivision 1. [TIME LIMIT; GENERALLY.] Unless otherwise provided in this chapter, *or unless the commissioner waives this limitation*, a claim for a refund of an overpayment of state 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 in full, whichever period expires later."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 2261 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 42 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, J.B.	Metzen	Sams
Beckman	Dicklich	Johnston	Mondale	Samuelson
Belanger	Finn	Laidig	Novak	Spear
Benson, J.E.	Flynn	Langseth	Olson	Terwilliger
Berg	Frank	Larson	Pariseau	Traub
Bernhagen	Frederickson, D.J.	Lessard	Price	Waldorf
Bertram	Frederickson, D.R.	Luther	Reichgott	
Brataas	Halberg	Marty	Renneke	
Chmielewski	Hughes	Mehrkens	Riveness	

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

SPECIAL ORDER

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.

Ms. Johnson, J.B. moved to amend H.F. No. 2501, as amended pursuant to Rule 49, adopted by the Senate April 13, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2496.)

Page 6, line 22, delete "*during*" and insert "*after*"

The motion prevailed. So the amendment was adopted.

Mr. Kelly moved to amend H.F. No. 2501, as amended pursuant to Rule 49, adopted by the Senate April 13, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2496.)

Page 3, after line 3, insert:

"Sec. 3. 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."

Page 3, after line 21, insert:

"Sec. 5. Minnesota Statutes 1991 Supplement, section 462A.05, subdivision 37, is amended to read:

Subd. 37. [BLIGHTED RESIDENTIAL PROPERTY ACQUISITION AND REHABILITATION; NEIGHBORHOOD LAND TRUST.] The agency may make grants to cities for the purpose of acquisition and demolition of blighted residential property and gap financing for the rehabilitation of blighted residential property or construction of new housing on the property.

Gap financing is financing for the difference between the cost of the improvement of the blighted property, including acquisition, demolition, rehabilitation, and construction, and the market value of the property upon sale. Grants under this section must be used for households with income less than or equal to the county or area median income as determined by the United States Department of Housing and Urban Development. Cities may use the grants to establish revolving loan funds and provide loans and grants to eligible mortgagors for the acquisition, demolition, redevelopment, and rehabilitation of blighted residential property located in a neighborhood designated by the city for neighborhood preservation. The city may determine the terms and conditions of the loans and grants. ~~The agency may make grants or loans to nonprofit organizations for the purpose of organizing or funding neighborhood land trust projects. The projects must assure the long-term affordability of neighborhood housing by maintaining ownership of the land through a neighborhood land trust.~~

Sec. 6. 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.*"

Pages 4 and 5, delete section 6 and insert:

"Sec. 9. 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.*

Sec. 10. Minnesota Statutes 1990, section 462A.202, subdivision 2, is amended to read:

Subd. 2. [TRANSITIONAL HOUSING.] The agency may make loans ~~or grants~~ *with or without interest* to ~~local government units~~ *cities* to finance the acquisition, improvement, and rehabilitation of existing housing properties *or the acquisition, site improvement, and development of new properties* for the purposes of providing transitional housing, upon terms and conditions the agency determines. Preference must be given to ~~local government units~~ *cities* that propose to acquire properties being sold by the resolution trust corporation or the department of housing and urban development. ~~The local government unit may contract with a nonprofit or for-profit organization to manage the property and to operate a transitional housing program on the property on behalf of the local government unit, on terms and conditions approved by the agency. The local government unit shall retain ownership of the property for at least 20 years. After 20 years, the sale of a property before the expiration of its useful life must be at its fair market value, and the net proceeds of sale must be used for the same purpose or repaid to~~

~~the agency for deposit in the local government unit housing account.~~ *Loans under this subdivision are subject to the restrictions in section 12.*

Sec. 11. 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 12.*

Sec. 12. 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, after line 7, insert:

"Sec. 15. Minnesota Statutes 1991 Supplement, section 462A.30, subdivision 8, is amended to read:

Subd. 8. [NEIGHBORHOOD LAND TRUST.] "Neighborhood land trust" means *a city or* a nonprofit corporation organized under chapter 317A that complies with section 462A.31 and that qualifies for tax exempt status under United States Code, title 26, section 501(c)(3), and *that* meets all other criteria for neighborhood land ~~trust~~ *trusts* set by the agency."

Page 6, after line 16, insert:

"Sec. 17. Minnesota Statutes 1991 Supplement, section 462A.31, is amended by adding a subdivision to read:

Subd. 6. [CITY LAND TRUST.] *A city may by resolution determine to act as a neighborhood land trust with the powers and duties described in subdivisions 1 to 5.*

Sec. 18. Minnesota Statutes 1991 Supplement, section 462A.31, is amended by adding a subdivision to read:

Subd. 7. [RECORDING OF GROUND LEASE.] *Any ground lease held by a neighborhood land trust shall include the legal description of the real property subject to the ground lease and shall be recorded with the county recorder or filed with the registrar of titles in the county in which the real property subject to the ground lease is located.*"

Page 6, line 29, delete "*section*" and insert "*sections*"

Page 6, line 30, after the semicolon, insert "*and 462A.202, subdivisions 3, 4, and 5;*"

Page 6, line 33, delete ", *2, and 6 to 10*" and insert "*to 20*"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Berglin moved to amend H.F. No. 2501, as amended pursuant to Rule 49, adopted by the Senate April 13, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2496.)

Page 1, after line 19, insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 144.871, subdivision 2, is amended to read:

Subd. 2. [ABATEMENT.] "Abatement" means removal *of, replacement of,* or encapsulation of *deteriorated* paint, bare soil, dust, drinking water, or other materials that are *or may become* readily accessible *during the abatement process* and pose an immediate threat of actual lead exposure to people. ~~The abatement rules to be adopted under section 144.878, subdivision 2, shall apply as described in section 144.874.~~

Sec. 2. Minnesota Statutes 1990, section 144.871, subdivision 3, is amended to read:

Subd. 3. [ABATEMENT CONTRACTOR.] "Abatement contractor" means any person hired by a property owner or resident to perform abatement *of a lead source in violation of standards under section 144.878.*

Sec. 3. Minnesota Statutes 1990, section 144.871, subdivision 6, is amended to read:

Subd. 6. [ELEVATED BLOOD LEAD LEVEL.] "Elevated blood lead level" *in a child no more than six years old or in a pregnant woman* means ~~at least 25 micrograms of lead per deciliter of whole blood~~ *a blood lead level that exceeds the federal Centers for Disease Control guidelines for preventing lead poisoning in young children*, unless the commissioner finds that a lower concentration is necessary to protect public health.

Sec. 4. Minnesota Statutes 1990, section 144.871, is amended by adding a subdivision to read:

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

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

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

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

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

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

Sec. 5. Minnesota Statutes 1990, section 144.871, is amended by adding a subdivision to read:

Subd. 7b. [PRIMARY PREVENTION FOR TOXIC LEAD EXPOSURE.] *"Primary prevention for toxic lead exposure" means performance of swab team services, encapsulation, and removal and replacement abatement, including lead cleanup and health education, before children develop elevated blood lead levels.*

Sec. 6. Minnesota Statutes 1990, section 144.871, subdivision 8, is amended to read:

Subd. 8. [SAFE HOUSING.] "Safe housing" means a residence that does not ~~violate~~ *have deteriorating paint, bare soil, lead dust, and which does not violate* any of the standards adopted according to section 144.878~~, subdivision 2~~.

Sec. 7. Minnesota Statutes 1990, section 144.871, is amended by adding a subdivision to read:

Subd. 9. [SWAB TEAM.] *"Swab team" means a person or persons who implement in-place management of lead exposure sources, which includes:*

(1) covering or replacing bare soil that has a lead concentration of 100 parts per million, and establishing safe exterior play and garden areas;

(2) removing loose paint and paint chips and installing guards to protect

intact paint;

(3) removing lead dust by washing, vacuuming, and cleaning the interior of residential property including carpets; and

(4) other means, including cleanup and health education, that immediately protect children who engage in mouthing or pica behavior from lead sources.

Sec. 8. Minnesota Statutes 1990, section 144.872, subdivision 1, is amended to read:

Subdivision 1. [PROACTIVE LEAD EDUCATION STRATEGY.] ~~For fiscal years 1990 and 1991,~~ The commissioner shall, *within available federal or state appropriations,* contract with boards of health in communities at high risk for toxic lead exposure to children~~, lead advocacy organizations, and businesses to design and implement a uniform, proactive educational program to introduce sections 144.871 to 144.878 and to promote the prevention of exposure to all sources of lead to target populations. Priority shall be given to providing~~ *to assure, at the time of a home assessment or following an abatement order, that a family will receive visits by public health nurses and community-based advocates specifically trained in lead cleanup and the health-related aspects of lead exposure in their residence periodically throughout the abatement process or until the child's blood lead level is no longer elevated. The purpose of the home visit is to provide information about safety measures, community resources, legal resources related to the abatement process, housing resources, nutrition, health follow-up materials, and methods to be followed before, during, and after the abatement process. If a family moves to a new residence temporarily, during the abatement process, services should be provided at the temporary residence whenever feasible. Boards of health are encouraged to link the service with other home visits a family may be receiving and to use neighborhood-based programs which give priority to hiring neighborhood residents as community-based advocates.* Ongoing education *that includes health and lead cleanup information and the lead laws and rules shall be provided* to health care and social service providers, ~~registered~~ *licensed* abatement contractors, *other contractors,* building trades professionals and nonprofessionals, property owners, and parents. Educational materials shall be multilingual and multicultural to meet the needs of diverse populations. The commissioner shall ~~create and administer a program to fund locally based advocates who, following the issuance of an abatement order, shall visit the family in their residence to instruct them about safety measures, materials, and methods to be followed before, during, and after the abatement process.~~ *either conduct or contract with nonprofit organizations or businesses, for a proactive lead education program to serve communities at high risk for toxic lead exposure to children in which a board of health does not have a contract with the commissioner for a proactive lead education strategy.*

Sec. 9. Minnesota Statutes 1990, section 144.872, subdivision 2, is amended to read:

Subd. 2. [HOME ASSESSMENTS.] The commissioner shall, *within available federal or state appropriations,* contract with boards of health, *who may determine priority for responding to cases of elevated blood lead levels,* to conduct assessments to determine sources of lead contamination in the residences of ~~children and~~ pregnant women whose blood lead levels ~~exceed 25~~ *are at least ten* micrograms per deciliter and *of children whose blood lead levels are at least 20 micrograms per deciliter or whose blood*

lead levels persist in the range of 15 to 19 micrograms per deciliter for 90 days after initial identification to the board of health or the commissioner. Assessments must be conducted within five working days of the board of health receiving notice that the criteria in this subdivision have been met. The commissioner or boards of health must identify the known addresses for the previous 12 months of the child or pregnant woman with elevated blood lead levels and notify the property owners at those addresses. The commissioner may also collect information on the race, sex, and family income of children and pregnant women with elevated blood lead levels. Within the limits of appropriations, a board of health shall conduct home assessments for children and pregnant women whose confirmed blood lead levels are in the range of ten to 19 micrograms per deciliter. The commissioner shall also provide educational materials on all sources of lead to boards of health to provide education on ways of reducing the danger of lead contamination. *The commissioner may provide laboratory or field lead testing equipment to a board of health or may reimburse a board of health for direct costs associated with assessments.*

Sec. 10. Minnesota Statutes 1990, section 144.872, subdivision 3, is amended to read:

Subd. 3. [SAFE HOUSING.] The commissioner shall contract with boards of health for safe housing to be used in meeting relocation requirements in section 144.874, subdivision 4. *The commissioner shall, within available federal or state appropriations, award grants to boards of health for the purposes of paying housing costs under section 144.874, subdivision 4.*

Sec. 11. Minnesota Statutes 1990, section 144.872, subdivision 4, is amended to read:

Subd. 4. [~~PAINT REMOVAL~~ *LEAD CLEANUP* EQUIPMENT *AND MATERIAL GRANTS.*] ~~State matching~~ *Within the limits of available state or federal appropriations,* funds shall be made available ~~for~~ *under* a grant program to *nonprofit* community-based organizations *in areas at high risk for toxic lead exposure. Grantees shall use the money* to purchase ~~and provide paint removal~~ *lead cleanup* equipment *and educational materials, and to pay for training for staff and volunteers for lead abatement certification. Grantees may work with licensed lead abatement contractors and certified trainers to meet the requirements of this program.* Equipment shall include: *high efficiency particle accumulator and wet vacuum cleaners,* drop cloths, secure containers, respirators, scrapers, ~~and~~ dust and particle containment material, *and other cleanup and containment materials to patch loose paint and plaster, control household dust, wax floors, clean carpets and sidewalks, and cover bare soil. Upon certification, the grantees may make equipment and educational materials available to residents and property owners and instruct them on the proper use.* Equipment shall be made available to low-income households on a priority basis.

Sec. 12. Minnesota Statutes 1991 Supplement, section 144.873, subdivision 1, is amended to read:

Subdivision 1. [REPORT REQUIRED.] Medical laboratories performing blood lead analyses must report to the commissioner ~~confirmed~~ *finger stick and venipuncture* blood lead results ~~of at least five micrograms per deciliter~~ *and the method used to obtain these results.* Boards of health must report to the commissioner the results of analyses from residential samples of paint, ~~bare~~ soil, dust, and drinking water ~~that show lead in concentrations greater than or equal to the lead standards adopted by permanent rule under~~

~~section 144.878~~. The commissioner shall require *the date of the test, and the current address and birthdate of the patient, and* other related information from medical laboratories and boards of health as may be needed to monitor and evaluate blood lead levels in the public~~, including the date of the test and the address of the patient~~.

Sec. 13. Minnesota Statutes 1990, section 144.873, subdivision 2, is amended to read:

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

Sec. 14. Minnesota Statutes 1990, section 144.873, subdivision 3, is amended to read:

Subd. 3. [STATEWIDE LEAD SCREENING.] Statewide lead screening by ~~erythrocyte protoporphyrin test~~ *blood lead assays* in conjunction with routine blood tests *analyzed by atomic absorption equipment or other equipment with equivalent or better accuracy* shall be advocated by boards of health.

Sec. 15. Minnesota Statutes 1991 Supplement, section 144.874, subdivision 1, is amended to read:

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

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

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

(3) a blood lead level that persists in the range of 15 to 19 micrograms per deciliter for 90 days after initial identification.

Within the limits of available state and federal appropriations, a board of health shall also conduct home assessments for children whose confirmed blood lead levels are in the range of ten to 19 micrograms per deciliter. If a child regularly spends several hours per day at another residence, such as a residential child care facility, the board of health must also assess the other residence.

(b) The board of health must conduct the residential assessment according to rules adopted by the commissioner according to section 144.878.

Sec. 16. Minnesota Statutes 1991 Supplement, section 144.874, subdivision 2, is amended to read:

Subd. 2. [RESIDENTIAL LEAD ASSESSMENT GUIDE.] (a) The commissioner of health shall develop or purchase a residential lead assessment

guide that enables parents to assess the possible lead sources present and that suggests actions. *The guide must provide information on safe abatement and disposal methods, sources of equipment, and telephone numbers for additional information to enable the persons to either perform the abatement or to intelligently select an abatement contractor. In addition, the guide must:*

(1) meet the requirements of Minnesota laws and rules;

(2) be understandable at an eighth grade reading level;

(3) include information on all necessary safety precautions for all lead source cleanup; and

(4) be the best available educational material.

(b) A board of health must provide the residential lead assessment guide to:

(1) parents of children who are identified as having blood lead levels of at least ten micrograms per deciliter; and

(2) property owners and occupants who are issued housing code orders requiring disruption of lead sources.

(c) A board of health must provide the residential lead assessment guide on request to owners or tenants of residential property within the jurisdiction of the board of health.

Sec. 17. Minnesota Statutes 1991 Supplement, section 144.874, subdivision 3, is amended to read:

Subd. 3. [ABATEMENT ORDERS.] A board of health must order a property owner to perform abatement on a lead source that exceeds a standard adopted according to section 144.878 at the residence of a child with an elevated blood lead level or a pregnant woman with a blood lead level of at least ten micrograms per deciliter. Abatement orders must require that any source of damage, such as leaking roofs, plumbing, and windows, must be repaired or replaced, as needed, to prevent damage to lead-containing interior surfaces. With each abatement order, the board of health must provide a residential lead abatement guide. ~~The guide must be developed or purchased by the commissioner and must provide information on safe abatement and disposal methods, sources of equipment, and telephone numbers for additional information to enable the property owner to either perform the abatement or to intelligently select an abatement contractor.~~

Sec. 18. Minnesota Statutes 1990, section 144.874, subdivision 4, is amended to read:

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

Sec. 19. Minnesota Statutes 1991 Supplement, section 144.874, subdivision 12, is amended to read:

Subd. 12. [ENFORCEMENT *AND STATUS* REPORT.] The commissioner shall examine compliance with Minnesota's existing lead standards and rules and report to the legislature ~~by January 15, 1992, on~~ *biennially, beginning February 15, 1993, including* an evaluation of current ~~levels of compliance~~ *lead program activities by the state and boards of health*, the need for any additional enforcement procedures, recommendations on developing a method to enforce compliance with lead standards and cost estimates for any proposed enforcement procedure. *The report must also include a geographic analysis of all blood lead assays showing incidence data and environmental analyses reported or collected by the commissioner.*

Sec. 20. Minnesota Statutes 1990, section 144.876, is amended to read:

144.876 [REGISTRATION *AND LICENSING* OF ABATEMENT CONTRACTORS *AND CERTIFICATION OF EMPLOYEES*.]

Subdivision 1. [LICENSING AND CERTIFICATION.] Abatement contractors must ~~register with~~, *within 180 days after rules are adopted under section 144.878, subdivision 5, obtain a license from* the commissioner according to forms and procedures prescribed by the commissioner. *Employees of abatement contractors must obtain certification from the commissioner. The commissioner shall specify training and testing requirements for licensure and certification and shall charge a fee for the cost of issuing a license or certificate and for training provided by the commissioner. The commissioner shall provide the contractor with a written violation notice, and may revoke the license of an abatement contractor, or the certificate of an employee, upon finding that the contractor or employee has violated the rules adopted under section 144.878 in a manner that poses unreasonable risk to public health.*

Fees collected under this subdivision must be set in amounts to be determined by the commissioner to cover but not exceed the costs of adopting rules under section 144.878, subdivision 5, the costs of licensure, certification, and training, and the costs of enforcing licenses and certificates under this subdivision. All fees received must be paid into the state treasury and credited to the lead abatement licensing and certification account and are appropriated to the commissioner to cover costs incurred under this subdivision and section 144.878, subdivision 5.

Subd. 2. [LICENSED BUILDING CONTRACTOR; INFORMATION.] *The commissioner shall provide health and safety information on lead abatement to all residential building contractors licensed under section 326.84. The information must include material on ways to protect the health and safety of both employees working on lead contaminated structures and residents of lead contaminated structures.*

Subd. 3. [UNLICENSED ABATEMENT CONTRACTORS.] *Contractors may not advertise or otherwise present themselves as abatement contractors unless they have abatement licenses issued by the department of health under rules adopted under section 144.878, subdivision 5.*

Sec. 21. Minnesota Statutes 1990, section 144.878, subdivision 2, is amended to read:

Subd. 2. [LEAD STANDARDS AND ABATEMENT METHODS.] (a) ~~By January 31, 1991,~~ The commissioner shall adopt rules establishing standards and abatement methods for lead in paint, dust, and drinking water in a manner that protects public health and the environment for all residences, including residences also used for a commercial purpose. *The commissioner*

shall adopt priorities for providing abatement services to areas defined to be at high risk for toxic lead exposure. In adopting priorities, the commission shall consider the number of children and pregnant women diagnosed with elevated blood lead levels and the median concentration of lead in the soil. The commissioner shall give priority to: areas having the largest population of children and pregnant women having elevated blood lead levels; areas with the highest median soil lead concentration; and areas where it has been determined that there are large numbers of residences that have deteriorating paint. The commissioner shall differentiate between intact paint and deteriorating paint. The commissioner and political subdivisions shall require abatement of intact paint only if the commissioner or political subdivision finds that intact paint is ~~accessible to children as~~ a chewable or lead-dust producing surface ~~and~~ *that* is a *known* source of actual lead exposure *to a specific person*. In adopting rules under this subdivision, the commissioner shall require the best available technology for abatement methods, paint stabilization, and repainting.

(b) ~~By January 31, 1991,~~ The commissioner of ~~the pollution control agency~~ *health* shall adopt standards and abatement methods for lead in bare soil on playgrounds and residential property in a manner to protect public health and the environment.

(c) ~~By January 31, 1991,~~ The commissioner of the pollution control agency shall adopt rules to ensure that removal of exterior lead-based coatings from residential property by abrasive blasting methods ~~is~~ *and disposal of any hazardous waste are* conducted in a manner that protects public health and the environment.

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

Sec. 22. Minnesota Statutes 1990, section 144.878, is amended by adding a subdivision to read:

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

Sec. 23. Minnesota Statutes 1991 Supplement, section 326.87, subdivision 1, is amended to read:

Subdivision 1. [STANDARDS.] The commissioner, in consultation with

the council, may adopt standards for continuing education requirements and course approval. Except for the course content, the standards must be consistent with the standards established for real estate agents and other professions licensed by the department of commerce. *At a minimum, the content of one hour of any required continuing education must contain information on lead abatement rules and safe lead abatement procedures.*"

Page 6, after line 27, insert:

"Sec. 34. [ALLOCATION OF FEDERAL LEAD ABATEMENT FUNDS.]

To the extent practicable under federal guidelines, the commissioner of health shall coordinate with the commissioner of housing finance so that at least 50 percent of federal lead abatement funds are allocated for swab teams as defined in section 7. Priority for funding swab teams shall be given to contractors who hire residents from neighborhoods where the contractor is providing lead abatement services.

To the extent practicable under federal guidelines, the commissioner of health may use federal funding for local boards of health for lead screening, lead assessment, and lead abatement only to the extent that the federal funds do not replace existing funding for these lead services.

Sec. 35. [REVISOR INSTRUCTION.]

In Minnesota Statutes and Minnesota Rules, the revisor shall recodify Minnesota Statutes, section 116.53, subdivision 2, as part of Minnesota Statutes, chapter 144, and shall change the terms "commissioner of the pollution control agency," "pollution control agency," and similar terms to "commissioner of health," "department of health," and similar terms."

Page 6, line 29, delete "*section*" and insert "*sections*"

Page 6, line 30, after the semicolon, insert "*116.51; 116.52; 116.53, subdivision 1; 144.878, subdivision 4;*"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Metzen moved to amend H.F. No. 2501, as amended pursuant to Rule 49, adopted by the Senate April 13, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2496.)

Page 6, after line 27, insert:

"Sec. 11. [PROPERTY TAXES AND SPECIAL ASSESSMENTS; HRA AGREEMENT.]

If before August 1, 1990, a housing and redevelopment authority has entered into an agreement with the owner to improve the property in the redevelopment area, all property taxes and special assessments payable to the political subdivisions on that property in the redevelopment area are not subject to the limitation in Laws 1991, chapter 336, article 2, section 11, clause (9)."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 9, after the semicolon, insert "removing the limitation on payment of property taxes and assessments on certain HRA property as a lawful purpose;"

The motion prevailed. So the amendment was adopted.

Ms. Johnson, J.B. moved that H.F. No. 2501 be laid on the table. The motion prevailed.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 2030 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 2030: A bill for an act relating to motor carriers; making all persons who transport passengers for hire in intrastate commerce subject to rules of the commissioner of transportation on insurance and driver hours of service; amending Minnesota Statutes 1990, sections 221.031, by adding a subdivision; and 221.141, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 221.025.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 44 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Frederickson, D.J.	Lessard	Renneke
Beckman	Cohen	Halberg	Luther	Riveness
Belanger	Dahl	Hughes	Mehrkens	Sams
Benson, D.D.	Davis	Johnson, D.J.	Metzen	Solon
Benson, J.E.	Day	Johnson, J.B.	Olson	Spear
Berg	DeCramer	Johnston	Pappas	Terwilliger
Berglin	Dicklich	Knaak	Piper	Traub
Bernhagen	Finn	Kroening	Price	Waldorf
Bertram	Frank	Laidig	Reichgott	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1512: A bill for an act relating to the state budget; requiring the commissioner of finance to prepare performance budgets; prescribing their contents.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 37 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Hottinger	Lessard	Reichgott
Beckman	Dahl	Johnson, D.J.	Luther	Renneke
Benson, D.D.	Davis	Johnson, J.B.	Mehrkens	Riveness
Benson, J.E.	DeCramer	Johnston	Metzen	Sams
Berg	Dicklich	Kelly	Moe, R.D.	Traub
Berglin	Finn	Knaak	Novak	
Bernhagen	Flynn	Kroening	Pariseau	
Bertram	Frank	Larson	Price	

So the bill passed and its title was agreed to.

RECONSIDERATION

Mr. Luther moved that the vote whereby H.F. No. 2099 was passed by the Senate on April 15, 1992, be now reconsidered. The motion prevailed.

H.F. No. 2099: A bill for an act relating to insurance; auto; prohibiting discrimination in automobile insurance policies; requiring insurers to fully reimburse insureds for deductible amounts before retaining subrogation proceeds; specifying how subrogation recoveries affect insureds; amending Minnesota Statutes 1990, section 72A.20, subdivision 23; Minnesota Statutes 1991 Supplement, section 72A.201, subdivision 6.

Mr. Luther moved to amend H.F. No. 2099, as amended pursuant to Rule 49, adopted by the Senate March 27, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2374.)

Page 2, line 10, delete "*no-fault*"

Page 2, line 11, delete "*history*" and insert "*for benefits paid under section 65B.44*"

The motion prevailed. So the amendment was adopted.

H.F. No. 2099 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 40 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Gustafson	Laidig	Pariseau
Beckman	Dahl	Hottinger	Larson	Price
Belanger	Davis	Johnson, D.J.	Luther	Reichgott
Benson, D.D.	DeCramer	Johnson, J.B.	McGowan	Renneke
Benson, J.E.	Finn	Johnston	Mehrkens	Riveness
Berg	Flynn	Kelly	Metzen	Sams
Bernhagen	Frank	Knaak	Moe, R.D.	Solon
Bertram	Frederickson, D.J.	Kroening	Novak	Traub

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1893 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1893: A bill for an act relating to local government; authorizing placement of community identification signs; amending fees for highway advertising devices; restricting the commissioner's authority over business zoning; amending Minnesota Statutes 1990, sections 173.08, subdivision 1; and 173.16, subdivision 5; Minnesota Statutes 1991 Supplement, section 173.13, subdivision 4.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 45 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Halberg	Larson	Pariseau
Belanger	Davis	Hottinger	Lessard	Price
Benson, D.D.	Day	Johnson, D.J.	Luther	Reichgott
Benson, J.E.	DeCramer	Johnson, J.B.	Marty	Renneke
Berg	Finn	Johnston	McGowan	Riveness
Berglin	Flynn	Kelly	Mehrkens	Sams
Bernhagen	Frank	Knaak	Metzen	Terwilliger
Bertram	Frederickson, D.J.	Kroening	Novak	Traub
Chmielewski	Gustafson	Laidig	Pappas	Waldorf

So the bill passed and its title was agreed to.

SUSPENSION OF RULES

Mr. Luther moved that the rules of the Senate be so far suspended that S.F. No. 2428, No. 41 on General Orders, be made a Special Order for immmediate consideration. The motion prevailed.

SPECIAL ORDER

S.F. No. 2428: A bill for an act relating to energy; requiring the use of energy-efficient lighting for highways, streets, and parking lots; establishing minimum energy efficiency standards for lamps, motors, showerheads, faucets, and replacement commercial heating, ventilating, and air conditioning equipment; requiring continuing education in energy efficiency standards in building codes for licensed building contractors, remodelers, and specialty contractors; authorizing rulemaking; amending Minnesota Statutes 1990, section 216C.19, subdivisions 1, 13, and by adding subdivisions; and Minnesota Statutes 1991 Supplement, section 326.87, subdivision 1.

Ms. Johnson, J.B. moved to amend S.F. No. 2428 as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 216C.19, subdivision 1, is amended to read:

Subdivision 1. After consultation with the commissioner and the commissioner of public safety, the commissioner of transportation shall~~, pursuant to~~ *adopt rules under* chapter 14~~, promulgate rules~~ establishing ~~maximum~~ *minimum* energy ~~use~~ *efficiency* standards for street, highway, and parking lot lighting. The standards ~~shall~~ *must* be consistent with overall protection of the public health, safety and welfare. No new highway, street or parking lot lighting ~~shall~~ *may* be installed in violation of these rules ~~and~~. Existing ~~lighting levels shall be reduced consistent with the rules as soon as feasible and practical, consistent with overall energy conservation~~ *lighting equipment, excluding roadway sign lighting, with lamps with initial efficiencies less than 70 lumens per watt must be replaced when worn out with light sources using lamps with initial efficiencies of at least 70 lumens per watt.*

Sec. 2. Minnesota Statutes 1990, section 216C.19, subdivision 13, is amended to read:

Subd. 13. No new room air conditioner ~~or room air conditioner heat pump~~ shall be sold or installed or transported for resale into Minnesota unless it has an energy efficiency ratio ~~of 7.0 or higher. Beginning January 1, 1987, the energy efficiency ratio for room air conditioners with a 6,000 Btu per hour rating or higher must be 7.8 or higher. For purposes of this subdivision, "energy efficiency ratio" means the ratio of the cooling capacity of the air conditioner in British thermal units per hour to the electrical input in watts.~~

~~The cooling capacity, electrical input, and energy efficiency ratio of room air conditioners and room air conditioning heat pumps is determined by using the standard for room air conditioners, approved by the American National Standards Institute on April 20, 1982, known as ANSI/AHAM RAC-1, with ASHRAE 58-74 used in lieu of ASHRAE 58-65. The method of sampling of room air conditioners shall be that required by the Department of Energy and found in 44 Federal Register 22410-22418 (April 13, 1979). A new room air conditioner having dual voltage ratings shall conform to the energy efficiency ratio requirements at each rating~~ *equal to or greater than the values adopted under subdivision 8.*

Sec. 3. Minnesota Statutes 1990, section 216C.19, is amended by adding a subdivision to read:

Subd. 16. [LAMPS.] *The commissioner shall adopt rules under chapter 14 setting minimum efficiency standards for specific incandescent lamps. The rules must establish minimum efficiency standards for incandescent lamps of specific lamp type and wattage where an energy-saving substitute lamp is currently produced by at least two lamp manufacturers. The rules must include, but not be limited to, the following lamps: 40-watt A17 and A19 lamps, 60-watt A17 and A19 lamps, 75-watt A17 and A19 lamps, 100-watt A17 and A19 lamps, and 150-watt A21 lamps, where each is a general-purpose incandescent lamp with rated voltage between 114 and 131 volts with diffuse coating. The minimum efficiency standard must be set to exceed the efficiency of the original lamp. For incandescent lamps for which minimum standards have been established, no lamp may be sold in Minnesota unless it meets or exceeds the minimum efficiency standards adopted under this section.*

Sec. 4. Minnesota Statutes 1990, section 216C.19, is amended by adding a subdivision to read:

Subd. 17. [MOTORS.] *No motor covered by this subdivision, excluding those sold as part of an appliance, may be sold in Minnesota unless its nominal efficiency meets or exceeds the values adopted under subdivision 8.*

Sec. 5. Minnesota Statutes 1990, section 216C.19, is amended by adding a subdivision to read:

Subd. 18. [COMMERCIAL HEATING, AIR CONDITIONING, AND VENTILATING EQUIPMENT.] *(a) This subdivision applies to electrically operated unitary and packaged terminal air conditioners and heat pumps, electrically operated water-chilling packages, gas- and oil-fired boilers, and warm air furnaces and combination warm air furnaces and air conditioning units installed in buildings housing commercial or industrial operations.*

(b) No commercial heating, air conditioning, or ventilating equipment covered by this subdivision may be sold or installed in Minnesota unless it meets or exceeds the minimum performance standards established by ASHRAE standard 90.1.

Sec. 6. Minnesota Statutes 1990, section 216C.19, is amended by adding a subdivision to read:

Subd. 19. [SHOWERHEADS; FAUCETS.] *(a) No showerhead, other than a safety shower showerhead, may be sold or installed in Minnesota if it permits a maximum water use in excess of 2.5 gallons per minute when*

measured at a flowing water pressure of 80 pounds per square inch.

(b) No kitchen faucet or kitchen replacement aerator may be sold or installed in Minnesota if it permits a maximum water use in excess of 2.5 gallons per minute when measured at a flowing water pressure of 80 pounds per square inch.

(c) No lavatory faucet or lavatory replacement aerator may be sold or installed in Minnesota if it permits a maximum water use in excess of two gallons per minute when measured at a flowing water pressure of 80 pounds per square inch.

Sec. 7. Minnesota Statutes 1990, section 216C.19, is amended by adding a subdivision to read:

Subd. 20. [RULES.] *The commissioner shall adopt rules to implement subdivisions 13 and 16 to 19, including rules governing testing of products covered by those sections. The rules must make allowance for wholesalers, distributors, or retailers who have inventory or stock which was acquired prior to July 1, 1993. The rules must consider appropriate efficiency requirements for motors used infrequently in agricultural and other applications.*

Sec. 8. Minnesota Statutes 1991 Supplement, section 326.87, subdivision 1, is amended to read:

Subdivision 1. [STANDARDS.] The commissioner, in consultation with the council, may adopt standards for continuing education requirements and course approval. *The standards must include requirements for continuing education in the implementation of energy codes applicable to buildings and other building codes designed to conserve energy.* Except for the course content, the standards must be consistent with the standards established for real estate agents and other professions licensed by the department of commerce.

Sec. 9. [DEADLINE FOR RULEMAKING.]

The rules required by section 7 must be in effect by the effective date of sections 2 to 6.

Sec. 10. [EFFECTIVE DATE.]

Sections 2 to 6 are effective July 1, 1993."

Delete the title and insert:

"A bill for an act relating to energy; requiring the use of energy-efficient lighting for highways, streets, and parking lots; establishing minimum energy efficiency standards for air conditioners, lamps, motors, showerheads, faucets, and replacement commercial heating, ventilating, and air conditioning equipment; requiring continuing education in energy efficiency standards in building codes for licensed building contractors, remodelers, and specialty contractors; authorizing rulemaking; amending Minnesota Statutes 1990, section 216C.19, subdivisions 1, 13, and by adding subdivisions; Minnesota Statutes 1991 Supplement, section 326.87, subdivision 1."

The motion prevailed. So the amendment was adopted.

S.F. No. 2428 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 39 and nays 9, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Frederickson, D.R.	Lessard	Piper
Beckman	Davis	Halberg	Luther	Price
Belanger	DeCramer	Hottinger	Metzen	Reichgott
Benson, J.E.	Dicklich	Hughes	Moe, R.D.	Riveness
Berglin	Finn	Johnson, J.B.	Mondale	Sams
Brataas	Flynn	Johnston	Novak	Spear
Chmielewski	Frank	Knaak	Pappas	Traub
Cohen	Frederickson, D.J.	Kroening	Pariseau	

Those who voted in the negative were:

Benson, D.D.	Bernhagen	Gustafson	Mehrkens	Terwilliger
Berg	Bertram	Larson	Renneke	

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

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 217 and that the rules of the Senate be so far suspended as to give H.F. No. 217, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

H.F. No. 217: 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.

Ms. Flynn moved that the amendment made to H.F. No. 217 by the Committee on Rules and Administration in the report adopted April 15, 1992, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 217 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 41 and nays 3, as follows:

Those who voted in the affirmative were:

Belanger	Davis	Johnson, J.B.	Metzen	Riveness
Benson, D.D.	Day	Knaak	Mondale	Sams
Benson, J.E.	Finn	Kroening	Novak	Terwilliger
Berglin	Flynn	Laidig	Olson	Traub
Bernhagen	Frank	Langseth	Pappas	Waldorf
Bertram	Frederickson, D.R.	Lessard	Pariseau	
Brataas	Gustafson	Luther	Piper	
Chmielewski	Halberg	McGowan	Price	
Cohen	Hughes	Mehrkens	Renneke	

Mr. Berg, Ms. Johnston and Mr. Larson voted in the negative.

So the bill passed and its title was agreed to.

SUSPENSION OF RULES

Mr. Luther moved that the rules of the Senate be so far suspended that S.F. No. 1858, No. 42 on General Orders, be made a Special Order for immmediate consideration. The motion prevailed.

SPECIAL ORDER

S.F. No. 1858: A bill for an act relating to waste management; requiring recycling of fluorescent lamps in state buildings; amending Minnesota Statutes 1990, section 16B.24, by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 45 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Hughes	McGowan	Price
Belanger	Cohen	Johnson, J.B.	Mehrkens	Reichgott
Benson, D.D.	Davis	Johnston	Metzen	Renneke
Benson, J.E.	DeCramer	Knaak	Moe, R.D.	Riveness
Berg	Flynn	Kroening	Mondale	Sams
Berglin	Frank	Laidig	Novak	Spear
Bernhagen	Frederickson, D.R.	Larson	Olson	Terwilliger
Bertram	Gustafson	Lessard	Pappas	Traub
Brataas	Halberg	Luther	Pariseau	Waldorf

So the bill passed and its title was agreed to.

SUSPENSION OF RULES

Mr. Luther moved that the rules of the Senate be so far suspended that S.F. No. 1958, No. 45 on General Orders, be made a Special Order for immmediate consideration. The motion prevailed.

SPECIAL ORDER

S.F. No. 1958: A bill for an act relating to water; requiring criteria for water deficiency declarations; prohibiting the use of groundwater for surface water level maintenance; requiring review of water appropriation permits; requiring contingency planning for water shortages; changing water appropriation permit requirements; requiring changes to the metropolitan area water supply plan; requiring reports to the legislature; amending Minnesota Statutes 1990, sections 103G.005, by adding a subdivision; 103G.101, subdivision 1; 103G.261; 103G.271, by adding subdivisions; 103G.281, subdivision 3, and by adding a subdivision; 115.03, subdivision 1; 473.175, subdivision 1; 473.851; 473.858, by adding a subdivision; and 473.859, subdivisions 3 and 4, and by adding a subdivision; Minnesota Statutes 1991 Supplement, section 473.156, subdivision 1.

Mr. Price moved to amend S.F. No. 1958 as follows:

Page 3, delete section 4 and insert:

"Sec. 4. Minnesota Statutes 1990, section 103G.271, is amended by adding a subdivision to read:

Subd. 5a. [PROHIBITION ON USE OF GROUNDWATER FOR MAINTENANCE OF LAKE LEVELS.] *The commissioner shall revoke all existing permits and may issue no new permits for the appropriation or use of*

groundwater to maintain or increase lake levels."

Page 12, line 9, after "*the*" insert "*water supply*"

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend S.F. No. 1958 as follows:

Page 3, line 6, before "*The*" insert "*(a) Except as described in paragraph (b).*"

Page 3, after line 11, insert:

"*(b) Until January 1, 1998, paragraph (a) does not apply to a local unit of government that by January 1, 1993, submits a plan acceptable to the commissioner for maintaining or increasing surface water levels using sources other than groundwater.*"

The motion prevailed. So the amendment was adopted.

S.F. No. 1958 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 50 and nays 0, as follows:

Those who voted in the affirmative were:

Belanger	Day	Johnson, J.B.	Metzen	Price
Benson, D.D.	DeCramer	Johnston	Moe, R.D.	Ranum
Benson, J.E.	Finn	Knaak	Mondale	Renneke
Bernhagen	Flynn	Kroening	Morse	Riveness
Bertram	Frank	Laidig	Neuville	Sams
Brataas	Frederickson, D.J.	Lessard	Novak	Samuelson
Chmielewski	Frederickson, D.R.	Luther	Pappas	Solon
Cohen	Halberg	Marty	Pariseau	Spear
Dahl	Hottinger	McGowan	Piper	Terwilliger
Davis	Hughes	Mehrkens	Pogemiller	Traub

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

MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Johnson, J.B. moved that H.F. No. 2501 be taken from the table. The motion prevailed.

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.

Mr. Morse moved to amend H.F. No. 2501, as amended pursuant to Rule 49, adopted by the Senate April 13, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2496.)

Page 6, after line 16, insert:

"Sec. 10. Minnesota Statutes 1990, section 471.88, is amended by adding a subdivision to read:

Subd. 14. [HOUSING AND REDEVELOPMENT AUTHORITY.] *When a county or multicounty housing and redevelopment authority administers a loan or grant program for individual residential property owners within the geographical boundaries of a government unit by an agreement entered into by the government unit and the housing and redevelopment authority, an officer of the government unit may apply for a loan or grant from the housing and redevelopment authority. If an officer applies for a loan or grant, the officer must disclose as part of the official minutes of a public meeting of the governmental unit that the officer has applied for a loan or grant.*

Sec. 11. Minnesota Statutes 1990, section 471.88, is amended by adding a subdivision to read:

Subd. 15. [FRANCHISE AGREEMENT.] *When a home rule charter or statutory city and a utility enter into a franchise agreement or a contract for the provision of utility services to the city, a city council member who is an employee of the utility is not precluded from continuing to serve as a city council member during the term of the franchise agreement or contract if the council member abstains from voting on any official action relating to the franchise agreement or contract and discloses the member's reason for the abstention in the official minutes of the council meeting.*"

Page 6, lines 31, 33, and 34, delete "*10*" and insert "*12*"

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Johnson, J.B. moved that H.F. No. 2501 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2514 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON 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.

April 10, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2514, report that we have

agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 2514 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Laws 1963, chapter 276, section 2, subdivision 2, is amended to read:

Subd. 2. One third of the members of the first hospital board shall be appointed for a term to expire one year from December 31 next following such appointment, one third for a term to expire two years from such date, and one third for a term to expire three years from such date. Successors to the original 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 all members shall expire on December 31. In case of a vacancy on the hospital board, whether due to death, removal from the district, inability to serve, resignation, or other cause the majority of the remaining members of the hospital board, at its next regular or special meeting, shall make an appointment to fill such vacancy for the then unexpired term. The election of successors to the original board members shall be elected by popular vote of the qualified voters in the hospital district. ~~Such elections and any special elections shall be called and conducted in accordance with the provisions of Minnesota Statutes, Section 447.32, Subdivisions 1, 2, 3, and 4 insofar as the same is applicable.~~

Sec. 2. Laws 1963, chapter 276, section 2, is amended by adding a subdivision to read:

Subd. 2a. The hospital board shall, by resolution, fix a date for an election, not later than December 7 just before the expiration of board members' terms. It shall establish the whole district as a single election precinct and shall designate the polling place. Special elections may be called at any time by the hospital board to vote on any matter required by law to be submitted to the voters. Special elections must be held within the same election precinct and at the same polling place as regular elections. Advisory ballots may be submitted by the hospital board on any question it wishes concerning the affairs of the district, but only at a regular election or at a special election required for another purpose.

Sec. 3. Laws 1963, chapter 276, section 2, is amended by adding a subdivision to read:

Subd. 2b. At least two weeks before the first day to file affidavits of candidacy, the clerk of the district shall publish a notice stating the first and last day on which affidavits of candidacy may be filed, the places for filing the affidavits, and the closing time of the last day for filing. The clerk shall post a similar notice. At least two weeks before the election the clerk of the district shall publish a notice of the election, and at least ten days before the election the clerk shall post a notice of the election. A notice required to be published under this subdivision must be published in the official newspaper of the district, or, if a paper has not been designated, in a legal newspaper having general circulation within the district. A notice required to be posted under this subdivision shall be posted in at least one public and conspicuous place within each city and town included in the district. Failure to give notice does not invalidate the election of an officer of the district. A voter may contest a hospital district election in accordance with Minnesota Statutes, chapter 209.

Sec. 4. Laws 1963, chapter 276, section 2, is amended by adding a subdivision to read:

Subd. 2c. (a) A candidate for the hospital board shall file an affidavit of candidacy for the election either as a member at large or as a member representing the city or town where the candidate resides. The affidavit of candidacy must be filed with the city or town clerk not more than ten weeks nor less than eight weeks before the election. The city or town clerk must forward the affidavits of candidacy to the clerk of the hospital district immediately after the last day of the filing period. A candidate may withdraw from the election by filing an affidavit of withdrawal with the clerk of the district no later than 12:00 p.m. on the day after the last day to file affidavits of candidacy.

(b) Voting must be by secret ballot. The clerk shall prepare, at the expense of the district, necessary ballots for the election of officers. Ballots must contain the names of the proposed candidates for each office, the length of the term of each office, and an additional blank space for the insertion of another name by the voter. The ballots must be marked and initialed by at least two judges as official ballots and used exclusively at the election. Any proposition to be voted on may be printed on the ballot provided for the election of officers or on a different ballot. The hospital board may also authorize the use of voting machines subject to Minnesota Statutes, chapter 206. At least two election judges shall be appointed to receive the votes. They may be paid by the district at a rate set by the board. The election judges shall act as clerks of election, count the ballots cast, and submit them to the board for canvass.

(c) After canvassing the election, the board shall issue a certificate of election to the candidate who received the largest number of votes cast for each office. The clerk shall deliver the certificate to the person entitled to it in person or by certified mail. Each person certified shall file an acceptance and oath of office in writing with the clerk within 30 days after the date of delivery or mailing of the certificate. If the person elected fails to qualify within 30 days, a majority of the remaining members of the board may appoint a successor, but qualification is effective if made before the board acts to fill the vacancy.

Sec. 5. Laws 1963, chapter 276, section 4, is amended to read:

Sec. 4. [MEETINGS OF THE BOARD.] Regular meetings of the hospital board shall be held at least ~~once a month~~ *annually, and may meet more frequently*, at ~~such time~~ *times* and ~~place~~ *places* as the board shall by resolution determine. Special meetings may be held at any time upon the call of the chairman or of any two other members, upon written notice mailed to each member three days prior to the meeting, or upon such other notice as the board, by resolution, 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. 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.] *(a) 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.

(b) If the Swift county or Benson hospital is sold or leased to a private organization, the successor employer shall provide hospital employees who were members of the public employees retirement association immediately before the lease or sale a pension program and benefits comparable to those provided by the public employees retirement association.

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.

Sec. 21. [EFFECTIVE DATE.]

Sections 1 to 5 are effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the Yellow Medicine county hospital district.

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."

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."

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

Senate Conferees: (Signed) David J. Frederickson, Gary M. DeCramer, Earl W. Renneke

House Conferees: (Signed) Doug Peterson, Chuck Brown, Gerald Knickerbocker

Mr. Frederickson, D.J. moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2514 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2514 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 52 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	McGowan	Reichgott
Beckman	Day	Johnson, J.B.	Mehrkens	Renneke
Belanger	DeCramer	Johnston	Metzen	Riveness
Benson, J.E.	Finn	Kelly	Mondale	Sams
Berg	Flynn	Knaak	Novak	Samuelson
Bernhagen	Frank	Kroening	Pappas	Spear
Bertram	Frederickson, D.J.	Laidig	Pariseau	Traub
Brataas	Frederickson, D.R.	Larson	Piper	Waldorf
Chmielewski	Halberg	Lessard	Pogemiller	
Cohen	Hottinger	Luther	Price	
Dahl	Hughes	Marty	Ranum	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

SPECIAL ORDER

S.F. No. 2336: A bill for an act relating to employment; providing that certain conduct by employers against employees for engaging in lawful

activities during nonworking hours is an unfair labor practice; amending Minnesota Statutes 1991 Supplement, sections 179.12; and 179A.13, subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 48 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Hottinger	McGowan	Renneke
Beckman	Davis	Hughes	Metzen	Riveness
Belanger	Day	Johnson, J.B.	Moe, R.D.	Sams
Benson, D.D.	DeCramer	Johnston	Mondale	Samuelson
Benson, J.E.	Dicklich	Kroening	Morse	Spear
Berg	Finn	Laidig	Novak	Traub
Berglin	Frank	Larson	Pappas	Vickerman
Bertram	Frederickson, D.J.	Lessard	Pogemiller	Waldorf
Brataas	Frederickson, D.R.	Luther	Price	
Chmielewski	Halberg	Marty	Ranum	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Kroening moved that S.F. No. 2314 be taken from the table. 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 neighborhood revitalization programs; amending Minnesota Statutes 1990, section 469.1831, by adding a subdivision.

CONCURRENCE AND REPASSAGE

Mr. Kroening moved that the Senate concur in the amendments by the House to S.F. No. 2314 and that the bill be placed on its repassage as amended.

Mr. Pogemiller moved that the Senate do not concur in the amendments by the House to S.F. No. 2314, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House.

CALL OF THE SENATE

Mr. Kroening imposed a call of the Senate for the balance of the proceedings on S.F. No. 2314. The Sergeant at Arms was instructed to bring in the absent members.

Pursuant to Rule 22, Mr. McGowan moved to be excused from voting on all questions pertaining to S.F. No. 2314. The motion prevailed.

The question was taken on the adoption of the motion of Mr. Pogemiller.

The roll was called, and there were yeas 34 and nays 31, as follows:

Those who voted in the affirmative were:

Beckman	Dicklich	Langseth	Novak	Sams
Berg	Finn	Luther	Piper	Samuelson
Berglin	Flynn	Marty	Pogemiller	Spear
Brataas	Hottinger	Merriam	Price	Stumpf
Cohen	Hughes	Moe, R.D.	Ranum	Traub
Davis	Johnson, J.B.	Mondale	Reichgott	Waldorf
DeCramer	Kelly	Morse	Riveness	

Those who voted in the negative were:

Adkins	Dahl	Johnson, D.J.	Mehrkens	Solon
Belanger	Day	Johnston	Metzen	Terwilliger
Benson, D.D.	Frank	Knaak	Neuville	Vickerman
Benson, J.E.	Frederickson, D.J.	Kroening	Olson	
Bernhagen	Frederickson, D.R.	Laidig	Pappas	
Bertram	Halberg	Larson	Pariseau	
Chmielewski	Johnson, D.E.	Lessard	Renneke	

The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Johnson, J.B. moved that H.F. No. 2501 be taken from the table. The motion prevailed.

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.

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

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

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Beckman	Day	Kelly	Moe, R.D.	Riveness
Belanger	DeCramer	Knaak	Mondale	Sams
Benson, D.D.	Finn	Kroening	Morse	Samuelson
Benson, J.E.	Flynn	Laidig	Novak	Solon
Berg	Frederickson, D.J.	Langseth	Olson	Spear
Berglin	Frederickson, D.R.	Larson	Pariseau	Stumpf
Bernhagen	Hottinger	Lessard	Piper	Terwilliger
Bertram	Hughes	Luther	Pogemiller	Traub
Brataas	Johnson, D.E.	Marty	Price	Vickerman
Chmielewski	Johnson, D.J.	McGowan	Ranum	Waldorf
Dahl	Johnson, J.B.	Mehrkens	Reichgott	
Davis	Johnston	Metzen	Renneke	

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1960 a Special Order to be heard immediately.

SPECIAL ORDER

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.

Mr. Morse moved to amend H.F. No. 1960, as amended pursuant to Rule 49, adopted by the Senate April 10, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 1910.)

Page 1, line 22, after "*exceed*" insert "*the lesser of*"

Page 1, line 25, after "*(a)*" insert ", *or 3.5 percent*"

Page 6, line 11, delete "*3.5 percent limit*" and insert "*limits*"

The motion prevailed. So the amendment was adopted.

Mr. Waldorf moved to amend H.F. No. 1960, as amended pursuant to Rule 49, adopted by the Senate April 10, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 1910.)

Page 6, after line 29, insert:

"Sec. 3. [REPORT ON POSTRETIREMENT INVESTMENT FUND INVESTMENT PERFORMANCE AND ADJUSTMENT CALCULATION.]

The state board of investment shall annually report to the legislative commission on pensions and retirement, the house of representatives governmental operations committee, and the senate governmental operations committee on the investment performance investment activities, and postretirement adjustment calculations of the Minnesota postretirement investment fund established under Minnesota Statutes, section 11A.18. The annual report must be filed before January 1. The contents of the report must include the reporting requirements specified by the legislative commission on pensions and retirement as part of the standards adopted by the commission under Minnesota Statutes, section 3.85, subdivision 10. The report also may include any additional information that the state board of investment determines is appropriate."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 4, after "plans;" insert "requiring certain investment performance and postretirement adjustment reporting;"

The motion prevailed. So the amendment was adopted.

Mr. Morse moved that H.F. No. 1960 be laid on the table. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Solon moved that the following members be excused for a Conference Committee on S.F. No. 2111 at 2:30 p.m.:

Messrs. Knaak, Solon and Ms. Reichgott. The motion prevailed.

MOTIONS AND RESOLUTION - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2136, and repassed said bill in accordance with the report of the Committee, so 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.

Senate File No. 2136 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 15, 1992

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2269:

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 House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Garcia; Anderson, I. and Blatz have been appointed as such committee on the part of the House.

House File No. 2269 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 15, 1992

Mr. Riveness moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2269, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the

Senate amendments to House File No. 2586:

H.F. No. 2586: A bill for an act providing for a study of the civic and cultural functions of downtown Saint Paul.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Trimble, Hausman and Mariani have been appointed as such committee on the part of the House.

House File No. 2586 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 15, 1992

Mr. Moe, R.D., for Mr. Cohen, moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2586, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2147:

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 House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Wagenius, Pauly and Hausman have been appointed as such committee on the part of the House.

House File No. 2147 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 15, 1992

Mr. Moe, R.D., for Mr. Dahl, moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2147, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

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

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 2000 and reports pertaining to appointments. The motion prevailed.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1959: 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 84.968; 84.9691; and 86B.415, subdivision 7.

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

Page 2, line 33, delete "*(a)*"

Page 2, lines 35 and 36, delete "*are identified*" and insert "*the commissioner of natural resources identifies*"

Page 3, line 2, delete "*of natural resources*" and after "*be*" insert "*randomly*"

Page 3, line 3, delete everything after "*inspected*" and insert "*between May 1 and October 15 by persons authorized by the commissioner. A total of at least 10,000 hours of random inspections must be conducted annually.*"

Page 3, delete lines 4 to 16

Page 3, line 29, before the period, insert "*; REPORT*"

Page 3, line 30, before "*(a)*" insert "*Subdivision 1.* [MANAGEMENT PLAN.]"

Page 4, after line 32, insert:

"*Subd. 2.* [REPORT.] *The commissioner of natural resources shall by January 1 each year submit a report on ecologically harmful exotic species to the legislative committees having jurisdiction over environmental and natural resource issues. The report must include:*

(1) detailed information on expenditures for administration, education, eradication, inspections, and research;

(2) an analysis of the effectiveness of management activities conducted in the state, including chemical eradication, harvesting, educational efforts, and inspections;

(3) information on the participation of other state agencies, local government units, and interest groups in control efforts;

(4) information on management efforts in other states;

(5) information on the progress made by species;

(6) an estimate of future management needs; and

(7) an analysis of the financial impact on persons who transport weed harvesters of the prohibition in section 1."

Page 5, line 24, delete "*$4*" and insert "*$3*"

Page 5, line 26, delete the new language

Page 5, lines 29 to 31, delete the new language

Page 5, line 33, delete "*$ . . . . . .* " and insert "*$219,000*" and after "*appropriated*" insert "*from the water recreation account*"

Page 5, line 34, delete everything after "*resources*"

Page 5, delete lines 35 and 36 and insert "*for control, public awareness, law enforcement, monitoring, and research of nuisance aquatic exotic species in public waters. Of this amount, not more than $80,000 may be used to conduct access inspections required under section 4. Not more than $140,000 per year of the revenue from the surcharge may be spent for management of purple loosestrife.*"

Page 6, delete line 1

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2000: A bill for an act relating to family law; modifying provisions dealing with the administration, computation, and enforcement of child support; modifying visitation and custody provisions; imposing penalties; appropriating money; amending Minnesota Statutes 1990, sections 256.019; 257.022, subdivision 2, and by adding a subdivision; 257.025; 257.67, subdivision 3; 357.021, subdivision 1a; 518.003, subdivision 3; 518.14; 518.156, subdivision 1; 518.17, subdivision 1; 518.171, subdivisions 4 and 6; 518.175, subdivisions 1, 3, 6, and 7; 518.24; 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; and 609.375, subdivisions 1 and 2; Minnesota Statutes 1991 Supplement, sections 214.101, subdivision 1; 357.021, subdivision 2; 518.18; 518.551, subdivisions 5, 5b, and 12; and 518.64, subdivisions 1, 2, and 5; proposing coding for new law in Minnesota Statutes, chapter 518; repealing Minnesota Statutes 1990, section 609.37.

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

Page 10, line 6, strike "(vi)" and insert "*(v)*"

Page 10, line 11, strike "(vii)" and insert "*(vi)*"

Page 10, line 17, strike "(viii)" and delete "*(v)*" and insert "*(vii)*"

Page 27, delete section 1

Page 34, delete section 9

Page 34, line 15, delete "*4*" and insert "*3*"

Renumber the sections of article 2 in sequence

Amend the title as follows:

Page 1, line 5, delete "appropriating money;"

Page 1, line 6, delete "256.019;"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2272: 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.

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

Page 2, delete section 3

Page 3, delete section 5

Renumber the sections in sequence

Amend the title as follows:

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

Page 1, line 7, delete "4,"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2102: A bill for an act relating to water; requiring maintenance of a statewide nitrate data base; establishing a nitrate data advisory task force; 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.235; and 103I.301, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 103A and 103I.

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

Page 1, line 24, delete the second "*the*" and insert "*state*" and delete "*established by the nitrate*" and insert "*recommended under section 10*"

Page 1, line 25, delete "*data task force*"

Page 1, line 30, delete "*direct*" and insert "*or received*"

Page 2, line 1, delete "*in the current fiscal year*" and insert "*for monitoring or information management*"

Page 8, line 11, delete "*and*"

Page 8, line 13, before the period, insert "*; and*

(8) a representative of the board of water and soil resources"

Page 8, line 17, delete "*to*" and insert "*and*"

Page 8, line 18, after "*board*" insert "*shall adopt*"

Page 9, delete lines 4 to 6 and insert:

"*$5,000 is appropriated from the well sealing account established in section 9 to the commissioner of health.*"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2520: A bill for an act relating to motor vehicles; allowing certain unmarked tax-exempt 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, subdivision 1, and 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.

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

Page 4, after line 1, insert:

"Sec. 5. 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, 65,* 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 6, after line 2, insert:

"Sec. 9. 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. 10. 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."

Page 6, line 5, strike "DUPLICATE" and insert "*REPLACEMENT*"

Page 6, after line 28, insert:

"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.*

Sec. 13. [REPEALER.]

Minnesota Statutes 1990, section 296.17, subdivision 9a, is repealed."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "adding vehicles to classic car category for vehicle registration purposes;"

Page 1, line 7, after the semicolon, insert "authorizing the commissioner of public safety to make and administer interstate fuel tax agreements; imposing decal fee on interstate motor carriers;"

Page 1, line 11, after the first semicolon, insert "168.187, subdivisions 17 and 26;"

Page 1, line 12, delete "section" and insert "sections" and before the period, insert "; and 168.10, subdivision 1b; proposing coding for new law in Minnesota Statutes, chapter 296; repealing Minnesota Statutes 1990, section 296.17, subdivision 9a"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2665: 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 221.011, subdivisions 7, 8, 9, 14, 25, 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, subdivision 11.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 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 221.041, subdivision 3; (3) section 221.171; (4)* section 221.035, ~~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 1 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 221.081, is amended to read:

221.081 [SALE OR LEASE OF CERTIFICATE OF REGULAR ROUTE COMMON CARRIER OR PETROLEUM CARRIER.]

(a) Except as provided in paragraph (b), certificates ~~authorizing operations as a regular route common carrier or as a petroleum carrier~~ may be sold or leased but only upon order of the board approving the same. The proposed seller and buyer or lessor and lessee of a certificate shall file a joint petition with the commissioner, setting forth the names and addresses of the parties, the identifying number of the certificate and the description of the authority which the parties seek to sell or lease, a short statement of the reasons for the proposed sale or lease, a short statement of the buyer or lessee's present operating authority, if any, a statement of all outstanding claims of creditors which are directly attributable to the operations conducted under said certificate, a copy of the contract of sale or lease and a financial statement with balance sheet and income statement, if existent, of the buyer. If it appears to the board from the contents of the petition and from the department's records, files and investigation of the petition that the approval of the sale or lease of the certificate will not adversely affect the rights of the users of the service and will not have an adverse effect on any other motor carrier, the board may make an ex parte order granting the same. When the proposed sale or lease is between persons who are direct competitors to a

material degree, the petition shall be set down for hearing with notice to the communities which may be affected by the proposed merger and to any other persons the board or department deems to be interested parties.

(b) Nothing in this section authorizes the lease of a class I certificate.

Sec. 19. 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. 20. 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. 21. 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. 22. 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. 23. 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. 24. 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. 25. 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. 26. 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 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. 27. 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 permit holders, or any combination thereof, shall not exceed $40 per vehicle.*

Sec. 28. 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. 29. 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. 30. Minnesota Statutes 1990, section 221.151, subdivision 1, is amended to read:

Subdivision 1. [PETITION.] Permits, except livestock permits, issued under section 221.121 may be assigned or transferred but only upon the order of the board approving the transfer or assignment after notice and hearing.

The proposed seller and buyer or lessor and lessee of a permit, except for livestock carrier permits, shall file a joint notarized petition with the commissioner setting forth the name and address of the parties, the identifying number of the permit, and the description of the authority which the parties seek to sell or lease, a short statement of the reasons for the proposed sale or lease, a statement of outstanding claims of creditors which are directly attributable to the operation to be conducted under the permit, a copy of the contract of sale or lease, and a financial statement with a balance sheet and an income statement, if existent, of the buyer or lessee. If it appears to the board, after notice to interested parties and a hearing, from the contents of the petition, from the evidence produced at the hearing,

and from the department's records, files, and investigation that the approval of the sale or lease of the permit will not adversely affect the rights of the users of the service and will not have an adverse effect upon other competing carriers, the board may make an order granting the sale or lease. Provided, however, that the board shall make no order granting the sale or lease of a permit to a person or corporation or association which holds a certificate or permit other than local cartage carrier permit from the board under this chapter or to a common carrier by rail.

Provided further that the board shall make no order approving the sale or lease of a permit if the board finds that the price paid for the sale or lease of a permit is disproportionate to the reasonable value of the permit considering the assets and goodwill involved. The board shall approve the sale or lease of a permit only after a finding that the transferee is fit and able to conduct the operations authorized under the permit and that the vehicles the transferee proposes to use in conducting the operations meet the safety standards of the commissioner. In determining the extent of the operating authority to be conducted by the transferee under the sale or lease of the permit, the past operations of the transferor within the two-year period immediately preceding the transfer must be considered. Only such operating authority may be granted to the transferee as was actually exercised by the transferor under the transferor's authority within the two-year period immediately preceding the transfer as evidenced by bills of lading, company records, operation records, or other relevant evidence. For purposes of determining the two-year period, the date of divesting of interest or control is the date of the sale. The board shall look to the substance of the transaction rather than the form. An agreement for the transfer or sale of a permit must be reported and filed with the board within 30 days of the agreement.

If an authority to operate as a permit carrier is held by a corporation, a sale, assignment, pledge, or other transfer of the stock interest in the corporation which will accomplish a substantial or material change or transfer of the majority ownership of the corporation, as exercised through its stockholders, must be reported in the manner prescribed in the rules of the board within 30 days after the sale, assignment, pledge, or other transfer of stock. The board shall then make a finding whether or not the stock transfer does, in fact, constitute a sale, lease, or other transfer of the permit of the corporation to a new party or parties and, if they so find, then the continuance of the permit issued to the corporation may only be upon the corporation's complying with the standards and procedures otherwise imposed by this section.

Nothing in this section authorizes the lease of a class II permit.

Sec. 31. 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 26, paragraph (c), that has not been added to the motor carrier's permit under section 26, paragraph (d), may not be transferred to any person except a member of the transferor's immediate family as defined in subdivision 2.*

Sec. 32. [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 subdivision 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. 33. [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. 34. [CERTAIN LEASE AGREEMENTS NOT AFFECTED.]

Nothing in this act may be construed to affect the validity of an agreement entered into before January 1, 1993, for the lease of a certificate or permit to operate as a motor carrier.

Sec. 35. [APPROPRIATION.]

$332,000 is appropriated from the trunk highway fund for the fiscal year ending June 30, 1993, for the purpose of implementing sections 1 to 34. This appropriation is available during the fiscal year ending June 30, 1992. Of this amount, $307,000 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. 36. [REPEALER.]

Minnesota Statutes 1990, section 221.011, subdivision 11, is repealed.

Sec. 37. [EFFECTIVE DATE.]

Sections 1 to 31 and 36 are effective January 1, 1993. Sections 32 and 33 are effective the day following final enactment. Sections 34 and 35 are 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; 221.081; 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, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 1990, section 221.011, subdivision 11."

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

Mr. Merriam from the Committee on Finance, to which was referred

H.F. No. 1701: A bill for an act relating to railroads; authorizing expenditure of rail service improvement account money for maintenance of rail lines and rights-of-way in the rail bank; authorizing the commissioner of transportation to acquire abandoned rail lines and rights-of-way by eminent domain; eliminating requirement to offer state rail bank property to adjacent land owners; amending Minnesota Statutes 1990, sections 222.50, subdivision 7; 222.63, subdivisions 2, 2a, and 4; repealing Minnesota Statutes 1990, section 222.63, subdivision 5.

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

Page 2, line 5, after the semicolon, insert "*and*"

Page 2, delete lines 6 to 8

Page 2, line 9, delete "*(g)*" and insert "*(f)*"

Page 3, delete section 4 and insert:

"Sec. 4. Minnesota Statutes 1990, section 222.63, subdivision 8, is amended to read:

Subd. 8. [RAIL BANK MAINTENANCE AND IMPROVEMENT ACCOUNTS.] A special account shall be maintained in the state treasury, designated as the rail bank maintenance account, to record the receipts and expenditures of the commissioner of transportation for the maintenance of rail bank property. Funds received by the commissioner of transportation from *interest earnings, administrative payments,* rentals, fees, or charges for the use of rail bank property, *or received from rail line rehabilitation contracts* shall be credited to the maintenance account and used for the maintenance of that property and held as a reserve for maintenance expenses in an amount determined by the commissioner, and amounts received in the maintenance account in excess of the reserve requirements shall be transferred to the rail service improvement account. All proceeds of the sale of abandoned rail lines shall be deposited in the rail service improvement account. All money to be deposited in this rail service improvement account as provided in this subdivision is appropriated to the commissioner of transportation for the purposes of this section. The appropriations shall not lapse but shall be available until the purposes for which the funds are appropriated are accomplished."

Amend the title as follows:

Page 1, line 3, delete "improvement" and insert "maintenance"

Page 1, line 10, delete "4" and insert "8"

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

Mr. Frank from the Committee on Metropolitan Affairs, to which were referred the following appointments as reported in the Journal for February 24, 1992:

METROPOLITAN COUNCIL

Polly Peterson Bowles

REGIONAL TRANSIT BOARD

Val M. Higgins

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Frank from the Committee on Metropolitan Affairs, to which were referred the following appointments as reported in the Journal for March 18, 1992:

REGIONAL TRANSIT BOARD

Maryann Campo
Sharon Feess
Ruth Franklin
Thomas Sather
Don Scheel
Thomas Workman

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Frank from the Committee on Metropolitan Affairs, to which were referred the following appointments as reported in the Journal for May 6, 1991:

METROPOLITAN COUNCIL

Diane Z. Wolfson
Carol Kummer
Donald B. Riley
Esther Newcome
Susan E. Anderson
James J. Krautkremer
Sondra R. Simonson
Bonita D. Featherstone
E. Craig Morris

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Frank from the Committee on Metropolitan Affairs, to which was referred the following appointment as reported in the Journal for April 13, 1992:

REGIONAL TRANSIT BOARD

Ruby Hunt

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

SECOND READING OF SENATE BILLS

S.F. Nos. 1959, 2272, 2102, 2520 and 2665 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 1701 was read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Stumpf moved that S.F. No. 1230 be taken from the table. 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; modifying 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.

CONCURRENCE AND REPASSAGE

Mr. Stumpf moved that the Senate concur in the amendments by the House to S.F. No. 1230 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1230 was read the third time, as amended by the House, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, J.B.	Mondale	Sams
Beckman	Davis	Johnston	Neuville	Samuelson
Belanger	Day	Knaak	Novak	Spear
Benson, D.D.	DeCramer	Laidig	Olson	Stumpf
Benson, J.E.	Finn	Larson	Pappas	Terwilliger
Berg	Flynn	Lessard	Piper	Traub
Berglin	Frank	Luther	Pogemiller	Vickerman
Bernhagen	Frederickson, D.J.	Marty	Price	Waldorf
Bertram	Frederickson, D.R.	McGowan	Ranum	
Brataas	Halberg	Mehrkens	Reichgott	
Chmielewski	Hottinger	Metzen	Renneke	
Cohen	Johnson, D.J.	Moe, R.D.	Riveness	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Reports of Committees.

REPORTS OF COMMITTEES

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

H.F. No. 769 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
				769	850

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 769 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 769 and insert the language after the enacting clause of S.F. No. 850, the second engrossment; further, delete the title of H.F. No. 769 and insert the title of S.F. No. 850, the second engrossment.

And when so amended H.F. No. 769 will be identical to S.F. No. 850, and further recommends that H.F. No. 769 be given its second reading and substituted for S.F. No. 850, and that the Senate File be indefinitely postponed.

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

Mr. Moe, R.D. moved the adoption of the foregoing Committee Report. The motion prevailed. Amendments adopted. Report adopted.

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 769 and that the rules of the Senate be so far suspended as to give H.F. No. 769 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 769 was read the second time.

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; establishing a certain temporary surcharge; appropriating money; amending Minnesota Statutes 1991 Supplement, section 336.9-413; 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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 42 and nays 9, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Hottinger	Moe, R.D.	Renneke
Beckman	Dahl	Hughes	Mondale	Sams
Benson, D.D.	Day	Knaak	Neuville	Solon
Benson, J.E.	DeCramer	Kroening	Novak	Terwilliger
Berglin	Dicklich	Laidig	Olson	Traub
Bernhagen	Finn	Larson	Pappas	Vickerman
Bertram	Flynn	Lessard	Piper	
Brataas	Frederickson, D.R.	Luther	Price	
Chmielewski	Halberg	Metzen	Reichgott	

Those who voted in the negative were:

Berg	Frank	Johnson, D.J.	Mehrkens	Waldorf
Davis	Frederickson, D.J.	Johnston	Samuelson	

So the bill passed and its title was agreed to.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 2107.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 15, 1992

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2940, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2940 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 15, 1992

CONFERENCE COMMITTEE REPORT ON 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.

April 15, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 2940, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 2940 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

AIDS TO LOCAL GOVERNMENTS

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. Minnesota Statutes 1991 Supplement, section 16A.711, is amended by adding a subdivision to read:

Subd. 5. [ADJUSTMENTS FOR LOCAL GOVERNMENT TRUST FUND REVENUES.] *For the second fiscal year of each biennium, the commissioner of revenue shall make adjustments in aid amounts so that the anticipated total obligations of the local government trust fund are equal to anticipated total revenues.*

In the event that anticipated total obligations of the trust fund exceed anticipated total revenues, each jurisdiction's aid will be reduced as provided under section 477A.0132. For fiscal year 1993 only, if reductions are necessary in an amount greater than $6,700,000, the additional reduction for the shortfall beyond $6,700,000 will be applied only to aids under section 477A.013.

In the event that anticipated total obligations of the trust fund are less than anticipated total revenues, aid amounts for the following programs will be proportionately increased to bring anticipated total expenditures

into conformance with anticipated total revenues:

(1) local government aid and equalization aid under section 477A.013;

(2) community social services aid under section 256E.06; and

(3) county criminal justice aid under section 477A.0121.

If the commissioner estimates further aid adjustments are necessary after aid amounts have already been certified, but before all aid amounts have been paid, all remaining aid payments will be increased or decreased proportionately.

Sec. 3. [16A.712] [LOCAL GOVERNMENT TRUST; APPROPRIATIONS IN FISCAL YEAR 1993 AND SUBSEQUENT YEARS.]

(a) The amounts necessary to make the following payments in fiscal year 1993 and subsequent years are appropriated from the local government trust fund to the commissioner of revenue unless otherwise specified:

(1) attached machinery aid to counties under section 273.138;

(2) in fiscal year 1993 only, supplemental homestead credit under section 273.1391. The school district's supplemental homestead credit shall be appropriated to the commissioner of education;

(3) $560,000 in fiscal year 1993 and $300,000 annually in fiscal years 1994 and 1995 for tax administration;

(4) $105,000 annually to the commissioner of finance in fiscal years 1993, 1994, and 1995 to administer the trust fund;

(5) $25,000 annually to the advisory commission on intergovernmental relations in fiscal years 1993, 1994, and 1995 to pay nonlegislative members' per diem expenses and such other expenses as the commission deems appropriate;

(6) $350,000 in fiscal year 1993 and $1,200,000 annually in fiscal years 1994 and 1995 to the intergovernmental information systems advisory council to develop a local government financial reporting system, with the participation and ongoing oversight of the legislative commission on planning and fiscal policy; and

(7) in fiscal year 1993 only, the transition credit under section 273.1398, subdivision 5, and the disparity reduction credit under section 273.1398, subdivision 4, for school districts. The school districts' transition credit and disparity reduction credit shall be appropriated to the commissioner of education.

(b) In addition, the legislature shall appropriate the rest of the trust fund receipts for fiscal year 1993 and subsequent years to finance intergovernmental aid formulas or programs prescribed by law.

Sec. 4. [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. 5. 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, 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, 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, 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, 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. 6. 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. 7. Minnesota Statutes 1990, section 256E.06, is amended by adding a subdivision to read:

Subd. 11. [APPROPRIATION.] *$51,566,000 is appropriated from the local government trust fund in fiscal year 1993 and $53,113,000 annually in fiscal years 1994 and thereafter to the commissioner of human services for payment of aid under this section. Notwithstanding subdivisions 1 and 2, the increased appropriation available in fiscal year 1994 and thereafter shall be used to increase each county's aid proportionately over the aid*

received in calendar year 1992. For calendar year 1993 only, each county's aid will be adjusted appropriately to reflect the increase that is dictated to occur in the second half of the calendar year.

Sec. 8. 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 payable 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. 9. Minnesota Statutes 1991 Supplement, section 273.1398, subdivision 7, is amended to read:

Subd. 7. [APPROPRIATION.] *(a)* 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, *except aid provided under subdivisions 4 and 5 for fiscal year 1993 only,* is annually appropriated from the general fund to the commissioner of ~~revenue~~ *education. An amount sufficient to pay the aids and credits provided under this section for counties, cities, towns, and special taxing districts, except as provided under paragraph (b), is annually appropriated from the local government trust fund to the commissioner of revenue. A jurisdiction's aid amount may be increased or decreased based on any prior year adjustments for homestead credit or other property tax credit or aid programs.*

(b) An amount sufficient to pay the aid provided under subdivision 5a is appropriated four percent from the local government trust fund and 96 percent from the general fund in fiscal year 1993 and entirely from the

general fund in fiscal year 1994 and thereafter.

Sec. 10. 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~~ *education* 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. There is annually appropriated from the local government trust fund to the commissioner of revenue a sum sufficient to pay the aids provided under this section to counties, cities, towns, and special taxing districts.*

Sec. 11. Minnesota Statutes 1990, section 290A.23, is amended to read:

290A.23 [APPROPRIATION.]

Subdivision 1. [RENTERS CREDIT AND TARGETING.] 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 and 2h.*

Subd. 2. [HOMEOWNERS PROPERTY TAX REFUND.] *There is appropriated from the local government trust fund to the commissioner of revenue the amount necessary to make the payments required under section 290A.04, subdivision 2.*

Sec. 12. Minnesota Statutes 1990, section 299C.18, is amended to read:

299C.18 [REPORTS.]

Biennially, on or before November 15, in each even-numbered year the superintendent shall submit to the governor and the legislature a detailed report of the operations of the bureau, of information about crime and the handling of crimes and criminals by state and local officials collected by the bureau, and the superintendent's interpretations of the information, with comments and recommendations. *The data contained in the report on Part I offenses cleared by arrest, as defined by the United States Department of Justice, shall be collected and tabulated geographically at least on a county-by-county basis.* In such reports the superintendent shall, from time to time, include recommendations to the legislature for dealing with crime and criminals and information as to conditions and methods in other states in reference thereto, and shall furnish a copy of such report to each member of the legislature.

Sec. 13. Minnesota Statutes 1991 Supplement, section 477A.012, subdivision 6, is amended to read:

Subd. 6. [AID OFFSET FOR 1992 COURT AND PUBLIC DEFENDER COSTS.] (a) There shall be deducted from the payment to a county under this section an amount equal to the cost of jury fees and, in the case of a county located in the third or sixth judicial district, of public defense services in juvenile and misdemeanor cases, to the extent those costs are assumed by the state for the fiscal year beginning on July 1, 1992. The amount of the deduction is computed as provided in this subdivision.

(b) By June 30, 1991, the supreme court shall determine and certify to the department of revenue for each county, except counties located in the eighth judicial district, the cost for each county of jury fees during the fiscal year beginning on July 1, 1992.

(c) By June 30, 1991, the board of public defense shall determine and certify to the department of revenue the pro rata share for each county in the third or sixth judicial district of the cost of the state-financed public defense services in juvenile and misdemeanor cases in the third or sixth judicial district during the fiscal year beginning on July 1, 1992.

(d) One-half of the amount computed under paragraphs (b) and (c) for each county shall be deducted from each local government aid payment to the county under section 477A.015 in 1992 and each subsequent year. If the amount computed under paragraph (b) exceeds the amount payable to a county under subdivision 1, the excess shall be deducted from the aid payable to the county under section 273.1398, subdivision 2, and then, if necessary, from the disparity reduction aid under section 273.1398, subdivision 3. *No payments shall be made from the local government trust fund to the general fund for county aid reductions under subdivisions 3, 4, and 6.*

Sec. 14. [477A.0121] [COUNTY CRIMINAL JUSTICE AID.]

Subdivision 1. [PURPOSE.] *County criminal justice aid is intended to reduce the reliance of county criminal justice and corrections programs and associated costs on local property taxes.*

County criminal justice aids must be used to pay expenses associated with criminal justice activities including law enforcement, criminal adjudication, and corrections.

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 I crimes" means the total number of Part I crimes reported for each county by the department of public safety for the most recent year available. By July 1 of each year the commissioner of public safety shall certify to the commissioner of revenue the number of Part I crimes reported for each county.

Subd. 3. [FORMULA.] *Each calendar year, the commissioner of revenue shall distribute county criminal justice 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 I crimes are to the total Part I crimes for all counties in the state.

Subd. 4. [PUBLIC DEFENDER COSTS.] *Each calendar year, four percent of the total appropriation for this section shall be retained by the commissioner of revenue to make reimbursements to the commissioner of finance for payments made under section 611.27. The reimbursements shall be to defray the additional costs associated with court-ordered counsel under section 611.27. 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.*

Subd. 5. [PAYMENT DATES.] *The aid amounts for each calendar year shall be paid as provided in section 477A.015.*

Subd. 6. [REPORT.] *By March 15 of each year following the year in which criminal justice aids are received, each county must file a report with the commissioner of revenue describing how criminal justice aids were spent, and demonstrating that they were used for criminal justice purposes.*

Sec. 15. Minnesota Statutes 1991 Supplement, section 477A.013, subdivision 1, is amended to read:

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

Sec. 16. Minnesota Statutes 1991 Supplement, section 477A.013, subdivision 3, is amended to read:

Subd. 3. [CITY AID DISTRIBUTION.] In 1989, a city whose initial aid is greater than $0 will receive the following aid increases in addition to an amount equal to the local government aid it received in 1988 under Minnesota Statutes 1987 Supplement, section 477A.013:

(1) for a city whose expenditure/unlimited aid ratio is at least 1.5, two percent of city revenue;

(2) for a city whose expenditure/unlimited aid ratio is at least 1.4 but less than 1.5, 2.5 percent of city revenue;

(3) for a city whose expenditure/unlimited aid ratio is at least 1.3 but less than 1.4, three percent of city revenue;

(4) for a city whose expenditure/unlimited aid ratio is at least 1.2 but less than 1.3, four percent of city revenue;

(5) for a city whose expenditure/unlimited aid ratio is at least 1.1 but less than 1.2, five percent of city revenue;

(6) for a city whose expenditure/unlimited aid ratio is at least 1.05 but less than 1.1, six percent of city revenue;

(7) for a city whose expenditure/unlimited aid ratio is at least 1.0 but less than 1.05, seven percent of city revenue;

(8) for a city whose expenditure/unlimited aid ratio is at least .95 but less than 1.0, 7.5 percent of city revenue;

(9) for a city whose expenditure/unlimited aid ratio is at least .75 but less than .95, 8.5 percent of city revenue; and

(10) for a city whose expenditure/unlimited aid ratio is less than .75, nine percent of city revenue.

In 1990, a city whose initial aid is greater than $0 will receive an amount

equal to the aid it received under this section in the year prior to that for which aids are being calculated plus an aid increase equal to 50 percent of the rates listed in clauses (1) to (10) multiplied by city revenue.

In 1991 and ~~subsequent years~~ *1992*, a city will receive an amount equal to the local government aid it received under this section in the previous year, less any permanent reductions made under section 477A.0132.

In 1993 and thereafter, a city will receive an amount equal to 103 percent of the local government aid it received under this section in 1992 before any nonpermanent reductions made under section 477A.0132.

For aids payable in 1990, a city's aid increase under this subdivision is limited to the lesser of (1) 20 percent of its levy for taxes payable in the year prior to that for which aids are being calculated, or (2) its initial aid amount, or (3) 15 percent of the total local government aid amount received under this section in the previous year, provided that no city will receive an increase that is less than two percent of its 1989 local government aid for aids payable in 1990.

A city whose initial aid is $0 will receive in 1990 an amount equal to 102 percent of the local government aid it received in 1989 under Minnesota Statutes 1988, section 477A.013. For purposes of this subdivision, the term "local government aid" does not include equalization aid amounts under subdivision 5.

Sec. 17. 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. 18. 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) For~~ *(b)* Aid reductions required under section ~~477A.014, subdivision 1a~~ *16A.711, subdivision 5*, ~~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.~~

~~(c)~~ For subdivision 1, clause ~~(c)~~ *(b)*, 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.] The aid reduction to a local government as calculated under subdivisions 1 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~~ *transition* 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~~.

Sec. 19. Minnesota Statutes 1991 Supplement, section 477A.03, subdivision 1, is amended to read:

Subdivision 1. [ANNUAL APPROPRIATION.] A sum sufficient to discharge the duties imposed by sections 477A.011 to 477A.014 is annually appropriated from the local government trust fund to the commissioner of revenue. For aids payable in ~~1991~~ *1993* and thereafter, the total amount of equalization aid paid under section 477A.013, subdivision 5, is limited to ~~$19,485,684~~ *$20,011,000*.

In 1993 and subsequent years, $8,400,000 per year is appropriated from the local government trust fund to make payments under section 477A.0121.

Sec. 20. [CITY OF ALDEN; LOCAL GOVERNMENT AID.]

For aid payments in 1993 and thereafter, local government aid to the city of Alden, Freeborn county, as determined under Minnesota Statutes, sections 477A.013 and 477A.0132, is increased by $838. These amounts reimburse 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 aids, 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, 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. 21. [LOCAL APPROVAL; EFFECTIVE DATE.]

Section 20 is effective the day following compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Alden.

Sec. 22. [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. Counties may apply for an aid adjustment on a form prescribed by the commissioner of revenue by July 1, 1992. The aggregate amount of all adjustments shall not exceed $500,000. If the sum of all counties aid adjustments exceeds this amount, the commissioner shall proportionately reduce all adjustment amounts so that the total is $500,000.

Sec. 23. [APPROPRIATION CANCELLATION.]

Any fiscal year 1993 appropriation from the general fund enacted prior to enactment of this act to pay community social services aids under Minnesota Statutes, section 256E.06, is canceled.

Sec. 24. [APPROPRIATION.]

(a) The sum of $978,000 is appropriated from the general fund to the commissioner of human services in fiscal year 1993 for the state takeover of the growth of the income maintenance aids under section 5.

(b) The sum of $2,483,375 is appropriated from the general fund to the secretary of state in fiscal year 1992 for the purposes authorized in section 4. If any amount certified under section 4 remain unpaid on July 1, 1992, a sum sufficient to pay the remaining aids is carried forward to fiscal year 1993 provided the total appropriation does not exceed $2,483,375.

Sec. 25. [INSTRUCTION TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall change references to the homestead and agricultural credit guarantee to transition credit wherever the terms appear in Minnesota Statutes.

Sec. 26. [REPEALER.]

Minnesota Statutes 1991 Supplement, section 16A.711, subdivision 3; and Laws 1991, chapter 291, article 2, section 3, is repealed.

Sec. 27. [EFFECTIVE DATE.]

Sections 4 and 24, paragraph (b), are effective the day following final enactment. Sections 1, 11, and 13 are effective July 1, 1993. Section 10 is effective July 1, 1994. Section 14 is effective for aids payable in 1993 and thereafter.

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 notice of delinquency 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 may pay the delinquent tax, together with any penalty and interest then due, in full to the county. The notice may inform the mortgagor of the lender's option to begin foreclosure proceedings. The county may only request 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 103B.241, is amended to read:

103B.241 [~~LEVY~~ *LEVIES.*]

Subdivision 1. [WATERSHED PLANS.] 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.~~

Subd. 2. [PRIORITY PROGRAMS; SOIL AND WATER CONSERVATION DISTRICTS.] *A county may levy amounts necessary to pay the reasonable increased costs to soil and water conservation districts of administering and implementing priority programs identified in an approved and adopted plan.*

Sec. 3. Minnesota Statutes 1990, section 103B.255, is amended by adding a subdivision to read:

Subd. 13. [PROPERTY TAX LEVIES.] *A metropolitan county may levy amounts necessary to administer and implement an approved and adopted groundwater plan. A county may levy amounts necessary to pay the reasonable increased costs to soil and water conservation districts and watershed management organizations of administering and implementing priority programs identified in the county's groundwater plan.*

Sec. 4. Minnesota Statutes 1990, section 103B.335, is amended to read:

103B.335 [TAX; EXEMPTION FROM PER CAPITA LEVY LIMIT.]

Subdivision 1. [LOCAL WATER PLANNING AND MANAGEMENT.] 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.~~

Subd. 2. [PRIORITY PROGRAMS; CONSERVATION AND WATERSHED DISTRICTS.] *A county may levy amounts necessary to pay the reasonable increased costs to soil and water conservation districts and watershed districts of administering and implementing priority programs identified in an approved and adopted plan.*

Sec. 5. 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. 6. Minnesota Statutes 1990, section 270B.12, is amended by adding a subdivision to read:

Subd. 8. [COUNTY ASSESSORS.] *The commissioner may disclose names and social security numbers of individuals who have applied for both homestead classification under section 273.13 and a property tax refund as a renter under chapter 290A for the purpose of and to the extent necessary to administer section 290A.25.*

Sec. 7. 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. 8. 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. 9. 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 manufactured home, sectional structure, 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 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~~ *owned and operated or under lease from a unit of government or governmental agency under a property disposition program and operated* by ~~an organization that is~~ *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.

(23) Photovoltaic devices, as defined in article 8, section 1, installed after January 1, 1992, and used to produce or store electric power.

(24) 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 for an ice arena or ice rink, and used primarily for youth and high school programs.

Sec. 10. 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.

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. The form of the certificate of value shall be prescribed by the department of revenue which 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 status.*

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. 11. 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 "city" as defined in section 462C.02, subdivision 6, 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 verify to the satisfaction of the administering agency or the city 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 administering agency or the city shall verify to the satisfaction of the county assessor that the occupant meets the income criteria under this paragraph. The property tax benefits under paragraph (c) 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) 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.

Sec. 12. 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. 13. 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. *Notwithstanding any other law, the assessor may at any time require a homestead application to be filed in order to verify that any property classified as a homestead continues to be eligible for homestead status.*

(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.~~ *Residential real estate that is occupied and used for purposes of a homestead by a relative of the owner is a homestead but only to the extent of the homestead treatment that would be provided if the related owner occupied the property.* 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. *Property that was classified as seasonal recreational residential property at the time when treatment under this paragraph would first apply shall continue to be classified as seasonal recreational residential property for the first two assessment years beginning after the date when the relative of the owner occupies the property as a homestead; this delay also applies to property that, in the absence of this paragraph, would have been classified as seasonal recreational residential property at the time when the residence was constructed. Neither the related occupant nor the owner of the property may claim a property tax refund under chapter 290A for a homestead occupied by a relative. In the case of a residence located on agricultural land, only the house, garage, and immediately surrounding one acre of land shall be classified as a homestead under this paragraph.*

~~(e) 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. 14. 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 *the cooperative association's* members must have incomes at or less than 60 percent of area median *gross* income~~, or (3) a minimum of 20 percent of members must have incomes at or less than 50 percent of area median income~~ *as determined by the United States Secretary of Housing and Urban Development under section 142(d)(2)(B) of the Internal Revenue Code of 1986, as amended through December 31, 1991*. For purposes of this clause, "member income" means the income of a member existing at the time the member acquires cooperative membership~~, 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 occupant has requested a copy shall be disclosed to any occupant who has requested a copy of the document. Copies of the articles of incorporation and certificate of limited partnership shall be filed with the secretary of state after the expiration of the 60-day period unless the change to leasehold cooperative status does not proceed; ~~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~~.~~*;*

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

(1) tax increment financing proceeds used for the acquisition or rehabilitation of the building or interest rate writedowns relating to the acquisition of the building;

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

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

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

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

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

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

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

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

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

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

Homestead treatment must be afforded to units occupied by members of the cooperative association and the units must be assessed as provided in subdivision 3, provided that any unit not so occupied shall be classified

and assessed pursuant to the appropriate class. No more than three acres of land may, for assessment purposes, be included with each dwelling unit that qualifies for homestead treatment under this subdivision.

Sec. 15. 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.

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, provided that 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.

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. 16. 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 four years after the initial homestead application has been filed under this subdivision, a county shall mail a homestead application to the owner of each parcel of property to verify the continued eligibility for homestead status for all properties classified as homestead within the county in the prior year's assessment. The homestead application and procedures

shall be done in the same manner as contained in this subdivision for the 1993 homestead application.

On the homestead application each owner shall disclose the location of any other residential property in the state in which the owner holds full or partial ownership and for which homestead status has been granted or has been applied for at the time of the application. Each owner must also disclose the name and social security number of any relative occupying a property qualifying as a homestead under section 273.124, subdivision 1, paragraph (c). Failure to disclose the information required under this paragraph may result in the imposition of the penalty provided under this subdivision.

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, a homestead application must be filed with the assessor. The social security number of each 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 assessor shall classify the property as nonhomestead for the current assessment year for taxes payable in the following year, provided that the owner may be entitled to receive the homestead classification by proper application under section 375.192.

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. 17. 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. 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 or the Minnesota housing finance agency law of 1971 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. *Owners of real property devoted to temporary and seasonal residential occupancy for recreation purposes and all or a portion of which was devoted to commercial purposes for not more than 250 days in the year preceding the year of assessment desiring classification as class 1c or 4c, must submit a declaration to the assessor designating the cabins or units occupied for 250 days or less in the year preceding the year of assessment by January 15 of the assessment year. Those cabins or units and a proportionate share of the land on which they are located will be designated class 1c or 4c as otherwise provided. The remainder of the cabins or units and a proportionate share of the land on which they are located will be designated as class 3a. The first $100,000 of the market value of the remainder of the cabins or units and a proportionate share of the land on which they are located shall have a class rate of three percent. The owner of property desiring designation as class 1c or 4c property must provide guest registers or other records demonstrating that the units for which class 1c or 4c designation is sought were not occupied for more than 250 days in the second year preceding the assessment if so requested. The portion of a property operated as a (1) restaurant, (2) bar, (3) gift shop, and (4) other nonresidential facility operated on a commercial basis not directly related to temporary and seasonal residential occupancy*

for recreation purposes shall not qualify for class 1c or 4c;

(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)* 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, *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. *For property for which application is made for 4c or 4d classification for taxes payable in 1994 and thereafter, and which was not classified 4c or 4d for taxes payable in 1993, 4c or 4d classification is available only for those units meeting the requirements of section 273.1318.*

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.~~ *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 occupants income eligibility and certify to the county assessor that the occupant meets the income criteria under this paragraph. To qualify under this clause, the taxpayer must apply to the county assessor by May 30 of each year. For purposes of this section, "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. [273.1318] [CLASS 4C LOW-INCOME HOUSING; ELIGIBLE UNITS.]

Subdivision 1. [INCOME LIMITATION.] *(a) Subject to the exception in paragraph (b), for a building for which application is made for class 4c for taxes payable in 1994 and thereafter, and which was not class 4c for taxes payable in 1993, only those units occupied by a household whose income is 100 percent or less of the county or area median income adjusted for family size as determined by the department of housing and urban development are eligible for class 4c.*

(b) For a building for which application is made for class 4c for taxes payable in 1994 and thereafter, and which was not class 4c for taxes payable in 1993, but for which a formal application was received by a local, state, or federal agency for financing, refinancing, or insurance before July 1, 1992, the income limit is 100 percent or less of county or area median income not adjusted for family size as determined by the department of housing and urban development.

Subd. 2. [ANNUAL DETERMINATION.] *With regard to buildings, the construction of which had been commenced after December 31, 1982; or the project of which the building was a part was approved by the governing body of the municipality in which it is located subsequent to June 29, 1983; or financing of the project had been approved by a federal or state agency subsequent to June 29, 1983, a governmental agency providing financing or mortgage insurance for a building qualifying for class 4c or 4d or other entity must annually review income records maintained by the owner of the property to determine the units that qualify for a class 4c or 4d rate under this section. The income records must reflect household income at the commencement of the tenancy, and thereafter, when household composition changes. If the entity is not a governmental agency, the entity must be approved by the department of revenue. The agency or other entity shall report to the assessor responsible for assessing the property at the time and in the manner required by the assessor. The income records must be made available to the assessor. The assessor shall determine the units that qualify for a class 4c or 4d rate.*

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 275.125, 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. 22. Minnesota Statutes 1991 Supplement, section 275.61, is amended to read:

275.61 [REFERENDUM LEVY; MARKET VALUE.]

For local governmental subdivisions other than school districts, any levy, *including the issuance of debt obligations payable in whole or in part from property taxes*, required to be approved and approved by the voters at a general or special election for taxes payable in 1993 and thereafter, shall be levied against the market value of all taxable property within the governmental subdivision. Any levy amount subject to the requirements of this section shall be certified separately to the county auditor under section 275.07.

The ballot shall state the maximum amount of the increased levy as a percentage of market value and the amount that will be raised by the new referendum tax rate in the first year it is to be levied.

Sec. 23. 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 request 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 initiate the process provided 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. 24. 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. 25. 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. 26. 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. 27. 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. 28. 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. 29. 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. 30. 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~~ *the greater of 12* percent *of the prior year's net property taxes payable or $80* for taxes payable in 1993, and 75 percent ~~of the first $325~~ of the amount of the increase over ~~ten percent~~ *the greater of 12 percent of the prior year's net property taxes payable or $100* 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~~ *1993*, 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~~ *$5,500,000*, the commissioner shall increase the ~~dollar~~ *$100* amount of tax increase which must occur before a taxpayer qualifies for a refund, *and increase by an equal amount the $100 threshold used in determining the amount of the refund*, so that the estimated total refund claims do not exceed ~~the appropriation limit~~ *$5,500,000*.

~~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. 31. [290A.25] [VERIFICATION OF SOCIAL SECURITY NUMBERS.]

Annually, the commissioner of revenue shall furnish a list to the county assessor containing the names and social security numbers of persons who have applied for both homestead classification under section 273.13 and a property tax refund as a renter under this chapter.

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. 32. 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. 33. 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. 34. Minnesota Statutes 1991 Supplement, section 375.192, subdivision 2, is amended to read:

Subd. 2. Upon written application by the owner of the 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 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 the application is for abatement of penalty or interest, the application must be approved by the county treasurer and county auditor. 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.

The county auditor shall notify the commissioner of revenue of all abatements resulting from the erroneous classification of real property, for tax purposes, as nonhomestead property. For the abatements relating to the current year's tax processed through June 30, the auditor shall notify the commissioner on or before July 31 of that same year of all abatement applications granted. For the abatements relating to the current year's tax processed after June 30 through the balance of the year, the auditor shall notify the commissioner on or before the following January 31 of all applications granted. The county auditor shall submit a form containing the social security number of the applicant and such other information the commissioner prescribes.

Sec. 35. Minnesota Statutes 1990, section 381.12, subdivision 2, is amended to read:

Subd. 2. [EXPENSE, TAX LEVY.] ~~For the purpose of defraying the expense incurred, or to be incurred in the preservation and restoration of monuments under this section,~~ The county board of any county may levy a tax upon all the taxable property in the county *for the purpose of defraying the expense incurred, or to be incurred for:*

(1) the preservation and restoration of monuments under this section;

(2) the preservation or establishment of control monuments for mapping activities;

(3) the modernization of county land records through the use of parcel-based land management systems; or

(4) the establishment of geographic (GIS), land (LIS), management (MIS) information systems.

Sec. 36. 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. 37. 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, *1991*, and ~~subsequent years~~ *1992*, the product of (1) the commission's property tax levy limitation for the previous year determined under this subdivision multiplied by (2) an index for market valuation changes equal to the total market valuation of all taxable property located within the district for the current assessment year divided by the total market valuation of all taxable property located within the district for the previous assessment year;

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

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

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

Sec. 38. Minnesota Statutes 1990, section 473.714, is amended to read:

473.714 [COMPENSATION OF COMMISSIONERS.]

Subdivision 1. [COMPENSATION.] *Except as provided in subdivision 2,* each commissioner, including the officers of the commission shall be reimbursed for actual and necessary expenses incurred in the performance of

duties. The chair shall be paid a per diem for attending meetings, monthly, executive, and special, and each commissioner shall be paid a per diem for attending meetings, monthly, executive, and special, which per diem shall be established by the commission~~, such expense reimbursement and per diem notwithstanding any other funds which such commissioners may receive from any other public body~~. *A commissioner who receives a per diem from the commissioner's county shall not be paid a per diem for the same day by the commission for attending meetings of the commission.* The annual budget of the commission shall provide as a separate account anticipated expenditures for per diem, travel and associated expenses for the chair and members, and compensation or reimbursement shall be made to the chair or members only when budgeted.

Subd. 2. [CERTAIN COMMISSIONERS.] *A commissioner whose annual public salary is $25,000 or more shall only be reimbursed for expenses related to travel.*

Sec. 39. [473F.001] [CITATION.]

This chapter shall be cited as the "Charles R. Weaver metropolitan revenue distribution act."

Sec. 40. 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 $1.50 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. 41. 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. 42. [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. 43. 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 independent 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

Sec. 44. [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.*

Sec. 45. [DULUTH; TECHNICAL COLLEGE STUDENT HOUSING; PROPERTY TAX EXEMPTION.]

Subdivision 1. [EXEMPTION.] *As provided in this section, qualified student housing at the Duluth technical college 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 the day after the governing body of the city of Duluth complies with Minnesota Statutes, section 645.021, subdivision 3, and applies beginning for property taxes assessed in 1993, and payable in 1994.*

Sec. 46. [THIEF RIVER FALLS; TECHNICAL COLLEGE STUDENT HOUSING; PROPERTY TAX EXEMPTION.]

Subdivision 1. [EXEMPTION.] *As provided in this section, qualified student housing at the Thief River Falls technical college 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 the day after the governing body of 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. 47. [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), or section 273.41 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. 48. [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. 49. [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. 50. [PLANNING AND REMODELING GRANTS.]

$25,000 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 49. A grant of up to $25,000 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. 51. [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 49 to 51.

Sec. 52. [WATERSHED DISTRICT LEVIES.]

(a) 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 $200,000 on property within the district for the administrative fund. The levy authorized under this section is in lieu of section 103D.905, subdivision 3. 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.915.

(b) The Wild Rice watershed district may levy, for taxes payable in 1993, 1994, 1995, 1996, and 1997, an ad valorem tax not to exceed $200,000 on property within the district for the administrative fund. The additional $75,000 above the amount authorized in Minnesota Statutes, section 103D.905, subdivision 3, must be used for costs incurred in connection with cost-sharing projects with the United States Army Corps of Engineers. The board of managers shall make the levy for the administrative fund in accordance with Minnesota Statutes, section 103D.915.

Sec. 53. [CITY OF OTSEGO; EXCESS LEVY PENALTY ABATEMENT.]

The excess levy amount of $63,707, levied in 1990, for taxes payable in 1991, by the city of Otsego, Wright county, is exempt from the penalties imposed under Minnesota Statutes, sections 275.51, subdivision 4, and 275.55.

This section is effective the day after approval by the Otsego city council and compliance with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 54. [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. 55. [STUDY OF HOMESTEAD CLAIMS.]

The commissioner of revenue shall study alternative methods for identifying improper claims for homestead classification and the extent to which improper claims have been made. The commissioner shall report the findings to the chairs of the house and senate tax committees by January 1993.

Sec. 56. [STUDY ON ECONOMICS ON RENTAL HOUSING.]

The Minnesota housing finance agency, in cooperation with the department of revenue, shall study the effect of property tax policy on the economics of the long-term affordability of rental housing, maintenance of current rental housing stock, and the changing demographics of renters. The agency shall convene a task force of representatives of interested groups to advise the agency on the study. The agency and the department shall use appropriate research resources, including the University of Minnesota. The agency shall report to the governor and the legislature by February 15, 1993.

Sec. 57. [STUDY OF VALUATION OF MANUFACTURED HOME PARKS.]

The department of revenue in consultation with the assessors and the house and senate tax staff shall study the valuation of manufactured home parks and shall make recommendations concerning the most equitable and efficient methods of valuation to the chairs of the house and senate tax committees by January 15, 1993.

Sec. 58. [REGIONAL TRANSIT BOARD AID.]

Notwithstanding Minnesota Statutes, section 473.446, subdivision 1, clause (3), for aids relating to taxes payable in 1992, no aid shall be paid to the regional transit board in 1992 for aid that was not used to reduce the levy extended against individual parcels as the result of a county auditor's error in taxes payable in 1992.

Aids payable to the regional transit board in 1993 under section 473.446 shall be adjusted to include the actual amount of aids not paid in 1992 under this section provided that the county auditor reduces property taxes payable in 1993 by this amount.

Sec. 59. Laws 1991, chapter 291, article 1, section 65, is amended to read:

Sec. 65. [EFFECTIVE DATE.]

Sections 1, 4, *28*, 35, 36, 57, 58, and 62 are effective the day following final enactment.

Sections 2, 3, 11, 15 to 22, 24, 26 ~~to 28~~, *27*, 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.

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, *except that any city or county that conducted a referendum prior to May 1, 1992, and had publicly advertised to its property owners using levy amounts that, if adopted, reflect net tax capacity, is exempt from this provision with regards to that referendum. If the city or county intends to levy the tax on net tax capacity under section 29, it must certify to the commissioner of revenue the information necessary for the commissioner to determine that the requirements of this exception have been met.*

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 independent 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.

Sec. 60. [REPEALER.]

(a) Minnesota Statutes 1991 Supplement, section 273.124, subdivision 15, is repealed.

(b) Minnesota Statutes 1991 Supplement, section 271.04, subdivision 2, is repealed.

(c) Laws 1991, chapter 291, article 15, section 9, is repealed.

Sec. 61. [EFFECTIVE DATES.]

Sections 2 to 4, 9, 13, 17, 18, 20, 25, 35, 36, 40, and 60, paragraph (a), are effective for property taxes levied in 1992, payable in 1993, and thereafter.

Section 5 is effective beginning with the 1992 sales ratio study.

Sections 6, 10, 11, 15, 16, 31, 45, and 46 are effective for property taxes levied in 1993, payable in 1994, and thereafter.

Sections 7, 8, 24 and 60, paragraph (b), are effective for hearings scheduled by the court after January 1, 1993.

Section 14 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.

Section 18 is 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 18 is extended to June 15, 1992.

Section 22 is effective for referenda for taxes payable in 1993 and thereafter.

Sections 27 to 29, 39, 43, 49 to 51, 54 to 58 and 60, paragraph (c), are effective the day following final enactment.

Section 34 is effective for abatements granted in 1992 and thereafter.

Sections 41 and 42 are effective for collections made July 1, 1992, and thereafter.

Section 59 is effective the day following final enactment and applies as provided in that section.

ARTICLE 3

PROPOSED AND FINAL TAX NOTICES

Section 1. Minnesota Statutes 1991 Supplement, section 273.1398, subdivision 6, is amended to read:

Subd. 6. [PAYMENT.] The commissioner shall certify the aids provided in subdivisions 2, 2b, 3, and 5 before ~~December~~ *September* 1, ~~1989, and~~

~~October 1 thereafter~~ of the year preceding the distribution year to the county auditor of the affected local government. The aids provided in subdivisions 2, 2b, 3, and 5 must be paid to local governments other than school districts at the times provided in section 477A.015 for payment of local government aid to taxing jurisdictions, except that the first one-half payment of disparity reduction aid provided in subdivision 3 must be paid on or before August 31. The disparity reduction credit provided in subdivision 4 must be paid to taxing jurisdictions other than school districts at the time provided in section 473H.10, subdivision 3. Aids and credit reimbursements to school districts must be certified to the commissioner of education and paid under section 273.1392. Except for education districts and secondary cooperatives that receive revenue according to section 124.2721 or 124.575, payment shall not be made to any taxing jurisdiction that has ceased to levy a property tax.

Sec. 2. Minnesota Statutes 1991 Supplement, section 275.065, subdivision 1, is amended to read:

Subdivision 1. [PROPOSED LEVY.] Notwithstanding any law or charter to the contrary, on or before September ~~1~~ *15*, each taxing authority, other than a school district, shall adopt a proposed budget and each taxing authority shall certify to the county auditor the proposed or, in the case of a town, the final property tax levy for taxes payable in the following year. If the board of estimate and taxation or any similar board that establishes maximum tax levies for taxing jurisdictions within a first class city certifies the maximum property tax levies for funds under its jurisdiction by charter to the county auditor by September ~~1~~ *15*, the city shall be deemed to have certified its levies for those taxing jurisdictions. For purposes of this section, "taxing authority" includes all home rule and statutory cities, towns, counties, school districts, and special taxing districts. The commissioner of revenue shall determine what constitutes a special taxing district for purposes of this section. Intermediate school districts that levy a tax under chapter 136D, joint powers boards established under sections 124.491 to 124.495, and common school districts No. 323, Franconia, and No. 815, Prinsburg, are special taxing districts for purposes of this section.

Sec. 3. Minnesota Statutes 1990, section 275.065, subdivision 1a, is amended to read:

Subd. 1a. [OVERLAPPING JURISDICTIONS.] In the case of a taxing authority lying in two or more counties, the home county auditor shall certify the proposed levy *and the proposed local tax rate* to the other county auditor by September 20 ~~for taxes levied in 1990, and thereafter, and the proposed local tax rate by September 5 for taxes levied in 1991, and thereafter, for counties containing a city of the first class~~. The home county auditor must estimate the levy or rate in preparing the notices required in subdivision 3, if the other county has not certified the appropriate information. If requested by the home county auditor, the other county auditor must furnish an estimate to the home county auditor.

Sec. 4. 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~~ *after* November 10 *and on or before November 24* each year, by first class mail to each taxpayer at the address listed on the county's current year's assessment roll, a notice of proposed property taxes and, in the case of a town,

final property taxes.

(b) The commissioner of revenue shall prescribe the form of the notice.

(c) The notice must inform taxpayers that it contains the amount of property taxes each taxing authority other than a town proposes to collect for taxes payable the following year ~~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. The notice must clearly inform taxpayers of the years to which the market values apply and that the values are final values;*

(2) by county, city or town, school district, the sum of the special taxing districts, and as a total of the taxing authorities, including special taxing districts, the proposed or, for a town, final net tax on the property for taxes payable the following year and the actual tax for taxes payable the current

year. In the case of a parcel where tax increment or the fiscal disparities areawide tax applies, the proposed tax levy on the captured value or the proposed tax levy on the tax capacity subject to the areawide tax must each be stated separately and not included in the sum of the special taxing districts; and

(3) the increase or decrease in the amounts in clause (2) from taxes payable in the current year to proposed or, for a town, final taxes payable the following year, expressed as a dollar amount and as a percentage.

~~(f)~~ *(e)* The notice must clearly state that the proposed or final taxes do not include the following:

(1) special assessments;

(2) levies approved by the voters after the date the proposed taxes are certified, including bond referenda, school district levy referenda, and levy limit increase referenda;

(3) amounts necessary to pay cleanup or other costs due to a natural disaster occurring after the date the proposed taxes are certified;

(4) amounts necessary to pay tort judgments against the taxing authority that become final after the date the proposed taxes are certified; and

(5) any additional amount levied in lieu of a local sales and use tax, unless this amount is included in the proposed or final taxes.

~~(g)~~ *(f)* Except as provided in subdivision 7, failure of the county auditor to prepare or the county treasurer to deliver the notice as required in this section does not invalidate the proposed or final tax levy or the taxes payable pursuant to the tax levy.

(g) If the notice the taxpayer receives under this section lists the property as nonhomestead and the homeowner provides satisfactory documentation to the county assessor that the property is owned and has been used as the owner's homestead prior to June 1 of that year, the assessor shall reclassify the property to homestead for taxes payable in the following year.

(h) In the case of class 4 residential property used as a residence for lease or rental periods of 30 days or more, the taxpayer must either:

(1) mail or deliver a copy of the notice of proposed property taxes to each tenant, renter, or lessee; or

(2) post a copy of the notice in a conspicuous place on the premises of the property.

The notice must be mailed or posted by the taxpayer by November ~~13~~ 27 or within three days of receipt of the notice, whichever is later. A taxpayer may notify the county treasurer of the address of the taxpayer, agent, caretaker, or manager of the premises to which the notice must be mailed in order to fulfill the requirements of this paragraph.

Sec. 5. Minnesota Statutes 1990, section 275.065, subdivision 4, is amended to read:

Subd. 4. [COSTS.] If the reasonable cost of the county auditor's services and the cost of preparing and mailing the notice required in this section exceed the amount distributed to the county by the commissioner of revenue to administer this section, the taxing authority must reimburse the county for the excess cost. The excess cost must be apportioned between taxing

jurisdictions as follows:

(1) one-third is allocated to the county;

(2) one-third is allocated to cities and towns within the county; and

(3) one-third is allocated to school districts within the county.

The amounts in clause (2) must be further apportioned among the cities and towns in the proportion that the ~~population~~ *number* of *parcels in* the city and town bears to the ~~population~~ *number* of *parcels in* all the cities and towns within the county. The amount in clause (3) must be further apportioned among the school districts in the proportion that the number of ~~pupils~~ *parcels* in the school district bears to the number of ~~pupils~~ *parcels* in all school districts within the county.

Sec. 6. 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 *4A.02*.

Sec. 7. 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~~ *29* 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;

(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 governing body of a county shall hold its hearing on the first Tuesday in December each year.* The county auditor shall provide for the coordination of hearing dates for all ~~taxing authorities~~ *cities and school districts* 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 *the county hearing dates or with* those elected by or assigned to the ~~counties and~~ school districts in which the city is located.

The *county* hearing dates ~~so elected or assigned~~ *and the city and school district hearing dates* must be designated on the notices required under subdivision 3. *The continuation dates need not be stated on the notices.*

This subdivision does not apply to towns and special taxing districts.

Sec. 8. Minnesota Statutes 1990, section 275.125, subdivision 10, is amended to read:

Subd. 10. [CERTIFICATION OF LEVY LIMITATIONS.] By ~~August 15~~ *September 1*, the commissioner shall notify the school districts of their levy limits. The commissioner shall certify to the county auditors the levy limits for all school districts headquartered in the respective counties together with adjustments for errors in levies not penalized pursuant to subdivision 15 as well as adjustments to final pupil unit counts.

A school district may require the commissioner to review the certification and to present evidence in support of modification of the certification.

The county auditor shall reduce levies for any excess of levies over levy limitations pursuant to section 275.16. Such reduction in excess levies may, at the discretion of the school district, be spread over two calendar years.

Sec. 9. [REPEALER.]

Minnesota Statutes 1990, section 275.065, subdivision 1b, is repealed.

Sec. 10. [EFFECTIVE DATE.]

Sections 2 to 9 are effective for taxes levied in 1992, payable in 1993, and thereafter. Section 1 is effective for aids paid in 1993 and thereafter.

ARTICLE 4

PROPERTY TAXES: ADMINISTRATIVE AND 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 commissioner 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 1990, section 273.1104, subdivision 1, is amended to read:

Subdivision 1. The term value as applied to iron ore in sections 273.165, subdivision 2, and 273.13, subdivision 31, shall be deemed to be ~~three times~~ the present value of future income *or the minimum value as established by the commissioner* notwithstanding the provisions of section 273.11. The present value of future income shall be determined by the commissioner of revenue in accordance with professionally recognized mineral valuation practice and procedure. Nothing contained herein shall be construed as requiring any change in the method of determining present value of iron ore utilized by the commissioner prior to the enactment hereof or as limiting any remedy presently available to the taxpayer in connection with the commissioner's determination of present value, or precluding the commissioner from making subsequent changes in the present worth formula.

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 *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.

(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~~ *55 Federal Register* 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 1991 Supplement, section 273.13, subdivision 33, is amended to read:

Subd. 33. [*CLASSIFICATION OF* UNIMPROVED PROPERTY.] *(a) Except as provided in paragraph (b),* real property that is not improved with a structure ~~and that is not used as part of a commercial or industrial activity~~ must be classified ~~and assessed~~ according to its highest and best use permitted under the local zoning ordinance. If the ordinance permits more than one use, the land must be classified ~~and assessed~~ according to the highest and best use permitted under the ordinance. If no such ordinance exists, the assessor shall consider the most likely potential use of the ~~vacant~~ *unimproved* land based upon the use made of surrounding land or land in proximity to the ~~vacant~~ *unimproved* land.

(b) Real property that is not improved with a structure and is in commercial, industrial, or agricultural use under section 273.13, must be classified according to its actual use.

Sec. 6. 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. 7. Minnesota Statutes 1990, section 273.1391, 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 a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a county with a population of less than 100,000 in which taconite is mined or quarried and wherein a school district is located which does meet the qualifications of a tax relief area, and provided that at least 90 percent of the area of the school district which does not meet the qualifications of section 273.134 lies within such county, 57 percent of the

tax on qualified property located in the school district that does not meet the qualifications of section 273.134, provided that the amount of said 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. The reduction provided by this clause shall only be applicable to property located within the boundaries of the county described therein.

(b) In the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a school district in a county containing a city of the first class and a qualifying municipality, but not in a school district containing a city of the first class or adjacent to a school district containing a city of the first class unless the school district so adjacent contains a qualifying municipality, 57 percent of the tax, but not to exceed the maximums 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 $200.10 for taxes payable in 1985. This maximum amount shall increase by $15 multiplied by 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, and "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 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. 8. 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. 9. 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. 10. 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 payable year 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 than zero.

Sec. 11. 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~~ *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.~~ *Except for education districts and secondary cooperatives that receive revenue according to section 124.2721 or 124.575, payment will not be made to any taxing jurisdiction that has ceased to levy a property tax.*

Sec. 12. 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~~ 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. 13. Minnesota Statutes 1991 Supplement, section 277.01, subdivision 1, is amended to read:

Subdivision 1. [DUE DATES; PENALTY.] Except as provided in this subdivision and subdivision 3, all unpaid personal property taxes shall be deemed delinquent on May 16 next after they become due or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later, and thereupon a penalty of eight percent shall attach and be charged upon all such taxes. In the case of unpaid personal property taxes due and owing under section 272.01, subdivision 2, or 273.19, the first half shall become delinquent if not paid before May 16 or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later, ~~and thereupon a penalty of eight percent shall attach on the unpaid first half;~~ and the second half shall become delinquent if not paid before October 16~~, and thereupon a penalty of eight percent shall attach on the unpaid second half~~; *penalties for unpaid tax on such property are imposed under section 279.01, subdivision 1.* This section shall not apply to property taxed under section 274.19, subdivision 8, paragraph (c).

A county may provide by resolution that in the case of a property owner that has multiple personal property tax statements with the aggregate taxes exceeding $50, payments may be made in installments as provided in this subdivision.

Sec. 14. 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. 15. 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, *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. 16. 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. 17. Minnesota Statutes 1990, section 279.37, subdivision 1, is amended to read:

Subdivision 1. [COMPOSITION INTO ONE ITEM.] Delinquent taxes upon any parcel of real estate may be composed into one item or amount by confession of judgment at any time prior to the forfeiture of the parcel of land to the state for taxes, for the aggregate amount of all the taxes, costs, penalties, and interest accrued against the parcel, as hereinafter provided. Taxes upon property which, for the previous year's assessment, was classified as ~~vacant land,~~ mineral property, employment property, or commercial or industrial property shall ~~not~~ *only* be eligible to be composed into any confession of judgment ~~pursuant to~~ *under* this section ~~except~~ as provided in subdivision 1a. *Delinquent taxes on unimproved land are eligible to be composed into a confession of judgment only if the land is classified as homestead, agricultural, or timberland in the previous year or is eligible for installment payment under subdivision 1a.* The entire parcel is eligible for the ten-year installment plan as provided in subdivision 2 if 25 percent or more of the market value of the parcel is eligible for confession of judgment under this subdivision.

Sec. 18. 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. 19. Minnesota Statutes 1990, section 281.23, subdivision 8, is amended to read:

Subd. 8. [COST.] The cost of giving notice, as provided by subdivisions 2, 3, 5, and 6, shall be paid by the county. *The county may recover costs incurred for posting, publishing, mailing, and serving the notice from the owner of the parcel that is the subject of the notice.*

Sec. 20. 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. 21. 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. 22. 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. 23. 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. 24. 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. 25. 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. 26. [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. 27. [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. 28. [REPEALER.]

Minnesota Statutes 1990, section 278.01, subdivision 2, is repealed.

Sec. 29. [EFFECTIVE DATES.]

Sections 1, 12, 14, 15, and 26 to 28 are effective the day following final enactment. Sections 2 and 25 are effective for taxes levied in 1989, payable in 1990, and thereafter, and for aids and credits payable in 1990 and thereafter. Sections 3, 4 to 7, and 13 are effective for taxes levied in 1992, payable in 1993, and thereafter. Section 8 is effective for aids payable after June 30, 1992. Section 9 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 10 and 11 are effective for aids payable in 1992 and thereafter. Sections 16 to 18 are effective for taxes becoming delinquent after December 31, 1991. Section 19 is effective for costs incurred after June 30, 1992. Section 20 is effective July 1, 1982, and thereafter. Section 21 is effective June 1, 1990, and thereafter, provided further that no refunds of overpayments and no collection of underpayments will be made for fees paid prior to June 1, 1990. Section 22 is effective for abatements granted in 1992 and thereafter. Section 23 is effective for supplementary amortization state aid payable after June 30, 1991. Section 24 is effective for new tax increment financing districts for which the certification request is, or has been, filed with the county auditor after May 1, 1988, but does not apply to amendments adding geographic area to an existing district.

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, subdivision 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 3~~ *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, FRANCHISE, GROSS PREMIUMS TAXES

Section 1. 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. 2. [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 (f) apply.*

(b) [AUTOMOBILE RISKS.] *"Automobile risks" means the risk of providing no-fault insurance under sections 65B.41 to 65B.71.*

(c) [MOTOR VEHICLE.] *"Motor vehicle" has the meaning given in section 65B.43, subdivision 2.*

(d) [PERSON.] *"Person" means an owner, as defined in section 65B.43, subdivision 4, but does not include the state or a political subdivision as defined in section 65B.43, subdivision 20.*

(e) [SELF-INSURANCE.] *"Self-insurance" means the condition of qualifying as a self-insurer by complying with section 65B.48, subdivisions 3 and 3a.*

(f) [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. [PREMIUM TAX 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 an annual amount for each vehicle of:*

(1) $15 for a private passenger vehicle as defined in section 65B.001, subdivision 3, or a utility vehicle as defined in section 65B.001, subdivision 4, not including a taxi; or

(2) $25 for a taxi or any other self-insured vehicle not covered by clause (1).

The amount required under this subdivision is payable no later than July 1, annually, to the commissioner of revenue. A late payment penalty of $10 a vehicle is assessed if the amount is not paid on or before July 1, and an additional amount equal to the original payment amount if the total amount is not paid until after December 1 of the same year. A self-insurer who is more than six months delinquent in paying the amount due must be referred to the commissioner of commerce for action, which may include revocation of the self-insured's self-insurer status.

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. 3. 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. 4. 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. 5. 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. 6. 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. 7. 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. 8. 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. 9. 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. 10. Minnesota Statutes 1991 Supplement, section 289A.37, subdivision 1, is amended to read:

Subdivision 1. [ORDER OF ASSESSMENT; NOTICE AND DEMAND TO TAXPAYER.] (a) When a return has been filed and the commissioner determines that the tax disclosed by the return is different than the tax determined by the examination, the commissioner shall send an order of assessment to the taxpayer. When no return has been filed, the commissioner may make a return for the taxpayer under section 289A.35 or may send an order of assessment under this subdivision. The order must explain the basis for the assessment and must explain the taxpayer's appeal rights. An order of assessment is final when made but may be reconsidered by the commissioner under section 289A.65.

(b) ~~An~~ *The penalty under section 289A.60, subdivision 1, is not imposed if the* amount ~~of unpaid tax~~ shown on the order ~~must be~~ *is* 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 289A.65 *or a tax court appeal is filed under chapter 271*, within 60 days following ~~the~~ *final* determination of the appeal.

Sec. 11. 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. 12. Minnesota Statutes 1991 Supplement, section 290.05, subdivision 3, is amended to read:

Subd. 3. (a) An organization exempt from taxation under subdivision 2 shall, nevertheless, be subject to tax under this chapter to the extent provided in the following provisions of the Internal Revenue Code:

(i) section 527 (dealing with political organizations);

(ii) section 528 (dealing with certain homeowners associations);

(iii) sections 511 to 515 (dealing with unrelated business income); and

(iv) section 521 (dealing with farmers' cooperatives); but

notwithstanding this subdivision, shall be considered an organization exempt from income tax for the purposes of any law which refers to organizations exempt from income taxes.

(b) The tax shall be imposed on the taxable income of political organizations or homeowner associations or the unrelated business taxable income, as defined in section 512 of the Internal Revenue Code, of organizations defined in section 511 of the Internal Revenue Code, provided that the tax is not imposed on:

(1) advertising revenues from a newspaper published by an organization described in section 501(c)(4) of the Internal Revenue Code*; or*

(2) revenues from lawful gambling authorized under chapter 349 that are expended for purposes that qualify for the deduction for charitable contributions under section 170 of the Internal Revenue Code of 1986, as amended

through December 31, 1991, disregarding the limitation under section 170(b)(2), but only to the extent the contributions are not deductible in computing federal taxable income.

The tax shall be at the corporate rates. The tax shall only be imposed on income and deductions assignable to this state under sections 290.17 to 290.20. To the extent deducted in computing federal taxable income, the deductions contained in section 290.21 shall not be allowed in computing Minnesota taxable net income.

Sec. 13. 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~~ *January* 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.

(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. 14. 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 and are classified as homesteads under section 273.124, subdivision 3.

Entities not specifically exempted by this subdivision are subject to tax under this section, notwithstanding section 290.05.

Sec. 15. 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. 16. 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. 17. Minnesota Statutes 1990, section 299F.21, subdivision 1, is amended to read:

Subdivision 1. [ESTIMATED INSTALLMENT PAYMENTS.] On or before April ~~15~~ *1*, June ~~15~~ *1*, and December ~~15~~ *1* of each year, every licensed insurance company, including reciprocals or interinsurance exchanges,

doing business in the state, excepting farmers' mutual fire insurance companies and township mutual fire insurance companies, shall pay to the commissioner of revenue installments equal to one-third of, a tax upon its fire premiums or assessments or both, based on a sum equal to one-half of one percent of the estimated fire premiums and assessments, less return premiums and dividends, on all direct business received by it in this state, or by its agents for it, in cash or otherwise, during the year, including premiums on policies covering fire risks only on automobiles, whether written under floater form or otherwise. In the case of a mutual company or reciprocal exchange the dividends or savings paid or credited to members in this state shall be construed to be return premiums. The money so received into the state treasury shall be credited to the general fund. A company that fails 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 is subject to the penalty and interest provided in this chapter, unless the total tax for the current tax year is $500 or less.

Sec. 18. [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. 19. [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. 20. [REPEALER.]

Minnesota Statutes 1990, section 60A.15, subdivision 6, is repealed.

Sec. 21. [EFFECTIVE DATE.]

Sections 1 and 20 are effective for taxable years beginning after December 31, 1992, except that the date changes in section 1 are effective for payments due on or after December 1, 1992.

Section 2 is effective January 1, 1992.

Section 3 is effective for taxable years beginning after December 31, 1992.

Sections 4 to 7, and 9 are effective for taxable years beginning after June 1, 1992.

Sections 8 and 18 are 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.

Sections 10 and 15 are effective the day following final enactment.

Sections 12 and 14 are effective for taxable years beginning after December 31, 1991.

Section 13 is effective for contributions made after the day of final enactment.

Section 16 is effective for taxable years beginning after December 31, 1989.

Section 17 is effective for payments due on or after December 31, 1992.

ARTICLE 7

STATE TAXES: ADMINISTRATIVE AND 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 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. 20. 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. 21. 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. 22. 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. 23. 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

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. 24. 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. 25. [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. 26. [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. 27. [EFFECTIVE DATES.]

Sections 2, 3, 7 to 9, 11, 17, 18, 24, and 26 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 beginning for claims based on rent paid in 1992.

Section 20 is effective beginning with returns based on rent collected in 1992.

Sections 21 and 22 are effective retroactively for all purchases made after December 31, 1991.

Section 23 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

SALES AND USE TAXES

Section 1. Minnesota Statutes 1990, section 216C.06, is amended by adding a subdivision to read:

Subd. 13. [PHOTOVOLTAIC DEVICE.] *"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. 2. Minnesota Statutes 1990, section 289A.11, subdivision 3, is amended to read:

Subd. 3. [WHO MUST FILE RETURN.] For purposes of the sales tax, a return must be filed by a retailer who is required to hold a permit. For

the purposes of the use tax, a return must be filed by a retailer required to collect the tax and by a person buying any items, the storage, use or other consumption of which is subject to the use tax, who has not paid the use tax to a retailer required to collect the tax. The returns must be signed by the person filing the return or by the person's agent duly authorized in writing. *The signature requirement can be waived by agreement, in writing, between the commissioner and the person required to file the returns for a period not to exceed one year from the date of the agreement. The agreement must contain an admission of liability by the taxpayer for the taxes reported on all returns filed by the taxpayer without a signature during the period of the waiver, to the extent such taxes are not timely paid.*

Sec. 3. Minnesota Statutes 1991 Supplement, section 289A.18, subdivision 4, is amended to read:

Subd. 4. [SALES AND USE TAX RETURNS.] *(a)* Sales and use tax returns must be filed on or before the 20th day of the month following the close of the preceding reporting period, except that annual use tax returns provided for under section 289A.11, subdivision 1, must be filed by April 15 following the close of the calendar year. In addition, on or before June 20 of a year, a retailer who has a May liability of $1,500 or more must file a return with the commissioner for one-half of the estimated June liability, in addition to filing a return for the May liability. On or before August 20 of a year, the retailer must file a return showing the actual June liability.

(b) Returns filed by retailers required to remit liabilities by means of funds transfer under section 289A.20, subdivision 4, paragraph (d), are due on or before the 25th day of the month following the close of the preceding reporting period. Returns filed under the second sentence of paragraph (a) by a retailer required to remit by means of funds transfer are due on June 25, and on or before August 25 of a year, the retailer must file a return showing the actual June liability.

Sec. 4. 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.

(3) If the vendor is required to remit by means of funds transfer as provided in paragraph (d), the vendor may remit the May liability as provided for in paragraph (e), but must remit one-half of the estimated June liability on or before June 14. The remaining amount of the June liability is due on August 14.

(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 date the tax is due *the 14th day of the month following the month in which the taxable event occurred, except for the one-half of the estimated June liability, which is due with the May liability on June 14. 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 paragraph (d) is unable due to reasonable cause to determine the actual sales and use tax due on or before the due date for payment, 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 due date for payment, must be remitted with the return. 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 due date for payment, the vendor must remit actual liability as provided in paragraph (d) in all subsequent periods. This paragraph does not apply to the June sales and use liability.

Sec. 5. [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. 6. [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 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. 7. Minnesota Statutes 1990, section 297A.07, is amended to read:

297A.07 [REVOCATION OF PERMITS.]

Subdivision 1. [HEARINGS.] ~~Whenever~~ *If* any person fails to comply with ~~any provision of sections 297A.01 to 297A.44~~ *this chapter* or ~~any rule of the commissioner~~ *the rules* adopted under ~~sections 297A.01 to 297A.44~~ *this chapter, without reasonable cause*, the commissioner~~, upon~~ *may schedule a* hearing~~, after giving the person 30 days' notice in writing specifying the time and place of hearing and the reason for the proposed revocation and~~ requiring the person to show cause why the permit or permits should not be revoked~~, may for reasonable cause, revoke or suspend any one or more of the permits held by such person~~. *The commissioner must give the person 15 days' notice in writing, specifying the time and place of the hearing and the reason for the proposed revocation. The notice shall also advise the person of the person's right to contest the revocation under this subdivision, the general procedures for a contested case hearing under chapter 14, and the notice requirement under subdivision 2.* The notice may be served personally or by mail in the manner prescribed for service of ~~notice of a deficiency~~ *an order of assessment.*

Subd. 2. [CONTESTING OF REVOCATION.] *A person planning to contest the revocation of a sales tax permit must give the commissioner written notice of intent to do so five calendar days before the date of the hearing. If the person does not provide the notice and has no reasonable justification for not doing so, or does not attend the hearing, the commissioner may request a finding of default and recommendation for revocation by the administrative law judge.*

Subd. 3. [NEW PERMITS AFTER REVOCATION.] The commissioner shall not issue a new permit *or reinstate a revoked permit* after revocation ~~except upon application accompanied by~~ *unless the taxpayer applies for a permit and provides* reasonable evidence of ~~the~~ intention ~~of the applicant~~ to comply with the ~~aforementioned provisions~~ *sales and use tax laws* and rules. The commissioner may ~~condition~~ *require* the ~~issuance of a new permit to such~~ applicant ~~on the supplying of such~~ *to supply* security, in addition to that authorized by section 297A.28, as is reasonably necessary to insure compliance with the ~~aforementioned provisions~~ *sales and use tax laws* and rules.

Sec. 8. 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. 9. 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. 10. [297A.136] [TAX ON 900 PAY-PER-CALL SERVICES.]

Subdivision 1. [TAX IMPOSED.] *A tax of $.50 is imposed for each call placed to a 900 service if that service originates from and is charged to a telephone located in this state.*

Subd. 2. [DEFINITIONS.] *For the purposes of this section, "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 other similar prefix.*

Subd. 3. [PAYMENT; ADMINISTRATION.] *Liability for the tax imposed by this section is on the person making the call. Liability for collection is on the person providing access to a dial tone. The tax imposed in this section must be reported and paid to the commissioner of revenue with the taxes imposed in this chapter. It is subject to the same interest, penalty, and other provisions provided for sales and use taxes under chapter 289A and this chapter. The commissioner has the same powers to access and collect the tax that are given the commissioner in chapters 270 and 289A and this chapter to assess and collect sales and use tax.*

Sec. 11. 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 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 materials contained in the tangible personal property, unless the tax imposed by section 297A.02 was paid on the sales price.

Sec. 12. 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 297A.257~~ *and 50*, 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. *No owner may apply for a refund based on the exemption under section 297A.25, subdivision 50, before July 1, 1993*. 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. 13. 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 MINNESOTA.] (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. 14. Minnesota Statutes 1990, section 297A.25, subdivision 7, is amended to read:

Subd. 7. [PETROLEUM PRODUCTS.] The gross receipts from the sale of and storage, use or consumption of the following petroleum products are exempt:

(1) products upon which a tax has been imposed and paid under the provisions of chapter 296, and no refund has been or will be allowed because the buyer used the fuel for nonhighway use, ~~or~~

(2) products which are used in the improvement of agricultural land by constructing, maintaining, and repairing drainage ditches, tile drainage systems, grass waterways, water impoundment, and other erosion control structures*; or*

(3) products purchased by a transit system receiving financial assistance under section 174.24 or 473.384.

Sec. 15. 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. *As used in this subdivision, "school districts" means public school entities and districts of every kind and nature organized under the laws of the state of Minnesota, including, without limitation, school districts, intermediate school districts, education districts, educational cooperative service units, secondary vocational cooperative centers, special education cooperatives, joint purchasing cooperatives, telecommunication cooperatives, regional management information centers, technical colleges, joint vocational technical districts, and any instrumentality of a school district, as defined in section 471.59.* 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 sales to and exclusively for the use of libraries, as defined in section 134.001, of books, periodicals, audio-visual materials and equipment, photocopiers for use by the public, and all cataloging and circulation equipment, and cataloging and circulation software for library use are exempt under this subdivision. 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.* 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. *The tax imposed on sales to political subdivisions of the state under this section applies to all political subdivisions other than those explicitly exempted under this subdivision, notwithstanding sections 115A.69, subdivision 6, 116A.25, 360.035, 458A.09, 458A.30, 458D.23, 469.101, subdivision 2, 469.127, 473.394, 473.448, 473.545, or 473.608 or any other law to the contrary enacted before 1992.*

Sec. 16. 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 $1,000.*

(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. 17. Minnesota Statutes 1990, section 297A.25, subdivision 24, is amended to read:

Subd. 24. [NONPROFIT TICKETS OR ADMISSIONS.] The gross receipts from the sale or use of tickets or admissions to the premises of or events sponsored by an association, corporation or other group of persons which provides an opportunity for citizens of the state to participate in the creation, performance or appreciation of the arts and which *either (1)* qualifies as a tax-exempt organization within the meaning of Minnesota Statutes 1980, section 290.05, subdivision 1, clause (i), *or (2) is a municipal board that promotes cultural and arts activities* are exempt. *The exemption provided with respect to a municipal board applies only to tickets and admissions to events sponsored by the board.*

Sec. 18. Minnesota Statutes 1990, section 297A.25, subdivision 34, is amended to read:

Subd. 34. [MOTOR VEHICLES.] The gross receipts from the sale or use of any motor vehicle taxable under the provisions of the motor vehicle excise tax laws of Minnesota shall be exempt from taxation under this chapter. *Notwithstanding section 297A.25, subdivision 11, the exemption provided under this subdivision remains in effect for motor vehicles purchased by political subdivisions of the state if the vehicles are not subject to taxation under chapter 297B.*

Sec. 19. 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. 20. Minnesota Statutes 1990, section 297A.25, is amended by adding a subdivision to read:

Subd. 47. [PHOTOVOLTAIC DEVICES.] *The gross receipts from the sale of photovoltaic devices, as defined in section 216C.06, subdivision 13, and the materials used to install, construct, repair, or replace them are exempt if the devices are used as an electric power source.*

Sec. 21. Minnesota Statutes 1990, section 297A.25, is amended by adding a subdivision to read:

Subd. 48. [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 manufacture, install, construct, repair, or replace them are exempt if the systems are used as an electric power source.*

Sec. 22. 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. 23. 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. 24. [297A.46] [LOCAL GOVERNMENTS EXEMPT FROM LOCAL SALES TAXES.]

Notwithstanding any other law, ordinance, or charter provision, no political subdivision of the state shall be required to pay any general sales tax imposed by a political subdivision of the state. This provision does not apply to the local option tax under section 297A.021.

Sec. 25. [297A.47] [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.

Sec. 26. 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. 27. [ROSEVILLE LODGING TAX.]

Subdivision 1. [TAX AUTHORIZED; USE OF REVENUES.] *Notwithstanding Minnesota Statutes, section 477A.016, or other law, in addition to a tax authorized in Minnesota Statutes, section 469.190, the governing body of the city of Roseville may impose a tax of up to two percent on the gross receipts from the furnishing for consideration of lodging at a hotel, motel, rooming house, tourist court, or resort, other than the renting or leasing of it for a continuous period of 30 days or more, located in the city. The city may agree with the commissioner of revenue that a tax imposed under 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. The proceeds of the tax shall be dedicated to and used to pay the costs of the construction, debt service, operation, and maintenance of a public multiuse speed skating/bandy facility within the city to the extent the costs exceed any revenues derived from the lease, rental, or operation of the facility.

Subd. 2. [REFERENDUM.] *If the city intends to impose the tax authorized 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 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 general election before December 1, 1992. This subdivision applies notwithstanding any city charter provision to the contrary.*

Sec. 28. [OCCASIONAL SALES; RETROACTIVE DATE; REFUNDS.]

No refunds of tax may be paid due to the retroactive effective date of section 16 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. [COMMISSIONER OF REVENUE; TEMPORARY POWERS.]

Subdivision 1. [APPLICABILITY.] *This section gives the commissioner of revenue certain temporary powers. These powers apply only to taxes imposed under Minnesota Statutes, chapter 297A, and local taxes administered by the commissioner under Minnesota Statutes, chapters 289A and 297A.*

Subd. 2. [PAYMENT OF TAXES.] *The commissioner may establish additional due dates, applicable to certain groups of taxpayers, for the payment of taxes. Unless the commissioner has the written consent of the taxpayer, the additional payment dates must not require the taxpayer to pay the tax earlier than the payment dates now provided by statute or rule. The commissioner may accept various forms of payment, including, but not limited to, financial transaction cards and electronic funds transfer.*

Subd. 3. [FILING OF RETURN.] *The commissioner may establish additional dates, applicable to certain groups of taxpayers, for the filing of tax returns. Unless the commissioner has the written consent of the taxpayer, the return due date must not be earlier than the due date now provided by statute or rule. In conducting pilot studies, the commissioner may use tax return forms with varying formats, accept electronic filed returns, and waive the taxpayer signature requirements.*

Subd. 4. [AGREEMENTS.] *The commissioner may enter written agreements with taxpayers that provide for the payment of taxes or the filing of returns at dates earlier than now provided by statute or rule. The commissioner and the taxpayer may also agree in writing to other changes from the statutory or rule requirements related to the administration of these taxes. If the taxpayer agrees to pay taxes at a date earlier than provided*

by statute, the commissioner may negotiate payments to the taxpayer to compensate in part or in full for the loss incurred as a result of the accelerated payment. Included under this authority, the commissioner may agree to let the taxpayer keep a percentage of the taxes collected.

Subd. 5. [PERMITS; APPLICATION; REVOCATION.] *The commissioner may establish procedures for the issuance, renewal, revocation, and cancellation of sales tax permits. These procedures may change the permit application process, establish permit renewal procedures and timeframes, and alter the sales and use tax permit revocation process. These procedures must not impair the statutory due process rights of the taxpayer, except with the taxpayer's consent.*

Subd. 6. [PROCEDURE; APPROVAL.] *Pilot studies proposed under these authorities must be presented to the chairs of the house of representatives tax committee and the senate committee on taxes and tax laws. No study may be undertaken without the approval of both chairs. If either chair fails to respond within 15 days after the proposal is presented, that chair is considered to have approved the study. If the study is approved, the commissioner will initially seek participation on a voluntary basis from within the targeted taxpayer group.*

Subd. 7. [ADMINISTRATIVE PROCEDURES ACT.] *The powers granted under this section are not subject to the provisions of Minnesota Statutes, chapter 14.*

Subd. 8. [EXPIRATION DATE.] *This section expires June 30, 1994. Within 90 days following the expiration date, the commissioner will prepare a report on this study for presentation to the chairs of the house of representatives tax committee and the senate committee on taxes and tax laws.*

Sec. 30. [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 approved housing projects. Residents of at least 75 percent of any rental units and 100 percent of any homeownership units constructed or rehabilitated with revenues received under this section, must have incomes that are at or below 80 percent of the area median family income, adjusted for family size, as determined by the department of housing and urban development. Resident income shall be determined at the time of occupancy. For the purposes of this section "housing project" shall have the meaning defined in Minnesota Statutes, section 469.002.*

Subd. 3. [REFERENDUM.] *If the Brooklyn Center city council intends to impose the liquor and restaurant tax authorized 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 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 general election before December 1, 1992. This subdivision applies notwithstanding any city charter provision to the contrary.

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. By July 1, 1992, the commissioner of revenue shall provide to the city council an estimate of the cost of collection.*

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. 31. [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 tax of up to 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 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 section 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 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 and bond proceeds 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 property 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 impose the sales and excise taxes authorized 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 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 general election before December 1, 1992. This subdivision applies notwithstanding any city charter provision to the contrary.*

Subd. 7. [ENFORCEMENT; COLLECTION; ADMINISTRATION OF TAXES.] *A sales tax imposed under this section must 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. By July 1, 1992, the commissioner of revenue shall provide to the city council an estimate of these costs.*

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. [EFFECTIVE DATE.] *This section is effective the day after final enactment.*

Sec. 32. [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 tax of up to one-half of one percent on sales transactions taxable pursuant to Minnesota Statutes, chapter 297A, that occur within the city except for sales of major farm equipment subject to the tax under subdivision 2.*

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, and an excise tax of up to $20 per piece of major farm equipment, as defined by ordinance, purchased or acquired from any person engaged within the city in the business of selling major farm equipment 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 Tourism-Convention Facilities. Authorized expenses include, but are not limited to, acquiring property and paying relocation expenses related to the development of the Area Tourism-Convention Facilities, securing or paying debt service on bonds or other obligations issued to finance the construction of the Area Tourism-Convention 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 Tourism-Convention Facilities" means convention facilities, rivers' beautification and reservoir management, tourist park expansion, River Walk facilities, and Depot acquisition and preservation. 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 Tourism-Convention Facilities.*

Subd. 4. [EXPIRATION OF TAXING AUTHORITY AND EXPENDITURE LIMITATION.] *The taxes imposed under 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, administrative, and operating costs of $15,000,000 for the Area Tourism-Convention 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 may 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 Tourism-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 Tourism-Convention Facilities, without election under Minnesota Statutes, chapter 475, on the question of issuance of the bonds or a property tax to pay them. The debt represented by bonds issued for the Area Tourism-Convention 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 impose the sales and excise taxes authorized 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 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 general election before December 1, 1992. This subdivision applies notwithstanding any city charter provision to the contrary.*

Subd. 7. [ENFORCEMENT; COLLECTION; ADMINISTRATION OF TAXES.] *A sales tax imposed under this section must 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. By July 1, 1992, the commissioner of revenue shall provide to the city council an estimate of these costs.*

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 Tourism-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. [EFFECTIVE DATE.] *This section is effective the day after final enactment.*

Sec. 33. [CITY OF ROCHESTER; TAXES.]

Subdivision 1. [SALES AND USE TAXES 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 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. By July 1, 1992, the commisisoner of revenue shall provide the city council an estimate of the fee.

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. 34. [CITY OF MINNEAPOLIS; NEIGHBORHOOD EARLY LEARNING CENTER.]

Subdivision 1. [CENTERS.] *A neighborhood early learning center provides programs to promote the physical, emotional, and social development of all children residing in the city of Minneapolis from birth until ready to enter first grade. A center may include:*

(1) way to grow school readiness programs as defined in Minnesota Statutes, section 145.926;

(2) Head Start and other preschool programs;

(3) kindergarten and related programs; and

(4) other family support and child development activities which strengthen

the capacity of a family to give birth to and successfully nurture healthy children.

A center shall be located as close as possible to the families and children it serves and may be housed in one structure or in structures in close proximity to each other. A center may be owned by any private or public entity other than the board established under subdivision 2.

Subd. 2. [CREATION OF BOARD.] *Special school district No. 1 and the city of Minneapolis may establish a neighborhood early learning board under Minnesota Statutes, section 471.59, to create, manage, and operate neighborhood early learning centers on the terms and conditions agreed to by the district and the city. The Minneapolis youth coordinating board established under Laws 1985, chapter 91, may serve as the neighborhood early learning board provided that the governing bodies of special school district No. 1 and the city of Minneapolis, together with the youth coordinating board, adopt resolutions designating the youth coordinating board as the neighborhood early learning board under the authority of this section. If an existing board ceases to function, and in the absence of a new joint powers agreement creating a new board, an interim joint powers board shall govern. The interim board shall consist of five members, two of whom shall be selected by resolution of the governing body of special school district No. 1, two of whom shall be selected by resolution of the city council of the city of Minneapolis, and one of whom shall be selected by the mayor with the approval of the city council. Persons selected to serve may be elected officials from their respective bodies. Any interim board shall elect its own officers and shall serve until a new joint powers agreement establishes a new board.*

Subd. 3. [POWERS.] *The neighborhood early learning board is authorized to:*

(1) manage and operate and acquire leasehold interests in neighborhood early learning centers, and all leasehold interests in centers shall be vested in the board or in another governmental unit as may be designated by the board;

(2) employ permanent or temporary employees as it may require, and determine their qualifications, duties, and compensation;

(3) use the services of the participating local public bodies and of other political subdivisions or public bodies whose jurisdiction includes all or a part of the area of the city of Minneapolis;

(4) sublease space or assign any of its leasehold interests to any public or private entity in connection with the programs described in subdivision 1;

(5) develop criteria and request proposals for the provision of services described in subdivision 1, clauses (2) and (3), by private entities which propose to provide these services to less than 100 children at any one location, and provide financial assistance to those private entities for the costs of managing and operating a facility and providing these services;

(6) receive funds or other assistance from both private and public sources; and

(7) take other action as it deems necessary or useful to carry out its responsibilities under this section.

The board shall not exercise any control over the content or curriculum of Head Start or any programs operated by special school district No. 1. The board shall expend a portion of the operating funds received by it from the city and the school district on the services provided under clause (5).

Subd. 4. [SUPPORT BY PARTICIPANTS AND OTHER PUBLIC BODIES.] *The city of Minneapolis and special school district No. 1 are authorized to appropriate money to the board, to the Minneapolis community development agency, or to each other, for use in connection with neighborhood early learning centers and facilities described in subdivision 3, clause (5), and to undertake activities in support of the purposes of the board, including the acquisition, construction, equipping, and improving of neighborhood early learning centers. Any appropriations may be subject to any conditions that the appropriating entity may establish. Other political subdivisions and public bodies whose jurisdictions include all or a part of the city of Minneapolis, including the Minneapolis community development agency, are authorized to exercise any of their powers for the purposes for which the board may act and to acquire, construct, provide facilities for, and equip neighborhood early learning centers on behalf of the city or special school district No. 1. Any appropriations may be subject to the conditions that the appropriating entity may establish. Notwithstanding any limitations in Laws 1986, chapter 396, the city of Minneapolis may appropriate the proceeds of sales and use taxes collected or received by the city under Laws 1986, chapter 396, section 4, to the board or otherwise expend the funds in support of the board's purposes, provided that the appropriation is limited to the amount of revenue accruing to the city as a result of the advance refunding of bonds issued under Laws 1986, chapter 396. Neighborhood early learning centers shall be an authorized use of the tax revenues under Laws 1986, chapter 396.*

Sec. 35. [MINNEAPOLIS TEACHERS RETIREMENT; COMMITTEE TO RECOMMEND FUNDING METHOD.]

Subdivision 1. [CREATION; PURPOSE.] *An advisory committee is created for the purpose of recommending to the legislative commission on pensions and retirement a method of funding the unfunded actuarial accrued liability of the Minneapolis teachers retirement fund association. The committee shall consider:*

(1) the feasibility of the use of the convention center sales taxes to reduce the unfunded liability; and

(2) other possible options and sources of funding.

Subd. 2. [MEMBERSHIP.] *The membership of the advisory committee shall be as follows: the mayor of Minneapolis, one member of the house of representatives who represents the city of Minneapolis to be appointed by the speaker of the house, one member of the senate who represents the city of Minneapolis to be appointed by the subcommittee on committees of the senate committee on rules and administration, the chair of special school district No. 1 or a member of the school board designated by the chair, the president of the Minneapolis city council or a member of the city council designated by the president, the president of the Minneapolis federation of teachers and one teacher currently employed by special school district No. 1 appointed by the president of the Minneapolis federation of teachers, the executive director and either one member of the board of directors of the Minneapolis teachers retirement fund association or one retiree of the fund*

appointed by the board, and the commissioner of finance or the commissioner's designee. The legislative members shall be co-chairs of the committee.

Subd. 3. [OPERATION OF COMMITTEE.] *The advisory committee shall make its recommendations by February 1, 1993, and shall terminate after the recommendations have been made. No per diem or expense reimbursements shall be paid to members of the committee. The actuary employed by the legislative pension commission shall provide information upon request of a chair of the committee.*

Subd. 4. [LOCAL APPROVAL.] *This section is effective the day following final enactment, after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the city council of the city of Minneapolis, and the board of special school district No. 1.*

Sec. 36. Laws 1953, chapter 560, section 2, subdivision 3, is amended to read:

Subd. 3. [TAX ORDINANCE; AMENDMENT, REPEAL.] An ordinance adopted as heretofore provided in this act may be repealed or amended in the following manner: A petition signed by not less than two thousand (2,000) qualified electors of the city demanding repeal of the ordinance shall be filed with the clerk. The petition shall identify the ordinance to be repealed by title, date of adoption and subject matter. The signatures to the petition need not all be appended to one paper, but each signer shall state his place of residence and street number. One of the signers of each such paper shall make oath that the statements therein made are true, as he believes, and that each signature to the paper appended is the genuine signature of the person whose signature it purports to be.

Within 10 days from the date of filing such petition, the city clerk shall ascertain from the voters' register that the said petition is signed by the requisite number of qualified voters. The clerk shall attach to said petition his certificate, showing the result of said examination. If, by the clerk's certificate, the petition is shown to be insufficient, it may be amended within 10 days from the date of said clerk's certificate. The clerk shall, within 10 days after such amendment, make like examination of the amended petition, and if his certificate shall show the same to be insufficient it shall be returned to the person filing the same, without prejudice, however, to the filing of a new petition to the same effect. If the petition is deemed sufficient, the clerk shall submit the same to the council without delay. Within 10 days thereafter, the council shall provide for the submission to the electorate at the next general or special election held not less than 45 days thereafter of the question of repeal of the ordinance described in the petition. The question of repeal or amendment of said ordinance shall be submitted upon a separate ballot which shall summarize the substance of the ordinance proposed to be repealed or amended. If the majority of the electors voting upon the question vote in favor of the repeal of the ordinance, it shall be repealed or amended thereby effective on January 1 of the year next following. Such repeal shall not affect any right accrued, any duty imposed, any penalty incurred, or any proceeding commenced under or by virtue of the ordinance repealed. *If taxes levied under this section are pledged to or for the benefit of any bonds issued before January 1, 1993, then no pledge, mortgage, covenant, or agreement securing the bonds may be impaired, revoked, or amended by repeal or amendment of the ordinance under this subdivision, except in accordance with the terms of the resolution*

or indenture under which the bonds are issued, until the obligations of the city with respect to the bonds or with respect to bonds issued to refund those bonds have been fully discharged. Any action or proceeding pending to enforce any right under the authority of the ordinance repealed shall and may be proceeded with and concluded under the ordinance in existence when the action or proceeding was instituted, notwithstanding the repeal of such ordinance.

Sec. 37. [SALES TAX EXEMPTION.]

Subdivision 1. [EXEMPTION.] *Capital equipment and building materials, regardless of whether it was purchased by the owner, contractor, subcontractor, or builder, qualifies for the exemption under Minnesota Statutes 1990, section 297A.257, 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.*

Subd. 3. [EFFECTIVE DATE.] *This section 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.*

Sec. 38. [REPEALER.]

Minnesota Statutes 1991 Supplement, section 295.367, is repealed.

Sec. 39. [EFFECTIVE DATE.]

Sections 1, 2, 7, 8, 9, 11, 12, 24, and 28 are effective the day after final enactment.

Sections 3 and 4 are effective for tax payments due for sales made after September 30, 1992.

Sections 5 and 6 are effective July 1, 1992, and apply to refunds filed after that date.

Sections 10, 13, 22, and 26 are effective for sales made after June 30, 1992.

Sections 14, 15, and 18 are effective for sales made after May 31, 1992.

Section 16 is effective retroactive for sales made after June 30, 1991.

Section 19 is effective for all open tax years.

Sections 20 and 21 are effective for sales made after June 30, 1992, and before July 1, 1996.

Section 23 is effective for sales made on or after the date of enactment, but prior to April 1, 1994.

Section 25 is effective for fiscal year 1993 and thereafter.

Section 36 is effective the day following final enactment, and upon approval by the governing body of the city of Duluth pursuant to Minnesota Statutes, section 645.021.

Section 38 is effective for sales made 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~~ *July 1, 1992*, to ~~$400,000,000~~ *$240,000,000*. The amounts restricted shall remain in the account until drawn down under subdivision 1 or increased under section 16A.1541.

Sec. 2. Minnesota Statutes 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~~ *peace officer* 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 60A.152 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. 3. 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 *peace officers* 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. 4. Minnesota Statutes 1990, section 270.07, subdivision 3, is amended to read:

Subd. 3. Notwithstanding any other provision of law the commissioner of revenue may,

(a) based upon the administrative costs of processing, determine minimum standards for the determination of additional tax for which an order shall be issued, and

(b) based upon collection costs as compared to the amount of tax involved, determine minimum standards of collection, and

(c) based upon the administrative costs of processing, determine the minimum amount of refunds for which an order shall be issued and refund made where no claim therefor has been filed, and

(d) ~~may~~ cancel any amounts below these minimum standards determined under (a) and (b) hereof~~.~~, *and*

(e) based upon the inability of a taxpayer to pay a delinquent tax liability, abate the liability if the taxpayer agrees to perform uncompensated public service work for a state agency, a political subdivision or public corporation of this state, or a nonprofit educational, medical, or social service agency. The department of corrections shall administer the work program. No benefits under chapter 176 or 268 shall be available, but a claim authorized under section 3:739 may be made by the taxpayer. The state may not enter into any agreement that has the purpose of or results in the displacement of public employees by a delinquent taxpayer under this section. The state must certify to the appropriate bargaining agent or employees, as applicable, that the work performed by a delinquent taxpayer will not result in the displacement of currently employed workers or layoff from a substantially equivalent position, including partial displacement such as reduction in hours of nonovertime work, wages, or other employment benefits. The program authorized under this paragraph terminates June 30, 1993.

Sec. 5. Minnesota Statutes 1990, section 270.69, is amended by adding a subdivision to read:

Subd. 14. [REGISTERED LAND.] *When a lien is filed with a county recorder under subdivision 2, the county recorder shall search the registered land records in that county and cause the lien to be memorialized on every certificate of title or certificate of possessory title of registered land in that county which can be reasonably identified as owned by the taxpayer who is named on the lien. The fees for memorializing the lien shall be paid in the manner prescribed by subdivision 2, paragraph (c). The county recorders, and their employees and agents, shall not be liable for any loss or damages arising from failure to identify a parcel of registered land owned by the taxpayer who is named on the lien.*

Sec. 6. Minnesota Statutes 1990, section 282.016, is amended to read:

282.016 [PROHIBITED PURCHASERS.]

No county auditor, county treasurer, court administrator of the district court, or county assessor or supervisor of assessments, or deputy or clerk or employee of such officer, and no commissioner for tax-forfeited lands or assistant to such commissioner may become a purchaser of the properties

offered for sale under the provisions of this chapter, either personally, or as agent or attorney for any other person, except that such officer, deputy, court administrator, employee or commissioner for tax-forfeited lands or assistant to such commissioner may *(1)* purchase lands owned by that official at the time the state became the absolute owner thereof *or (2) bid upon and purchase forfeited property offered for sale under the alternate sale procedure described in section 282.01, subdivision 7a.*

Sec. 7. [290.069] [DESIGNATED COUNTIES JOB CREATION CREDIT.]

Subdivision 1. [DESIGNATION OF COUNTIES.] *The commissioner of trade and economic development shall certify counties as designated counties. A county is a designated county if:*

(1) the county has had a decline in population of ten percent or more from 1980 to 1990, as determined by the 1990 federal decennial census;

(2) the county has adopted a county-wide economic development plan;

(3) the county has been designated a star county by the department of trade and economic development; and

(4) each statutory and home rule charter city in the county has established an economic development authority under sections 469.090 to 469.108.

For purposes of this section, "designated county" means a county designated by the commissioner of trade and economic development as provided under this section or a city of the second class that is designated as an economically depressed area by the United States Department of Commerce.

Subd. 2. [CREDIT FOR JOB CREATION.] *A business with operations located in a designated county may take a credit against the tax due under chapter 290 for its first taxable year beginning after December 31, 1992, and before January 1, 1994. For purposes of this section, "business" means a business entity organized for profit, including a sole proprietorship, partnership, or corporation, and "eligible employees" are determined as 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. A credit is provided only for the number of eligible employees that exceeds the number of such persons so employed on the last day of the preceding taxable year. A person is not an eligible employee if the commissioner of trade and economic development determines that the position held by that employee in the business was transferred from an enterprise conducted by substantially the same business enterprise at another site in the state. The credit is equal to $2,000 multiplied by the number of eligible employees. The credit is not refundable.*

Subd. 3. [LIMITATION.] *Tax credits provided under this section may not exceed $200,000. If by April 15, 1994, the commissioner of revenue determines that the estimated total amount of credits claimed under this section exceeds $200,000, the commissioner shall reduce the credit granted for each eligible employee proportionately.*

Sec. 8. [298.227] [TACONITE ECONOMIC DEVELOPMENT FUND.]

An amount equal to 10.4 cents per taxable ton distributed pursuant to

each taconite producer's taxable production under section 298.28, subdivision 9a, for production years 1992 and 1993 shall be held by the iron range resources and rehabilitation board in a separate taconite economic development fund for each taconite producer. Money from the fund for each producer shall be released only on the written authorization of a joint committee consisting of an equal number of representatives of the salaried employees and the nonsalaried production and maintenance employees of that producer. The district 33 director of the United States Steelworkers of America, on advice of each local employee president, shall select the employee members. In nonorganized operations, the employee committee shall be elected by the nonsalaried production and maintenance employees. Each producer's joint committee may authorize release of the funds held pursuant to this section only for acquisition of equipment and facilities for the producer or for research and development in Minnesota on new mining, or taconite, iron, or steel production technology. Funds may be released only upon a majority vote of the representatives of the committee. Any portion of the fund which is not released by a joint committee within two years of its deposit in the fund shall be divided between the taconite environmental protection fund created in section 298.223 and the northeast Minnesota economic protection trust fund created in section 298.292 for placement in their respective special accounts. Two-thirds of the unreleased funds shall be distributed to the taconite environmental protection fund and one-third to the northeast Minnesota economic protection trust fund. This section is effective for taxes payable in 1993 and 1994.

Sec. 9. Minnesota Statutes 1990, section 298.24, subdivision 1, is amended to read:

Subdivision 1. (a) For concentrate produced in ~~1990~~ *1992 and 1993* there is ~~hereby~~ imposed upon taconite and iron sulphides, and upon the mining and quarrying thereof, and upon the production of iron ore concentrate therefrom, and upon the concentrate so produced, a tax of ~~$1.975~~ *$2.054* per gross ton of merchantable iron ore concentrate produced therefrom.

(b) For concentrates produced in ~~1991~~ *1994* and subsequent years, the tax rate shall be equal to the preceding year's tax rate plus an amount equal to the preceding year's tax rate multiplied by the percentage increase in the implicit price deflator from the fourth quarter of the second preceding year to the fourth quarter of the preceding year. "Implicit price deflator" for the gross national product means the implicit price deflator prepared by the bureau of economic analysis of the United States Department of Commerce.

(c) The tax shall be imposed on the average of the production for the current year and the previous two years. The rate of the tax imposed will be the current year's tax rate. This clause shall not apply in the case of the closing of a taconite facility if the property taxes on the facility would be higher if this clause and section 298.25 were not applicable.

(d) If the tax or any part of the tax imposed by this subdivision is held to be unconstitutional, a tax of ~~$1.975~~ *$2.054* per gross ton of merchantable iron ore concentrate produced shall be imposed.

(e) Consistent with the intent of this subdivision to impose a tax based upon the weight of merchantable iron ore concentrate, the commissioner of revenue may indirectly determine the weight of merchantable iron ore concentrate included in fluxed pellets by subtracting the weight of the limestone, dolomite, or olivine derivatives or other basic flux additives included in the pellets from the weight of the pellets. For purposes of this paragraph,

"fluxed pellets" are pellets produced in a process in which limestone, dolomite, olivine, or other basic flux additives are combined with merchantable iron ore concentrate. No subtraction from the weight of the pellets shall be allowed for binders, mineral and chemical additives other than basic flux additives, or moisture.

Sec. 10. Minnesota Statutes 1990, section 298.28, is amended by adding a subdivision to read:

Subd. 9a. [TACONITE ECONOMIC DEVELOPMENT FUND.] *10.4 cents per ton for distributions in 1993 and 1994 shall be paid to the taconite economic development fund. No distribution shall be made under this subdivision in any year in which total industry production falls below 30 million tons.*

Sec. 11. 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. 12. 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. 13. 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. 14. 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 pursuant to 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 which 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 shall 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 department of corrections shall be furnished and shall record information concerning each project as it may prescribe, in lieu of reports required on other projects to the commissioner of trade and economic development or the energy and economic development authority;

(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 or group of counties as last equalized before the execution of the lease agreement;

(5) the county or group of counties shall 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 shall 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 shall only be made upon certification of the chair or board designee that the expenditures have been approved at a meeting of the board.*

Sec. 15. 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. 16. Minnesota Statutes 1990, section 469.004, subdivision 1, is amended to read:

Subdivision 1. [PRELIMINARY COUNTY FINDINGS AND DECLARATION.] There is created in each county in this state ~~other than Ramsey and~~ other than those counties in which a county housing authority has been created by special act, a public body, corporate and politic, to be known as the housing and redevelopment authority of that county, hereinafter referred to as "county authority." No county authority shall transact any business or exercise any powers until the governing body of the county, by resolution, finds that there is need for a county authority to function in the county. The governing body shall consider the need for a county authority to function (1) on the governing body's own motion or (2) upon the filing of a petition signed by 25 qualified voters of the county asserting that there is need for a county authority to function in the county and requesting that the governing body so declare. The governing body shall adopt a resolution declaring that there is need for a county authority to function in the county if it makes the findings required in section 469.003, subdivision 1.

Sec. 17. Minnesota Statutes 1990, section 469.004, is amended by adding a subdivision to read:

Subd. 1a. [RAMSEY COUNTY AUTHORITY.] *Ramsey county may exercise the powers of a housing and redevelopment authority. Before the commencement of a project by Ramsey county acting as a housing and redevelopment authority, the governing body of the municipality in which the project is to be located shall, by majority vote, approve the project as recommended by the authority. The authority granted to Ramsey county under this subdivision and section 16 terminates June 30, 1994, providing that obligations incurred by the county before that date shall remain in effect according to their terms.*

Sec. 18. Minnesota Statutes 1990, section 469.034, is amended to read:

469.034 [BOND ISSUE FOR CORPORATE PURPOSES.]

Subdivision 1. [AUTHORITY AND REVENUE OBLIGATIONS.] An authority may issue bonds for any of its corporate purposes. The bonds may be the type the authority determines, including bonds on which the principal and interest are payable exclusively from the income and revenues of the project financed with the proceeds of the bonds, or exclusively from the income and revenues of certain designated projects, whether or not they are financed in whole or in part with the proceeds of the bonds. The bonds may be additionally secured by (1) a pledge of any grant or contributions from the federal government or other source, or (2) a pledge of any income or revenues of the authority from the project for which the proceeds of the bonds are to be used, or (3) a mortgage of any project or other property of the authority.

Subd. 2. [GENERAL OBLIGATION REVENUE BONDS.] *(a) An authority may pledge the general obligation of the general jurisdiction governmental unit as additional security for bonds payable from income or revenues of the project or the authority. The authority must find that the pledged revenues will equal or exceed 110 percent of the principal and interest due on the bonds for each year. The proceeds of the bonds must be used for a qualified housing development project or projects. The obligations must be issued and sold in the manner and following the procedures provided by chapter 475, except the obligations are not subject to approval by the electors. The authority is the municipality for purposes of chapter 475.*

(b) The principal amount of the issue must be approved by the governing body of the general jurisdiction governmental unit whose general obligation is pledged. Public hearings must be held on issuance of the obligations by both the authority and the general jurisdiction governmental unit. The hearings must be held at least 15 days, but not more than 120 days, before the sale of the obligations.

(c) The maximum amount of general obligation bonds that may be issued and outstanding under this section equals the greater of (1) one-half of one percent of the taxable market value of the general jurisdiction governmental unit whose general obligation which includes a tax on property is pledged, or (2) $3,000,000. In the case of county or multicounty general obligation bonds, the outstanding general obligation bonds of all cities in the county or counties issued under this subdivision must be added in calculating the limit under clause (1).

(d) "General jurisdiction governmental unit" means the city in which the

housing development project is located. In the case of a county or multicounty authority, the county or counties may act as the general jurisdiction governmental unit. In the case of a multicounty authority, the pledge of the general obligation is a pledge of a tax on the taxable property in each of the counties.

(e) "Qualified housing development project" means a housing 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.

Subd. 3. [REVENUE FROM OTHER PROJECTS.] No proceeds of bonds issued for or revenue authorized for or derived from any redevelopment project or area shall be used to pay the bonds or costs of, or make contributions or loans to, any public housing project. The proceeds of bonds issued for or revenues authorized for or derived from any one public housing project shall not be used to pay the bonds or costs of, or make contributions or loans to any other public housing project until the bonds and costs of the public housing project for which those bonds were issued or from which those revenues were derived or for which they were authorized shall be fully paid.

Subd. 4. [BOND TERMS.] Neither the commissioners of an authority nor any person executing the bonds shall be liable personally on the bonds by reason of the issuance thereof. *Except as provided in subdivision 2*, the bonds of an authority shall not be a debt of the city, the state, or any political subdivision, and neither the city nor the state or any political subdivision shall be liable on them, nor shall the bonds be payable out of any funds or properties other than those of the authority; the bonds shall state this on their face. The bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction, *except as provided in subdivision 2*. Bonds of an authority are declared to be issued for an essential public and governmental purpose and to be public instrumentalities.

Subd. 5. [TAX EXEMPTION.] The provisions of sections 469.001 to 469.047 exempting from taxation authorities, their properties and income, shall be considered additional security for the repayment of bonds and shall constitute, by virtue of sections 469.001 to 469.047 and without the same being restated in the bonds, a contract between the (1) bondholders and each of them, including all transferees of the bonds, and (2) the respective authorities issuing the bonds and the state. An authority may by covenant confer upon the holder of the bonds the rights and remedies it deems

necessary or advisable, including the right in the event of default to have a receiver appointed to take possession of and operate the project. When the obligations issued by an authority to assist in financing the development of a project have been retired and federal contributions have been discontinued, the exemptions from taxes and special assessments for that project shall terminate.

Sec. 19. 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. 20. Minnesota Statutes 1991 Supplement, section 508.25, is amended to read:

508.25 [RIGHTS OF PERSON HOLDING CERTIFICATE OF TITLE.]

Every person receiving a certificate of title pursuant to a decree of registration and every subsequent purchaser of registered land who receives a certificate of title in good faith and for a valuable consideration shall hold it free from all encumbrances and adverse claims, excepting only the estates, mortgages, liens, charges, and interests as may be noted in the last certificate of title in the office of the registrar, and also excepting any of the following rights or encumbrances subsisting against it, if any:

(1) liens, claims, or rights arising or existing under the laws or the constitution of the United States, which this state cannot require to appear of record;

(2) the lien of any real property tax or special assessment for which the land has not been sold at the date of the certificate of title;

(3) any lease for a period not exceeding three years when there is actual occupation of the premises thereunder;

(4) all rights in public highways upon the land;

(5) the right of appeal, or right to appear and contest the application, as is allowed by this chapter;

(6) the rights of any person in possession under deed or contract for deed from the owner of the certificate of title; *and*

(7) any outstanding mechanics lien rights which may exist under sections 514.01 to 514.17; ~~and~~

~~(8) any lien for state taxes~~.

No existing or future lien for state taxes arising under the laws of this state for the nonpayment of any amounts due under chapter 268 or any tax administered by the commissioner of revenue may encumber title to lands registered under this chapter unless filed under the terms of this chapter.

Sec. 21. Minnesota Statutes 1991 Supplement, section 508A.25, is amended to read:

508A.25 [RIGHTS OF PERSON HOLDING CPT.]

Every person holding a CPT issued pursuant to sections 508A.01 to 508A.85 who has acquired title in good faith and for a valuable consideration shall hold the same free from all encumbrances and adverse claims, excepting only estates, mortgages, liens, charges, and interests as may be noted by separate memorials in the latest CPT in the office of the registrar, and also excepting the memorial provided in section 508A.351 and any of the following rights or encumbrances subsisting against the same, if any:

(1) Liens, claims, or rights arising or existing under the laws or the constitution of the United States, which this state cannot require to appear of record;

(2) The lien of any real property tax or special assessment for which the land has not been sold at the date of the CPT;

(3) Any lease for a period not exceeding three years when there is actual occupation of the premises under it;

(4) All rights in public highways upon the land;

(5) The rights of any person in possession under deed or contract for deed from the owner of the CPT;

(6) Any liens, encumbrances, and other interests that may be contained in the examiner's supplemental directive issued pursuant to section 508A.22, subdivision 2;

(7) Any claims that may be made pursuant to section 508A.17 within five years from the date the examiner's supplemental directive is filed on the CPT; *and*

(8) Any outstanding mechanics lien rights which may exist under sections 514.01 to 514.17; ~~and~~

~~(9) any lien for state taxes~~.

No existing or future lien for state taxes arising under the laws of this state for the nonpayment of any amounts due under chapter 268 or any tax administered by the commissioner of revenue may encumber title to lands registered under this chapter unless filed under the terms of this chapter.

Sec. 22. 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. 23. 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. 24. 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). 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. 25. [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. 26. [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. 27. [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:*

(1) a plaza and public parking facility adjacent to a federal courts facility to be located in downtown Minneapolis;

(2) a city garage and parking facility to replace facilities located on property to be used for the federal courts facility; and

(3) 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. 28. [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. 29. [ST. LOUIS PARK; TAX INCREMENT.]

Subdivision 1. [AUTHORIZATION.] *The city of St. Louis Park, or its redevelopment agencies, may create a hazardous substance subdistrict within the Excelsior Boulevard redevelopment project ("district"), under Minnesota Statutes, section 469.175, subdivision 7, and issue bonds or other obligations payable in whole or in part from increment derived from the subdistrict or district upon a finding by city resolution that establishment of a subdistrict will facilitate environmental remediation and reduce the likelihood of litigation. The request for certification of the subdistrict must be filed with the county auditor before December 1, 1995. The city may defer receipt of the first increment from a subdistrict for up to three years*

following certification. Minnesota Statutes, sections 469.174, subdivision 7, paragraph (c); and 469.176, subdivisions 1, paragraph (d); 4e; 6; and 7, do not apply to a subdistrict. Nothing in this section affects the liability of persons for costs or damages associated with the release of hazardous substances, the city's right to pursue responsible parties or reimbursement under applicable insurance contracts, or the city's liability under Minnesota Statutes, section 115B.04, subdivision 4. The powers granted are in addition to other powers of the city.

Subd. 2. [RESTRICTIONS; SUBDISTRICT SIZE.] *The subdistrict created under this section must be contiguous and may not exceed 20 acres.*

Subd. 3. [QUALIFICATION RULES.] *Before creation of a subdistrict under subdivision 1, the governing body of the city of St. Louis Park must find that the sum of remediation costs related to the subdistrict and deposits to the indemnification fund or premiums for the purchase of private environmental insurance necessary to develop the site exceeds the estimated fair market value of the land in the subdistrict after completion of all necessary remediation activities and provision of indemnification under the plan.*

Subd. 4. [LIMITS ON SPENDING INCREMENTS; POOLING RULES.] *The provisions of Minnesota Statutes 1990, section 469.1763, do not apply to the subdistrict created under this section. Revenues derived from tax increments from the subdistrict may be spent only on:*

(1) remediation and associated costs related to the area contained in the subdistrict, including the activities outside of the subdistrict to the extent necessary to prevent contaminants moving to or from the site;

(2) deposits to an indemnification fund or the purchase of environmental insurance, relating only to liability or additional remediation costs for contaminated parcels located in the subdistrict; and

(3) administrative expenses and costs permitted under Minnesota Statutes 1990, section 469.176, subdivision 4h.

After sufficient revenues derived from tax increments have been received to pay all remediation costs, deposits to an indemnification fund or insurance premiums, and administrative and other qualifying costs the subdistrict must be decertified.

Subd. 5. [STATE AID REDUCTIONS.] *The state aid reductions under Minnesota Statutes 1990, section 273.1399, do not apply to the subdistrict, if the city elects to pay and pays 25 percent of the remediation costs and deposits to the indemnification fund out of its general fund, a property tax levy for that purpose, or other unrestricted city money (other than tax increments). The city must elect this option at the time of certification of the district and must notify the commissioner of revenue of its election. The election is irrevocable.*

Subd. 6. [DEFINITION.] *For purposes of this section, "remediation" means activity constituting "removal," "remedy," "remedial action," or "response" as those terms are defined in Minnesota Statutes, section 115B.02. Remediation costs include activities, including installation of public infrastructure, necessary to accomplish remediation.*

Subd. 7. [EFFECTIVE DATE.] *This section is effective upon compliance by the city of St. Louis Park with Minnesota Statutes, section 645.021, subdivision 3.*

Sec. 30. [ST. PAUL; TAX INCREMENT.]

Subdivision 1. [AUTHORIZATION.] *The city of St. Paul, or its redevelopment agencies, may create a hazardous substance subdistrict in the Lower Payne Avenue study area, under Minnesota Statutes, section 469.175, subdivision 7, and issue bonds or other obligations payable in whole or in part from increment derived from the subdistrict or district upon a finding by city resolution that establishment of a subdistrict will facilitate environmental remediation and reduce the likelihood of litigation. The request for certification of the subdistrict must be filed with the county auditor before December 1, 1995. The city may defer receipt of the first increment from a subdistrict for up to three years following certification. Minnesota Statutes, sections 469.174, subdivision 7, paragraph (c); and 469.176, subdivisions 1, paragraph (d); 4e; 6; and 7, do not apply to a subdistrict. Nothing in this section affects the liability of persons for costs or damages associated with the release of hazardous substances, the city's right to pursue responsible parties or reimbursement under applicable insurance contracts, or the city's liability under Minnesota Statutes, section 115B.04, subdivision 4. The powers granted are in addition to other powers of the city.*

Subd. 2. [RESTRICTIONS; SUBDISTRICT SIZE.] *The subdistrict created under this section must be contiguous and may not exceed ten acres.*

Subd. 3. [QUALIFICATION RULES.] *Before creation of a subdistrict under subdivision 1, the governing body of the city of St. Paul must find that the sum of remediation costs related to the subdistrict and deposits to the indemnification fund or premiums for the purchase of private environmental insurance necessary to develop the site exceeds the estimated fair market value of the land in the subdistrict after completion of all necessary remediation activities and provision of indemnification under the plan.*

Subd. 4. [LIMITS ON SPENDING INCREMENTS; POOLING RULES.] *The provisions of Minnesota Statutes 1990, section 469.1763, do not apply to the subdistrict created under this section. Revenues derived from tax increments from the subdistrict may be spent only on:*

(1) remediation and associated costs related to the area contained in the subdistrict, including the activities outside of the subdistrict to the extent necessary to prevent contaminants moving to or from the site;

(2) deposits to an indemnification fund or the purchase of environmental insurance, relating only to liability or additional remediation costs for contaminated parcels located in the subdistrict; and

(3) administrative expenses and costs permitted under Minnesota Statutes 1990, section 469.176, subdivision 4h.

After sufficient revenues derived from tax increments have been received to pay all remediation costs, deposits to an indemnification fund or insurance premiums, and administrative and other qualifying costs the subdistrict must be decertified.

Subd. 5. [STATE AID REDUCTIONS.] *(a) The state aid reductions under Minnesota Statutes 1990, section 273.1399, do not apply to the subdistrict, if the city elects to pay and pays 25 percent of the remediation costs and deposits to the indemnification fund out of its general fund, a property tax levy for that purpose, or other unrestricted city money (other than tax increments). The city must elect this option at the time of certification of the district and must notify the commissioner of revenue of its election. The*

election is irrevocable.

(b) If the city elects this option, tax capacity captured by the subdistrict must not be included in the calculation of state aid reduction for the district under Minnesota Statutes, section 273.1399.

Subd. 6. [DEFINITION.] *For purposes of this section, "remediation" means activity constituting "removal," "remedy," "remedial action," or "response" as those terms are defined in Minnesota Statutes, section 115B.02. Remediation costs include activities, including installation of public infrastructure, necessary to accomplish remediation.*

Subd. 7. [EFFECTIVE DATE.] *This section is effective upon compliance by the city of St. Paul with Minnesota Statutes, section 645.021, subdivision 3.*

Sec. 31. [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. 32. [APPROPRIATION.]

$1,000,000 is appropriated from the general fund to the commissioner of the Minnesota housing finance agency to be deposited in the housing trust fund account created under Minnesota Statutes, section 462A.201, and used for the purposes provided in that section.

Sec. 33. [REPEALER.]

Section 7 is repealed effective for taxable years beginning after December 31, 1993.

Minnesota Statutes 1990, section 298.24, subdivision 4, is repealed.

Sec. 34. [EFFECTIVE DATE.]

Sections 2 and 3 are effective July 1, 1992.

Sections 4, 13, 14, 15, 19, and 22 are effective the day following final enactment.

Section 5 is effective for liens filed on or after the day following final enactment.

Section 12 is effective for certificates of indebtedness issued after the day of final enactment.

Sections 20 and 21 are effective retroactively to December 31, 1991.

Sections 23 and 24 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 26 is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Richfield.

Section 27 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; revising the operation of the local government trust fund; modifying the administration, computation, collection, and enforcement of taxes; imposing taxes; changing tax rates, bases, credits, exemptions, withholding, and payments; modifying aids to local governments; authorizing and modifying provisions relating to property tax classifications and levies; reducing the amount in the budget and cash flow reserve account; authorizing imposition of local taxes; updating references to the Internal Revenue Code; modifying provisions relating to political campaign contribution refunds; changing certain bonding and local government finance provisions; changing definitions; making technical corrections and clarifications; enacting provisions relating to certain cities, counties, school districts, special taxing districts, and watershed districts; appropriating money; amending Minnesota Statutes 1990, sections 60A.15, subdivision 1; 60A.19, subdivision 6; 103B.241; 103B.255, by adding a subdivision; 103B.335; 103F.221, subdivision 3; 124.2131, subdivision 1; 174.27; 216C.06, by adding a subdivision; 256E.06, by adding a subdivision; 270.07, subdivision 3; 270.075, subdivision 1; 270.69, by adding a subdivision; 270A.05; 270A.07, subdivisions 1 and 2; 270A.11; 270B.01, subdivision 8; 270B.12, by adding a subdivision; 271.06, subdivision 7; 272.115; 273.11, by adding subdivisions; 273.1104, subdivision 1; 273.135, subdivision 2; 273.1391, subdivision 2; 274.19, subdivision 8; 274.20, subdivisions 1, 2, and 4; 275.065, subdivisions 1a and 4; 275.125, subdivision 10; 278.02; 279.37, subdivision 1; 281.23, subdivision 8; 282.01, subdivision 7; 282.012; 282.016; 282.09, subdivision 1; 282.241; 282.36; 289A.11, subdivision 3; 289A.25, by adding a subdivision; 289A.26, subdivisions 3, 4, 7, and 9; 289A.50, subdivision 5; 290.05, subdivision 4; 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.07; 297A.14, subdivision 1; 297A.15, subdivisions 5 and 6; 297A.25, subdivisions 7, 11, 24, 34, 45, and by adding subdivisions; 297B.01, subdivision 8; 298.24, subdivision 1; 298.28, by adding a subdivision; 299F.21, subdivision 1; 327C.01, by adding a subdivision; 327C.12; 373.40, subdivision 7; 381.12, subdivision 2; 383.06; 383B.152; 398A.06, subdivision 2; 401.02, subdivision 3; 401.05; 462A.22, subdivision 1; 469.004, subdivisions 1 and 1a; 469.034; 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; 473.714; 473H.10, subdivision 3; 477A.013, subdivision 5; 488A.20, subdivision 4; 541.07; 641.24; Minnesota Statutes 1991 Supplement, sections 4A.02; 16A.15, subdivision 6; 16A.711, subdivisions 3, 4, and by adding a subdivision; 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; 273.124, subdivisions 1, 6, 9, and 13; 273.13, subdivisions 22, 25, and 33; 273.1398, subdivisions 5, 6, and 7; 273.1398, 273.1399; 275.065, subdivisions 1, 3, 5a, and 6; 275.125, subdivisions 5 and 6j; 275.61; 277.01, subdivision 1; 277.17; 278.01, subdivision 1; 278.05, subdivision 6; 279.01, subdivision 1; 279.03, subdivision 1a; 281.17; 289A.18, subdivision 4; 289A.20, subdivisions 1 and 4; 289A.26, subdivisions 1 and 6; 289A.37, subdivision 1; 290.01, subdivision 19; 290.05, subdivision 3; 290.06, subdivision 23; 290.0671, subdivision 1; 290.091, subdivision 2; 290.0921, subdivision 8; 290.0922, subdivision 1;

290A.04, subdivision 2h; 297A.135, subdivision 1, and by adding a subdivision; 297A.21, subdivision 4; 297A.25, subdivision 12; 375.192, subdivision 2; 423A.02, subdivision 1a; 477A.011, subdivisions 27 and 29; 477A.012, subdivision 6; 477A.013, subdivisions 1 and 3; 477A.03, subdivision 1; 508.25; 508A.25; Laws 1953, chapter 560, section 2, subdivision 3; Laws 1971, chapter 773, section 1, subdivision 2, as amended; and section 2, as amended; Laws 1991, chapter 291, article 1, section 65; and article 7, section 27; proposing coding for new law in Minnesota Statutes, chapters 13; 16A; 60A; 207A; 273; 275; 289A; 290; 290A; 297A; 298; 473F; 477A; repealing Minnesota Statutes 1990, sections 60A.15, subdivision 6; 134.342, subdivisions 2 and 4; 275.065, subdivision 1b; 278.01, subdivision 2; 289A.12, subdivision 1; 290.48, subdivision 7; 297.32, subdivision 7; Minnesota Statutes 1991 Supplement, sections 271.04, subdivision 2; 273.124, subdivision 15; 295.367; Laws 1991, chapter 291, article 2, section 3; and article 15, section 9."

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

House Conferees: (Signed), Paul Anders Ogren, Edgar L. Olson, Ann H. Rest, Joel Jacobs, William H. "Bill" Schreiber

Senate Conferees: (Signed) Douglas J. Johnson, Lawrence J. Pogemiller, David J. Frederickson, Nancy Brataas, Ember D. Reichgott

Mr. Johnson, D.J. moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2940 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2940 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 35 and nays 26, as follows:

Those who voted in the affirmative were:

Beckman	Finn	Kelly	Mondale	Reichgott
Bertram	Flynn	Kroening	Morse	Riveness
Brataas	Frederickson, D.J.	Langseth	Novak	Samuelson
Chmielewski	Halberg	Lessard	Pappas	Solon
Cohen	Hughes	Luther	Pogemiller	Spear
DeCramer	Johnson, D.J.	Metzen	Price	Stumpf
Dicklich	Johnson, J.B.	Moe, R.D.	Ranum	Vickerman

Those who voted in the negative were:

Adkins	Davis	Johnston	Merriam	Traub
Belanger	Day	Laidig	Neuville	Waldorf
Benson, J.E.	Frank	Larson	Pariseau	
Berg	Frederickson, D.R.	Marty	Renneke	
Bernhagen	Gustafson	McGowan	Sams	
Dahl	Johnson, D.E.	Mehrkens	Terwilliger	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 1691: Messrs. Kelly, Cohen and Knaak.

H.F. No. 2884: Mr. Pogemiller, Ms. Reichgott and Mr. Stumpf.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S.F. No. 1959 and that the rules of the Senate be so far suspended as to give S.F. No. 1959, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

S.F. No. 1959: A bill for an act relating to natural resources; providing for the management of ecologically harmful exotic species; requiring rule-making; 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 84.968; 84.9691; and 86B.415, subdivision 7.

Ms. Traub moved to amend S.F. No. 1959 as follows:

Page 6, after line 3, insert:

"Sec. 10. [383B.156] [LAKE AND WATER IMPROVEMENT.]

The board of commissioners of Hennepin county is hereby authorized to appropriate and expend money from the general revenue fund of the county for the improvement, preservation, and protection of lakes and waters lying wholly or partly inside the county, in order to:

(1) preserve the natural character of lakes and waters and their shoreland environment; and

(2) improve the quality of water in such lakes and waters."

Page 6, after line 12, insert:

"Sec. 12. [EFFECTIVE DATE.]

Section 10 is effective the day following final enactment."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 1959 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 46 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, J.B.	Mehrkens	Riveness
Beckman	Day	Johnston	Moe, R.D.	Sams
Belanger	DeCramer	Kelly	Mondale	Spear
Benson, J.E.	Finn	Kroening	Neuville	Terwilliger
Berg	Flynn	Laidig	Novak	Traub
Bernhagen	Frank	Larson	Olson	Waldorf
Bertram	Frederickson, D.R.	Lessard	Pariseau	
Brataas	Gustafson	Luther	Pogemiller	
Cohen	Halberg	Marty	Reichgott	
Dahl	Hughes	McGowan	Renneke	

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1648 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1648: A bill for an act relating to the agricultural economy; authorizing the commissioner of finance to issue obligations to assist in the use of agricultural-industrial facilities in the city of Detroit Lakes.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 46 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Mehrkens	Renneke
Beckman	DeCramer	Johnston	Moe, R.D.	Riveness
Belanger	Finn	Kelly	Mondale	Sams
Benson, J.E.	Flynn	Kroening	Novak	Spear
Bernhagen	Frank	Laidig	Olson	Traub
Bertram	Frederickson, D.R.	Larson	Pariseau	Waldorf
Brataas	Gustafson	Lessard	Pogemiller	
Cohen	Halberg	Luther	Price	
Dahl	Hughes	Marty	Ranum	
Davis	Johnson, D.J.	McGowan	Reichgott	

So the bill passed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Spear moved that the following members be excused for a Conference Committee on H.F. No. 1849 at 4:00 p.m.:

Messrs. Kelly, Marty, McGowan, Spear and Ms. Ranum. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

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

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports pertaining to appointments. The motion prevailed.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 422: A bill for an act relating to human services; licensing and regulating chemical dependency counselors; providing penalties; appropriating money; amending Minnesota Statutes 1990, section 595.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 148B.

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

Page 14, delete section 14

Page 14, line 9, delete "*14*" and insert "*13*" and delete "*1992*" and insert "*1993*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "appropriating money;"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2693: A bill for an act relating to agriculture; authorizing the commissioner of agriculture to make certain adjustments, agreements, and settlements in family farm security loans; providing for transfer and disposition of certain funds; appropriating money; amending Minnesota Statutes 1990, sections 41.56, subdivision 3; 41.57, by adding subdivisions; and 41.61, by adding a subdivision.

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

Pages 3 and 4, delete sections 4 and 5

Amend the title as follows:

Page 1, line 5, delete everything after the semicolon

Page 1, line 6, delete everything before "amending"

Page 1, line 7, after the semicolon, insert "and"

Page 1, line 8, delete everything after "subdivisions" and insert a period

Page 1, delete line 9

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2710: 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 provisions

concerning adulterated dairy products; 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; proposing coding for new law in Minnesota Statutes, chapter 41B.

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

Page 6, line 19, delete the comma and insert "*or*"

Page 6, line 20, delete everything after "*debt*"

Page 6, line 21, delete everything before the period

Page 6, delete lines 25 to 33 and insert:

"*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 the state treasury and credited to a special account. Money in the account is appropriated to the commissioner for administrative expenses for the agricultural improvement loan program.*

Subd. 4. [INTEREST RATE.] *The interest rate per annum on the agricultural improvement loan must be the 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 under 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.*"

Page 7, line 4, delete "*shall*" and insert "*may*"

Page 7, line 5, after the period, insert "*The $5,000,000 authorized in this subdivision is part of the $50,000,000 bond authorization provided for in section 41B.19, subdivision 1.*"

Page 7, line 8, after the period, insert "*Bond maturity should be matched to the terms of the loans made under this program.*"

Page 7, line 13, before "*Sections*" insert "*Section 1 is effective July 1, 1992.*" and after "*Sections*" delete "*1*" and insert "*2*"

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

Mr. Novak from the Committee on Energy and Public Utilities, to which was referred the following appointment as reported in the Journal for February 24, 1992:

PUBLIC UTILITIES COMMISSION

Donald A. Storm

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Novak from the Committee on Energy and Public Utilities, to which was referred the following appointment as reported in the Journal for April 9, 1992:

PUBLIC UTILITIES COMMISSION

Thomas A. Burton

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

SECOND READING OF SENATE BILLS

S.F. Nos. 422, 2693 and 2710 were read the second time.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 2269: Messrs. Riveness, Langseth and Marty.

H.F. No. 2586: Messrs. Cohen, Kelly and Ms. Pappas.

H.F. No. 2147: Messrs. Dahl, Stumpf and Laidig.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 7:30 p.m. The motion prevailed.

The hour of 7:30 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2499 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON 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.

April 15, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2499, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate concur in the House amendments and that S.F. No. 2499 be further amended as follows:

Page 1, line 11, to page 2, line 16, delete sections 1, 2, and 3

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 4, delete everything after the semicolon

Page 1, delete lines 5, 6, and 7

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

Senate Conferees: (Signed) Charles R. Davis, Sam G. Solon, Florian Chmielewski

House Conferees: (Signed) Willard Munger, Becky Lourey, J. LeRoy Koppendrayer

Mr. Davis moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2499 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2499 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 44 and nays 0, as follows:

Those who voted in the affirmative were:

Beckman	Davis	Hottinger	Luther	Pariseau
Belanger	Day	Hughes	McGowan	Pogemiller
Benson, D.D.	DeCramer	Johnson, J.B.	Mehrkens	Price
Benson, J.E.	Finn	Johnston	Metzen	Reichgott
Berg	Flynn	Kelly	Moe, R.D.	Renneke
Bernhagen	Frank	Knaak	Mondale	Sams
Bertram	Frederickson, D.J.	Kroening	Novak	Terwilliger
Brataas	Frederickson, D.R.	Larson	Olson	Traub
Cohen	Halberg	Lessard	Pappas	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2111 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON 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.

April 15, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2111, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments.

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

Senate Conferees: (Signed) Sam G. Solon, Fritz Knaak, Ember D. Reichgott

House Conferees: (Signed) Mike Jaros, Kris Hasskamp

Mr. Solon moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2111 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2111 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 48 and nays 0, as follows:

Those who voted in the affirmative were:

Beckman	Day	Hughes	McGowan	Price
Belanger	DeCramer	Johnson, J.B.	Mehrkens	Reichgott
Benson, D.D.	Finn	Johnston	Metzen	Renneke
Benson, J.E.	Flynn	Kelly	Moe, R.D.	Sams
Berg	Frank	Knaak	Mondale	Samuelson
Bernhagen	Frederickson, D.J.	Kroening	Novak	Solon
Bertram	Frederickson, D.R.	Larson	Olson	Terwilliger
Cohen	Gustafson	Lessard	Pappas	Traub
Dahl	Halberg	Luther	Pariseau	
Davis	Hottinger	Marty	Pogemiller	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 2273 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 2273: A bill for an act relating to mental health; adding licensed marriage and family therapists to the list of qualified mental health professionals; amending Minnesota Statutes 1991 Supplement, sections 245.462, subdivision 18; and 245.4871, subdivision 27.

Ms. Pappas moved to amend H.F. No. 2273 as follows:

Page 3, after line 29, insert:

"Sec. 3. [RAMSEY COUNTY PROJECT.]

Ramsey county may implement a demonstration project that includes financial assistance and flexibility in using existing funds to downsize residential facilities for persons with mental illness governed by Minnesota Rules, parts 9520.0500 to 9520.0690, flexibility in delivering case management services, and the waiver or removal of the rate cap and moratorium on negotiated rate facilities.

If Ramsey county fails to meet the conditions in the demonstration project proposals approved by the commissioner, the commissioner may rescind the waiver rule and regulations.

The demonstration project must be completed by July 1, 1996, and a report issued to the commissioner by January 1, 1997."

The motion prevailed. So the amendment was adopted.

H.F. No. 2273 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 49 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Hottinger	McGowan	Pogemiller
Beckman	Davis	Hughes	Mehrkens	Price
Belanger	DeCramer	Johnson, J.B.	Metzen	Reichgott
Benson, J.E.	Finn	Johnston	Moe, R.D.	Renneke
Berg	Flynn	Knaak	Mondale	Sams
Berglin	Frank	Kroening	Novak	Samuelson
Bernhagen	Frederickson, D.J.	Larson	Olson	Spear
Bertram	Frederickson, D.R.	Lessard	Pappas	Terwilliger
Brataas	Gustafson	Luther	Pariseau	Waldorf
Chmielewski	Halberg	Marty	Piper	

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 2692 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 2692: 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 account in the department of jobs and training; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 268.

Mr. Solon moved to amend S.F. No. 2692 as follows:

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 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;"

The motion prevailed. So the amendment was adopted.

S.F. No. 2692 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 48 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Hughes	Metzen	Reichgott
Beckman	DeCramer	Johnson, D.J.	Moe, R.D.	Renneke
Belanger	Dicklich	Johnson, J.B.	Mondale	Sams
Benson, J.E.	Finn	Johnston	Novak	Samuelson
Berg	Flynn	Knaak	Olson	Solon
Berglin	Frank	Larson	Pappas	Spear
Bernhagen	Frederickson, D.J.	Lessard	Pariseau	Traub
Bertram	Frederickson, D.R.	Luther	Piper	Waldorf
Brataas	Halberg	McGowan	Pogemiller	
Cohen	Hottinger	Mehrkens	Price	

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

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 1985 and that the rules of the Senate be so far suspended as to give H.F. No. 1985, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 42 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Halberg	Metzen	Sams
Beckman	Day	Hottinger	Moe, R.D.	Solon
Belanger	DeCramer	Hughes	Novak	Spear
Benson, J.E.	Finn	Johnson, J.B.	Olson	Terwilliger
Berglin	Flynn	Johnston	Pappas	Traub
Bernhagen	Frank	Knaak	Pariseau	Waldorf
Bertram	Frederickson, D.J.	Kroening	Piper	
Brataas	Frederickson, D.R.	Lessard	Price	
Cohen	Gustafson	Luther	Reichgott	

So the bill passed and its title was agreed to.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Reports of Committees.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Report at the Desk be now adopted. The motion prevailed.

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

H.F. No. 1838 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1838	1894				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1838 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1838 and insert the language after the enacting clause of S.F. No. 1894, the first engrossment; further, delete the title of H.F. No. 1838 and insert the title of S.F. No. 1894, the first engrossment.

And when so amended H.F. No. 1838 will be identical to S.F. No. 1894, and further recommends that H.F. No. 1838 be given its second reading and substituted for S.F. No. 1894, and that the Senate File be indefinitely postponed.

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

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 1838 and that the rules of the Senate be so far suspended as to give H.F. No. 1838 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1838 was read the second time.

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	DeCramer	Johnston	Metzen	Renneke
Beckman	Dicklich	Kelly	Moe, R.D.	Riveness
Belanger	Finn	Knaak	Mondale	Sams
Benson, D.D.	Flynn	Kroening	Morse	Samuelson
Benson, J.E.	Frank	Laidig	Neuville	Stumpf
Berg	Frederickson, D.J.	Langseth	Novak	Terwilliger
Berglin	Frederickson, D.R.	Larson	Olson	Traub
Bernhagen	Gustafson	Lessard	Pappas	Vickerman
Bertram	Halberg	Luther	Pariseau	Waldorf
Brataas	Hottinger	Marty	Pogemiller	
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Day	Johnson, J.B.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1738 a Special Order to be heard immediately.

SPECIAL ORDER

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.

Mr. Cohen moved to amend H.F. No. 1738, as amended pursuant to Rule

49, adopted by the Senate April 2, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 1700.)

Page 1, after line 6, insert:

"ARTICLE 1
COMPUTATION AND ENFORCEMENT OF SUPPORT

Section 1. 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. 2. 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. 3. 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 sections 518.18 and 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. 4. 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 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 is enrolled or the least costly plan otherwise available to the obligor that is comparable to a number two qualified plan. *An employer or union that fails to comply with the order is liable for any health or dental expenses incurred by a parent for the child that would have been covered, had the plan been in effect, and any other premium costs incurred because the employer failed to comply with the order. An employer or union that fails to comply with the order is subject to contempt of court.* Failure of the obligor 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. 5. 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 employment is terminated, or the insurance coverage is terminated, the insurer shall notify the obligee within

ten days of the termination date with notice of conversion privileges.

Sec. 6. 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. 7. Minnesota Statutes 1990, section 518.24, is amended to read:

518.24 [SECURITY; SEQUESTRATION; CONTEMPT.]

In all cases when maintenance or support payments are ordered, the court may require sufficient security to be given for the payment of them according to the terms of the order. Upon neglect or refusal to give security, or upon failure to pay the maintenance or support, the court may sequester the obligor's personal estate and the rents and profits of real estate of the obligor, and appoint a receiver of them. The court may cause the personal estate and the rents and profits of the real estate to be applied according to the terms of the order. The obligor is presumed to have an income from a source sufficient to pay the maintenance or support order. *A child support order constitutes a finding by the court that the obligor has the ability to pay the award.* If the obligor disobeys the order, it is prima facie evidence of contempt.

Sec. 8. 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 548.091, subdivision 1a.

Sec. 9. 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 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. 10. 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 *for child support* 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~~ *$550* 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~~ *5,000, or the amount currently in effect under paragraph (k).*	25%	30%	35%	39%	43%	47%	50%

Guidelines for support for an obligor with a monthly income ~~of $4,001 or more~~ *in excess of the income limit currently in effect* shall be the same dollar amounts as provided for in the guidelines for an obligor with a monthly income ~~of $4,000~~ *equal to the limit.*

Net Income defined as:

Total monthly income less

*(i) Federal Income Tax
*(ii) State Income Tax
(iii) Social Security Deductions
(iv) ~~Reasonable~~ Pension Deductions *Not to Exceed Five Percent of Gross Income*
(v) Union Dues
(vi) Cost of Dependent Health Insurance Coverage *That the Obligor is Required to Provide*
(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.

The court shall review work-related child care expenses of the custodial parent and shall increase the amount of the child support award by an additional amount deemed reasonable and necessary for child care costs, considering the financial circumstances and needs of the parties. The court may allow the noncustodial parent to care for the child while the custodial parent is working if this arrangement is reasonable and in the best interests of the child.

If the parties have joint physical or split physical custody of a child, the court shall compute the guideline amount owed by each party based on the percentage of time that the other party has physical custody and then adjust the guideline amount to take into account the duplicative costs inherent in maintaining two full households for the child.

~~(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)~~ *(4)* 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 not apportioned between the parties.

~~(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) If the child support payments are assigned to the public agency under section 256.74, the court may not deviate downward from the child support guidelines unless the court specifically finds that the failure to deviate downward would impose an extreme hardship on the obligor.

(k) The dollar amount of the income limit for application of the guidelines must be adjusted on July 1 of every even-numbered year to reflect cost-of-living changes. The supreme court shall select the index for the adjustment from the indices listed in section 518.641. The state court administrator shall make the changes in the dollar amount required by this paragraph available to courts and the public on or before April 30 of the year in which the amount is to change.

Sec. 11. Minnesota Statutes 1991 Supplement, section 518.551, subdivision 5b, is amended to read:

Subd. 5b. [DETERMINATION OF INCOME.] (a) The parties shall timely serve and file documentation of earnings and income. When there is a prehearing conference, the court must receive the documentation of income at least ten days prior to the prehearing conference. Documentation of earnings and income also includes, but is not limited to, pay stubs for the most recent three months, employer statements, or statement of receipts and expenses if self-employed. Documentation of earnings and income also includes copies of each parent's most recent federal tax returns, including W-2 forms, 1099 forms, unemployment compensation statements, workers' compensation statements, and all other documents evidencing income as received that provide verification of income over a longer period.

(b) *In addition to the requirements of paragraph (a), at any time after an action seeking child support has been commenced or when a child support order is in effect, a party or the public authority may require the other party to give them their most recent federal tax returns. The party shall provide a copy of the tax returns within 30 days of receipt of the request. Failure of a party, without leave of the court, to provide the tax return as required under this paragraph is contempt of court.*

(c) If a parent under the jurisdiction of the court does not appear at a court hearing after proper notice of the time and place of the hearing, the court shall set income for that parent based on credible evidence before the court or in accordance with paragraph ~~(c)~~ *(d)*. Credible evidence may include documentation of current or recent income, testimony of the other parent concerning recent earnings and income levels, and the parent's wage reports filed with the Minnesota department of jobs and training under section 268.121.

~~(c)~~ *(d)* If the court finds that a parent is voluntarily unemployed or underemployed, child support shall be calculated based on a determination of imputed income. A parent is not considered voluntarily unemployed or underemployed upon a showing by the parent that the unemployment or underemployment: (1) is temporary and will ultimately lead to an increase in income; or (2) represents a bona fide career change that outweighs the adverse effect of that parent's diminished income on the child. Imputed income means the estimated earning ability of a parent based on the parent's prior earnings history, education, and job skills, and on availability of jobs within the community for an individual with the parent's qualifications. If the court is unable to determine or estimate the earning ability of a parent, the court may calculate child support based on full-time employment of 40 hours per week at the federal minimum wage or the Minnesota minimum wage, whichever is higher. If a parent *is a recipient of public assistance under sections 256.72 to 256.87 or chapter 256D, or* is physically or mentally incapacitated, it shall be presumed that the parent is not voluntarily unemployed or underemployed.

Sec. 12. Minnesota Statutes 1990, section 518.551, subdivision 10, is amended to read:

Subd. 10. [ADMINISTRATIVE PROCESS FOR CHILD AND MEDICAL SUPPORT ORDERS.] 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; *and*

(5) motions described in this clause. If a motion to obtain, modify, or enforce child support is filed in the district court before a proceeding is commenced with an administrative law judge, it must be decided by the district court. If a petition for marriage dissolution, legal separation, annulment, or determination of parentage is pending in the district court and the parties have minor children, issues relating to obtaining, modifying, and enforcing child support that arise during the pendency of the proceeding, if a hearing is requested, must be decided by the district court. If during the pendency of a motion or proceeding described in this clause, the county human services agency becomes a party to, or commences representation of a party in, a matter involving the support of a child whose support is also at issue in the motion or proceeding pending before the district court, the county human services agency may intervene in the district court. However, the county human services agency shall not commence proceedings concerning the support of that child before an administrative law judge, until after the district court has decided the motion or entered judgment in the proceeding pending before it.

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.

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.

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.

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.

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.

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.

Sec. 13. 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, 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. 14. 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. 15. 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. 16. [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 548.091, subdivision 1a, 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. 17. 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 shall separately identify each obligor making payment. 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 that fails to withhold or transfer funds in accordance with this section is also 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. An employer or other payor of funds is liable for reasonable attorney fees of the obligee or public authority incurred in enforcing the liability under this paragraph. An employer or other payor of funds that has failed to comply with the requirements of this section is subject to contempt of court.*

Sec. 18. 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. *A party or the public authority also may bring a motion for contempt of court if the obligor is in arrears in support or maintenance payments.*

Sec. 19. 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. In determining whether a child's needs have increased, the court may consider anticipated expenses for post-secondary education.*

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.

(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. 20. 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. 21. 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 from the date the ~~judgment on the payment or installment is entered and docketed under subdivision 3a,~~ *unpaid amount due is greater than the current support due* at the annual rate provided in section 549.09, subdivision 1. 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. 22. 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. 23. 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*.

Sec. 24. 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. 25. [INCOME WITHHOLDING; SINGLE CHECK SYSTEM.]

The commissioner of human services, in consultation with county child support enforcement agencies, shall study and make recommendations on the feasibility of establishing a single check system under which employers

who are implementing income withholding may make one combined payment for payments due to public authorities to one public authority or to the commissioner of human services. The commissioner shall estimate the cost of the single check system and the level of fees that would be necessary to make the system self-supporting. The commissioner shall report to the legislature by January 15, 1994.

Sec. 26. [JOINT AND SPLIT CUSTODY CHILD SUPPORT.]

The commissioner of human services' advisory committee for child support enforcement shall study and make recommendations on guidelines or formulas for the computation of child support in cases involving joint physical or split custody. The commissioner shall perform data analysis of any guidelines or formulas being recommended by the committee to determine the impact of the formula on child support based on different income levels and the number of children involved. The commissioner shall report the findings and recommendations of the committee to the legislature by January 15, 1993.

Sec. 27. [REPEALER.]

Minnesota Statutes 1990, section 609.37, is repealed.

Sec. 28. [EFFECTIVE DATE; APPLICATION.]

(a) Section 10 applies to child support orders entered or modified on or after the effective date.

(b) Section 16 is effective January 1, 1994, for all judgments, decrees, and orders entered on or after that date.

(c) Section 21 is effective January 1, 1994, for all payments and installments of child support due on or after that date.

(d) Sections 22 to 24 and 27 are effective August 1, 1992, and apply to crimes committed on or after that date.

ARTICLE 2

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.

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.] *(a)* 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. 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. *The fee may be deducted from the next child support payment for the obligee collected by the public agency if the obligee is unable to pay the fee at the time of the application.* 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.

(b) If the support payment for the current month is not paid when due, the public agency may impose a late payment penalty of six percent of the support payment amount.

~~However,~~ *(c)* 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. *Other counties may elect to participate in the process.* 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~~ *that participate in the process* 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) The commissioner shall distribute money for this purpose to counties to cover the costs of the administrative process, including costs of administrative law judges. If available appropriations are insufficient to cover the costs, the commissioner shall prorate the amount among the counties.

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. [CHILD SUPPORT COMPUTER SYSTEM.]

The commissioner of human services, in consultation with county child support enforcement agencies, 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, any problems in the functioning of the system statewide, and plans for correcting outstanding problems in the system by January 1, 1994.

Sec. 7. [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 limiting downward deviations from the child support guidelines in AFDC cases. 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 limiting 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.

Sec. 8. [EFFECTIVE DATE.]

The late fee penalty under section 3 is effective January 1, 1994.

ARTICLE 3

CUSTODY AND VISITATION

Section 1. Minnesota Statutes 1990, section 257.022, subdivision 2, is amended to read:

Subd. 2. [FAMILY COURT PROCEEDINGS.] In all proceedings for

dissolution, custody, legal separation, annulment, or parentage subsequent to the commencement of the proceeding *or at any time after completion of the proceeding*, and continuing thereafter during the minority of the child, the court may, upon the request of the parent or grandparent of a party, grant reasonable visitation rights to the unmarried minor child, after dissolution of marriage, legal separation, annulment, or determination of parentage during minority if it finds that visitation rights would be in the best interests of the child and would not interfere with the parent child relationship. The court shall consider the amount of personal contact between the parents or grandparents of the party and the child prior to the application.

Sec. 2. Minnesota Statutes 1990, section 257.022, is amended by adding a subdivision to read:

Subd. 4. [ESTABLISHMENT OF INTERFERENCE WITH PARENT AND CHILD RELATIONSHIP.] *The court may not deny visitation rights under this section based on allegations that the visitation rights would interfere with the relationship between the custodial parent and the child unless the truth of the allegations is established by a preponderance of the evidence after a hearing."*

Page 2, after line 5, insert:

"Sec. 4. 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 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.

Sec. 5. Minnesota Statutes 1990, section 518.175, subdivision 6, is amended to read:

Subd. 6. [COMPENSATORY VISITATION; *DAMAGES.*] *(a)* If the court finds that the noncustodial parent has been wrongfully deprived of the duly established right to visitation, the court shall order the custodial parent to permit additional visits to compensate for the visitation of which the noncustodial parent was deprived *and may award damages or costs under paragraph (b) or (c)*. Additional visits must be:

(1) of the same type and duration as the wrongfully denied visit;

(2) taken within one year after the wrongfully denied visit; and

(3) at a time acceptable to the noncustodial parent.

(b) If a parent is willfully deprived of visitation rights without just cause or if a parent is damaged because the other parent willfully fails to exercise scheduled visitation rights without just cause, the court may award damages to the parent based on actual expenses incurred by the parent in connection with the visitation.

(c) The court may award costs and attorney fees to a parent in an action under this subdivision.

Sec. 6. Minnesota Statutes 1990, section 518.175, subdivision 7, is

amended to read:

Subd. 7. [GRANDPARENT VISITATION.] In all proceedings for dissolution or legal separation, *subsequent to the commencement of the proceeding or at any time after completion of the proceeding, and continuing during the minority of the child,* the court may make an order granting visitation rights to grandparents under section 257.022, subdivision 2.

Sec. 7. Minnesota Statutes 1991 Supplement, section 518.18, is amended to read:

518.18 [MODIFICATION OF ORDER.]

(a) Unless agreed to in writing by the parties, no motion to modify a custody order may be made earlier than one year after the date of the entry of a decree of dissolution or legal separation containing a provision dealing with custody, except in accordance with paragraph (c).

(b) If a motion for modification has been heard, whether or not it was granted, unless agreed to in writing by the parties no subsequent motion may be filed within two years after disposition of the prior motion on its merits, except in accordance with paragraph (c).

(c) The time limitations prescribed in paragraphs (a) and (b) shall not prohibit a motion to modify a custody order if the court finds that there is persistent and willful denial or interference with visitation, ~~or~~ *if the court* has reason to believe that the child's present environment may endanger the child's physical or emotional health or impair the child's emotional development, *or if the court finds that a party with joint physical custody of the child has failed to provide physical custody in accordance with the custody order.*

(d) If the court has jurisdiction to determine child custody matters, the court shall not modify a prior custody order unless it finds, upon the basis of facts that have arisen since the prior order or that were unknown to the court at the time of the prior order, that a change has occurred in the circumstances of the child or the parties and that the modification is necessary to serve the best interests of the child. In applying these standards the court shall retain the custody arrangement established by the prior order unless:

(i) both parties agree to the modification;

(ii) the child has been integrated into the family of the petitioner with the consent of the other party; ~~or~~

(iii) the child's present environment endangers the child's physical or emotional health or impairs the child's emotional development and the harm likely to be caused by a change of environment is outweighed by the advantage of a change to the child; *or*

(iv) a party with joint physical custody of the child has failed to provide physical custody in accordance with the custody order.

In addition, a court may modify a custody order under section 631.52.

(e) In deciding whether to modify a prior joint custody order, the court shall apply the standards set forth in paragraph (d) unless: (1) the parties agree in writing to the application of a different standard, or (2) the party seeking the modification is asking the court for permission to move the residence of the child to another state."

Page 2, delete lines 7 and 8 and insert:

"*(a) Sections 1 and 6 are effective the day following final enactment and apply to proceedings commenced or completed before, on, or after the effective date.*

(b) Section 2 is effective the day following final enactment and applies to proceedings pending on or commenced on or after that date.

(c) Section 3 is effective August 1, 1992, for visitation, petitions or motions pending or filed on or after that date."

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to family law; modifying provisions dealing with the administration, computation, and enforcement of child support; modifying visitation and custody provisions; imposing penalties; amending Minnesota Statutes 1990, sections 257.022, subdivision 2, and by adding a subdivision; 257.67, subdivision 3; 357.021, subdivision 1a; 518.14; 518.156, subdivision 1; 518.171, subdivisions 4 and 6; 518.175, subdivisions 1, 3, 6, and 7; 518.24; 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; 548.091, subdivision 1a; 588.20; and 609.375, subdivisions 1 and 2; Minnesota Statutes 1991 Supplement, sections 214.101, subdivision 1; 357.021, subdivision 2; 518.18; 518.551, subdivisions 5, 5b, and 12; and 518.64, subdivisions 1, 2, and 5; proposing coding for new law in Minnesota Statutes, chapter 518; repealing Minnesota Statutes 1990, section 609.37."

Mr. Frank questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

H.F. No. 1738 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	DeCramer	Johnston	Metzen	Reichgott
Beckman	Dicklich	Kelly	Moe, R.D.	Renneke
Belanger	Flynn	Knaak	Mondale	Riveness
Benson, D.D.	Frank	Kroening	Morse	Samuelson
Berg	Frederickson, D.J.	Laidig	Neuville	Spear
Berglin	Frederickson, D.R.	Langseth	Novak	Stumpf
Bernhagen	Gustafson	Larson	Olson	Terwilliger
Bertram	Halberg	Lessard	Pappas	Traub
Brataas	Hottinger	Luther	Pariseau	Vickerman
Chmielewski	Hughes	Marty	Piper	Waldorf
Cohen	Johnson, D.E.	McGowan	Pogemiller	
Davis	Johnson, D.J.	Mehrkens	Price	
Day	Johnson, J.B.	Merriam	Ranum	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Morse moved that H.F. No. 1960 be taken from the table. The motion prevailed.

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.

Mr. Morse moved to amend H.F. No. 1960, as amended pursuant to Rule 49, adopted by the Senate April 10, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 1910.)

Page 6, after line 29, insert:

"Sec. 3. [APPROPRIATION.]

$395,000 is appropriated to the commissioner of revenue for state reimbursement of supplemental retirement benefits paid to volunteer firefighters under Minnesota Statutes, section 424A.10. The reimbursement for 1992 must be paid from the same sources as the 1990 and 1991 reimbursements were paid."

Page 6, line 30, delete "3" and insert "4"

Page 7, line 3, after the period, insert "*Section 3 is effective the day following final enactment.*"

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "providing state reimbursement for supplemental retirement benefits paid to volunteer firefighters; appropriating money;"

The motion prevailed. So the amendment was adopted.

H.F. No. 1960 was read the third time, as amended, and placed on its final passage.

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

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

Those who voted in the affirmative were:

Adkins	Day	Johnston	Metzen	Riveness
Beckman	DeCramer	Kelly	Moe, R.D.	Sams
Belanger	Dicklich	Knaak	Mondale	Samuelson
Benson, D.D.	Flynn	Kroening	Morse	Solon
Benson, J.E.	Frank	Laidig	Novak	Spear
Berg	Frederickson, D.J.	Langseth	Olson	Stumpf
Berglin	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bernhagen	Halberg	Lessard	Pariseau	Traub
Bertram	Hottinger	Luther	Piper	Vickerman
Brataas	Hughes	Marty	Price	Waldorf
Chmielewski	Johnson, D.E.	McGowan	Ranum	
Cohen	Johnson, D.J.	Mehrkens	Reichgott	
Davis	Johnson, J.B.	Merriam	Renneke	

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

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2694, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2694 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 15, 1992

CONFERENCE COMMITTEE REPORT ON 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.

April 15, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 2694, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 2694 be further amended as follows:

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	$15,000	($29,015,000)	($29,000,000)
Special Revenue	($70,000)		($70,000)

SUMMARY BY AGENCY - ALL FUNDS

	1992	1993	TOTAL
State Board for Technical Colleges		(5,785,000)	(5,785,000)
State Board for Community Colleges		(3,503,000)	(3,503,000)
State University Board	15,000	(4,014,000)	(3,999,000)
Board of Regents of the University of Minnesota		(15,713,000)	(15,713,000)

	APPROPRIATIONS Available for the Year Ending June 30	
	1992	1993

Sec. 2. HIGHER EDUCATION COORDINATING BOARD

Subdivision 1. Special Revenue Fund

Cancellation

$70,000 from the post-high school planning program is canceled to the general fund not later than June 30, 1992.

Subd. 2. Agency Administration

The legislature intends that the higher education coordinating board dedicate at least .7 of a position for the regulation of private proprietary schools under Minnesota Statutes, chapter 141.

During the biennium, the higher education coordinating board may expend money from the agency administration appropriation to continue membership in the Western Interstate Commission for Higher Education.

Subd. 3. State Grants

The legislature intends that the higher education coordinating board make full grant awards in fiscal year 1993. If the fiscal year 1993 appropriation is insufficient to make full awards, the commissioner of finance shall transfer up to $4,000,000 from appropriations to the post-secondary systems, in proportion to each system's appropriation, to the state grant program. Any surplus remaining after making awards shall be returned to the systems in the same proportion in which it was transferred. The board may request an appropriation in the 1993 legislative session if the transfer is insufficient to make full awards.

During the biennium, if the cost of making full awards is less than the money available to the state grant program, the commissioner of finance shall transfer the excess appropriation from the state grant program to the post-secondary systems, in proportion to each system's appropriation.

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

Total Appropriation Changes (5,785,000)

Sec. 4. STATE BOARD FOR COMMUNITY COLLEGES		
Subdivision 1. Total Appropriation Changes		(3,503,000)
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 also be used to construct a new learning resource center.		
Subd. 3. Duluth Technical College And Community College Center		
The state board for community colleges and the state board of technical colleges shall develop and implement an integrated administrative structure and coordinated program delivery for the technical college and the community college center at Duluth.		
Sec. 5. STATE UNIVERSITY BOARD		
Total Appropriation Changes	15,000	(4,014,000)
The legislature directs the state university board to resolve claims associated with the Kummer landfill. This direction is not an admission of liability for any purpose by the state or the board for any act or omission related to the release or clean up of hazardous substances, pollutants, or contaminants from the landfill.		
$15,000 is for expenses associated with the task force on post-secondary funding.		
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 nonstate money. The new center must be on state university land and must be state owned.		
Sec. 6. BOARD OF REGENTS OF THE UNIVERSITY OF MINNESOTA		
Total Appropriation Changes		(15,713,000)
Sec. 7. POST-SECONDARY SYSTEMS		
Subdivision 1. During the biennium, it		

is the intent of the legislature to protect, to the extent possible, instructional and educational programs, and programs supportive of undergraduate and graduate students, by directing budget reductions at areas peripheral to the system missions.

Subd. 2. The base budget for each higher education system shall be determined as follows:

(a) Calculate the appropriation that was in effect prior to the passage of this article.

(b) Reductions due to enrollment declines shall be calculated.

(c) A comparison shall be made between the enrollment decline number and the reduction in this article.

(d) Whichever figure, from clause (b) or (c), yields the greater reduction shall be subtracted from the amount calculated in clause (a) to develop the base budget for fiscal years 1994 and 1995.

Subd. 3. Notwithstanding Minnesota Statutes, sections 136C.36 and 137.025, during the biennium, the commissioner of finance may negotiate alternative payment schedules with the state board of technical colleges and the board of regents, if there is a determination that the state will experience cash flow imbalances.

Subd. 4. The appropriation in Laws 1991, chapter 233, section 5, subdivision 8 for fiscal year 1992 for costs relating to collegiate license plates for academic excellence scholarships is available for fiscal year 1993.

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. *A joint vocational technical district shall process and submit its financial data to a region or directly to the state board of technical colleges.*

(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, *Duluth*, 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 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.

Sec. 11. Minnesota Statutes 1990, section 136.60, is amended by adding a subdivision to read:

Subd. 4. [COMMUNITY COLLEGE CENTERS.] *A community college center shall be located at Duluth.*

Sec. 12. Minnesota Statutes 1991 Supplement, section 136A.101, subdivision 8, is amended to read:

Subd. 8. "Resident student" means a student who meets one of the following conditions:

(1) an independent student who has resided in Minnesota for purposes other than post-secondary education for at least 12 months;

(2) a dependent student whose parent or legal guardian resides in Minnesota at the time the student applies;

(3) a student who graduated from a Minnesota high school, ~~unless~~ *if* the student ~~is a resident of a bordering state attending a~~ *was a resident of Minnesota during the student's period of attendance at the* Minnesota high school; or

(4) a student who, after residing in the state for a minimum of one year, earned a high school equivalency certificate in Minnesota.

Sec. 13. Minnesota Statutes 1991 Supplement, section 136A.121, subdivision 6, is amended to read:

Subd. 6. [COST OF ATTENDANCE.] 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.

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. 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. [136C.51] [WORKPLACE LITERACY RESOURCE CENTER; ESTABLISHMENT; PURPOSE.]

A workplace literacy resource center is established at Northeast Metro Technical College. 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.

The center may offer the following: (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. The center shall not offer any program for credit.

Sec. 18. 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. 19. 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. 20. 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. 21. Minnesota Statutes 1990, section 169.965, is amended by adding a subdivision to read:

Subd. 8. [ALLOCATION OF FINES.] *The fines collected in Hennepin, St. Louis, and Stevens counties 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. 22. Laws 1987, chapter 396, article 12, section 6, subdivision 2, is amended to read:

Subd. 2. [PRIVATE CONTRIBUTIONS REQUIRED.] The appropriation under subdivision 1 is not effective until sufficient private contributions or pledges have been made so that the private contributions and pledges, plus the appropriation under subdivision 1, are sufficient to establish the endowment for a chair in sustainable agriculture. The appropriation cancels on June 30, ~~1992~~ *1994*, if sufficient private contributions and pledges have not been made.

Sec. 23. 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. 24. 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. 25. 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. 26. [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. 27. [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.

Sec. 28. [REPEALER.]

Minnesota Statutes 1990, sections 136A.143; 136C.13, subdivision 2; and 141.21, subdivision 2; Minnesota Statutes 1991 Supplement, section 135A.50; and Laws 1991, chapter 356, article 3, section 14, are repealed.

Sec. 29. [EFFECTIVE DATE.]

This article is effective the day following final enactment, except that sections 10, 13, 18, and 26 to 28 are effective July 1, 1992, section 11 is effective July 1, 1993, and section 21 is effective July 1, 1992, for offenses committed on or after that date.

ARTICLE 2

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	$ (3,576,000)	$ (4,550,000)	$(8,126,000)
General-Direct	$ (4,734,000)	$ (6,382,000)	$(11,116,000)
Environmental	$ 50,000	$ 1,499,000	$ 1,549,000
Natural Resources	$ 306,000	$ 281,000	$ 587,000
Game and Fish	$ 42,000	$ 52,000	$ 94,000
Minnesota Resources	$ 760,000	$	$ 760,000

		APPROPRIATION CHANGE 1992	1993
Sec. 2. POLLUTION CONTROL AGENCY			
Subdivision 1. Total Appropriation Change		(639,000)	689,000
The amounts in subdivision 1 are distributed among agency programs as specified in the following subdivisions.			
Summary by Fund			
General	(639,000)	(511,000)	
Environmental		1,200,000	
The approved environmental fund complement is increased by 18 positions effective July 1, 1992.			
Subd. 2. Water Pollution Control		(186,000)	(146,000)
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.			
Subd. 3. Groundwater and Solid Waste Pollution Control		(98,000)	1,015,000
Summary by Fund			
General	(98,000)	(185,000)	
Environmental		1,200,000	

$1,200,000 is appropriated in fiscal year 1993 from the landfill cleanup account for evaluation of mixed municipal solid waste disposal facilities to determine the adequacy of final cover, slopes, vegetation, and erosion control; to determine the presence and concentration of hazardous substances, pollutants or contaminants, and decomposition gases; and to determine the boundaries of fill areas.

The appropriation for a grant to the department of administration for assistance in funding a central materials recovery facility is not reduced.

Subd. 4. Hazardous Waste Pollution Control	(250,000)	(75,000)
Subd. 5. General Support	(105,000)	(105,000)

Any unencumbered balance of the fiscal year 1992 appropriation authorized in Laws 1991, chapter 347, article 3, section 5, subdivision 1, paragraph (a), is available for fiscal year 1993.

The pollution control agency shall continue its regionalization efforts and shall report to the legislature by January 15, 1993, on the progress made toward implementing Phase II as described in the agency's regionalization report dated January 1992.

Sec. 3. OFFICE OF WASTE MANAGEMENT	(238,000)	(158,000)
Summary by Fund		
General	(288,000)	(308,000)
Environmental	50,000	150,000

The appropriation for SCORE block grants is not changed by these reductions.

$50,000 the first year and $150,000 the second year is from the pollution prevention account in the environmental fund. The complement is increased by an additional position for citizen education in the pollution prevention area, effective July 1, 1992.

Sec. 4. ZOOLOGICAL BOARD	(3,468,000)

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 revenue by $182,000 in fiscal year 1992. An additional $160,000 is expected through increased attendance.

The approved general fund complement is decreased by 49 positions and the approved special revenue fund complement is increased by 80 positions.

Sec. 5. NATURAL RESOURCES

Subdivision 1. Total Appropriation Change		(1,962,000)	(1,435,000)
	Summary by Fund		
General	(2,310,000)	(1,768,000)	
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	(375,000)	(375,000)
Subd. 4. Forest Management	(300,000)	139,000

$300,000 the first year and $821,000 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.

The commissioner shall continue to sell fuelwood on state lands.

Department of natural resources forestry area and district boundaries existing on January 1, 1992, may not be changed unless supported by a cost-benefit analysis of delivery of services within the current boundaries and the proposed boundaries. Proposed boundary changes may be implemented 90 days after the proposal and supporting cost-benefit analysis have been provided to the chairs of the environment and natural resources divisions of the senate finance and house appropriations committees.

Subd. 5. Parks and Recreation Management	(400,000)	195,000

Hill Annex Mine state park must be kept open and operated with no state appropriations used for water pumping. No more than $110,000 may be spent for operating the park in fiscal year 1993.

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	(32,000)	(33,000)

Summary by Fund

General	(198,000)	(199,000)
Natural Resources	166,000	166,000

$166,000 for the fiscal year ending June 30, 1992, and $166,000 for the fiscal year ending June 30, 1993, are appropriated to the commissioner of natural resources from the water recreation account for control, public awareness, law enforcement, monitoring, and research of nuisance aquatic exotic species such as zebra mussel, purple loosestrife, and Eurasian water milfoil in public waters and public wetlands. Any unencumbered balance in the first year does not cancel and is available for the second year.

Subd. 8. Field Operations Support	(106,000)	(485,000)
Subd. 9. Regional Operations Support	(151,000)	(160,000)
Subd. 10. Special Services and Programs	(190,000)	(190,000)

Any reductions in the department of natural resources' agency operating budget or reductions in agency program efforts prompted by specific legislative action or economic conditions during the biennium shall not be applied against the budget for the Minnesota Conservation Corps in a greater proportion than the

average if applied against all of the department's general fund programs. Any reductions must be accomplished in a manner that does not reduce the amount of federal grants for which the department is eligible.

Subd. 11. Administrative Management Services	82,000	67,000
Summary by Fund		
General	(100,000)	(100,000)
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)

These reductions are from the appropriation in Laws 1991, chapter 354, article 11, section 1, subdivision 2, paragraph (b). These are one-time reductions and must not be considered reductions in the department of natural resources' base budget for the 1994-1995 biennium.

Subd. 13. Miscellaneous

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.

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.

As part of the budget process for the 1994-1995 biennium, the department of natural resources shall meet and confer to develop a plan in cooperation with representatives of employee bargaining units for the consolidation, enhancement, and realignment of division, region, and area responsibilities. The plan must specify how DNR direct services are increased and management and supervisory positions minimized. The department is not precluded from taking actions, after meeting and conferring with representatives of employee bargaining units, before submission of the 1994-1995 biennial budget. 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)	100,000
	Summary by Fund		
General	(357,000)	(49,000)	
Environmental		149,000	
The amounts in subdivision 1 are to be distributed among agency programs as specified in the following subdivisions.			
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)	(55,000)
$50,000 shall be spent in fiscal year 1993			

for the WIC Coupon program in the Minnesota Grown budget activity.

Subd. 4. Family Farm Services	(67,000)	10,000

$2,200,000 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.

$200,000 is appropriated in fiscal year 1993 for transfer to the Minnesota extension service for farmer-lender mediation services. This is a one-time appropriation and is not part of the department's base budget for the 1994-1995 biennium.

Amounts available for agricultural information centers must be divided equally between the centers in Thief River Falls and St. Charles.

Subd. 5. Administrative Support and Grants	(14,000)	187,000

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.

$150,000 the second year is for the commissioner of agriculture to conduct, in consultation with the commissioners of transportation, public service, and the pollution control agency, a public outreach and training program to educate the public, automobile mechanics, and representatives of the gasoline distribution network about the oxygenated gasoline program. This is a one-time appropriation and is not part of the department's base budget for the 1994-1995 biennium.

Sec. 7. CITIZENS COUNCIL ON VOYAGEURS 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.		
The council must retain its headquarters in International Falls.		
Sec. 8. SCIENCE MUSEUM OF MINNESOTA	(30,000)	(30,000)
Sec. 9. MINNESOTA RESOURCES		
The following amounts are appropriated from the Minnesota future resources fund. The appropriations are available immediately following enactment and are otherwise subject to the provisions of Laws 1991, chapter 254, article 1, section 14.		
Upper Mississippi River Environmental Education Center	600,000	
This appropriation is to the commissioner of natural resources for a grant to the city of Winona to develop detailed architectural designs necessary to obtain federal construction funding for an Upper Mississippi River Environmental Education Center. This appropriation is contingent upon federal commitment of at least $6,000,000 for construction and for future operation and maintenance. The deadline for the contingent match commitment is January 1, 1993.		
Biological Control of Eurasian Water Milfoil	160,000	
This appropriation is to the commissioner of natural resources for a research program leading to biological control of Eurasian water milfoil.		
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 director of the legislative commission on Minnesota resources, 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. 10. BOARD OF WATER AND		

SOIL RESOURCES	(1,100,000)	200,000
$100,000 of this appropriation is for grants to the Minnesota association of soil and water conservation districts for education and training of local government officials relating to the implementation of Laws 1991, chapter 354.		
$100,000 is for grants to counties for local administration and enforcement of Laws 1991, chapter 354.		
$1,100,000 appropriated in Laws 1991, chapter 354, article 11, section 1, subdivision 2, paragraph (a), clause (3), is canceled.		
Sec. 11. BOARD OF ANIMAL HEALTH		10,000
This appropriation is to cover the cost of testing turkeys and chickens in Minnesota for avian influenza.		

Sec. 12. Minnesota Statutes 1990, section 17.03, is amended by adding a subdivision to read:

Subd. 9. [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. 13. Minnesota Statutes 1990, section 17.03, is amended by adding a subdivision to read:

Subd. 10. [GIFTS; PUBLICATION FEES; ADVERTISING; APPROPRIATION.] *(a) The commissioner may accept for and on behalf of the state any gift, bequest, devise, grant, or interest in money or personal property of any kind tendered to the state for any purpose pertaining to the activities of the department of agriculture or any of its divisions.*

(b) The commissioner may charge a fee for reports, publications, or other promotional or informational material produced by the department of agriculture. The commissioner may solicit and accept advertising revenue for any departmental publications or promotional materials.

(c) The fees collected by the commissioner under this section are to recover all or part of the costs of providing services for which the fees are paid. These fees are not subject to chapter 14 or sections 16A.128 and 16A.1281.

(d) Money received by the commissioner for these activities may be credited to one or more special accounts in the state treasury. Money in those special

accounts is annually appropriated to the commissioner to provide the services for which the money was received.

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 two-fifths 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 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~~ *$250*. 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~~ *at least $500,000* 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~~ *and $100,000 per fiscal year* 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. [INCREASE IN PESTICIDE REGISTRATION FEES.]

A registrant may not charge a customer for the increase in fees under section 15 for sales made before the effective date of that section.

Sec. 17. 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. 18. 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~~ *$8,550,000*. 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. 19. 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. 20. [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. [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. 21. [84.525] [MAINTENANCE OF CAMPSITES IN THE BWCA.]

All reservation fees paid to the state attributable to state-owned lands within the boundary waters canoe area must be credited to an account in the special revenue fund and are appropriated to the commissioner of natural resources for maintenance of state-owned campsites within the boundary waters canoe area. The commissioner may enter into cooperative agreements with the federal government for maintenance of the campsites.

Sec. 22. 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. 23. 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. 24. 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. 25. 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. 26. [115B.42] [LANDFILL CLEANUP ACCOUNT.]

Subdivision 1. [ESTABLISHMENT.] *The landfill cleanup account is established in the environmental fund in the state treasury. The account consists of money credited to the account and interest earned on the money in the account.*

Subd. 2. [EXPENDITURES.] *Subject to appropriation, money in the account may be spent for inspection of mixed municipal solid waste disposal facilities to:*

(1) evaluate the adequacy of final cover, slopes, vegetation, and erosion control;

(2) determine the presence and concentration of hazardous substances, pollutants or contaminants, and decomposition gases; and

(3) determine the boundaries of fill areas.

Sec. 27. 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. 28. 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. 29. [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. 30. [SOLID WASTE FEES.]

Subdivision 1. [METROPOLITAN AREA LANDFILLS.] *(a) The proceeds of fees paid from July 1, 1992 to June 30, 1993, under Minnesota Statutes, section 473.843, including interest and penalties, must be deposited as follows:*

(1) three-fourths of the proceeds must be deposited in the metropolitan landfill abatement account established in Minnesota Statutes, section 473.844;

(2) an amount equal or equivalent to 20 cents per cubic yard of waste subject to the fees must be deposited as provided in subdivision 4; and

(3) the remainder of the proceeds must be deposited in the metropolitan landfill contingency action trust fund established in Minnesota Statutes, section 473.845.

(b) The amount of the fee in Minnesota Statutes, section 473.843, subdivision 1, must be reduced by 20 cents per cubic yard, or the equivalent, and paragraph (a), clause (2), does not apply, for waste for which the fee in subdivision 3 has been paid.

Subd. 2. [NONMETROPOLITAN AREA LANDFILLS.] *(a) From July 1, 1992 to June 30, 1993, a county, statutory or home rule charter city, or sanitary district that receives fees under Minnesota Statutes, section 115A.923, may impose a surcharge of up to 20 cents per cubic yard, or the equivalent, of solid waste subject to the fees.*

(b) From July 1, 1992 to June 30, 1993, a county, statutory or home rule charter city, or sanitary district that receives fees under Minnesota Statutes, section 115A.923, shall remit to the commissioner of revenue an amount equal or equivalent to 20 cents per cubic yard of solid waste that is subject to the fees and on which the fee in subdivision 3 has not been paid. The remittance must be made on or before the 20th day of each month for fees received the previous month, using a form provided by the commissioner.

(c) The amount of the fee in Minnesota Statutes, section 115A.923, subdivision 1, must be reduced by 20 cents per cubic yard, or the equivalent, for waste for which the fee in subdivision 3 has been paid.

Subd. 3. [OTHER FACILITIES.] *(a) Except as provided in paragraph (b), the operator of a mixed municipal solid waste processing facility that is permitted by the pollution control agency shall pay a fee in an amount equal or equivalent to 20 cents per cubic yard of solid waste accepted for processing at the facility from July 1, 1992 to June 30, 1993.*

(b) The fee does not apply to:

(1) waste that has previously been accepted at another mixed municipal solid waste processing facility; or

(2) waste residue from a recycling facility at which recyclable materials are separated or processed for the purposes of recycling, if there is at least an 85 percent volume reduction in the solid waste processed at the facility.

To qualify for exemption under this clause, the waste residue must be brought separately to the processing facility in paragraph (a). The commissioner of revenue, with the advice and assistance of the metropolitan council, the director of the office of waste management, and the commissioner of the pollution control agency, shall prescribe procedures for determining the amount of waste residue qualifying for exemption under this clause.

(c) The fee must be remitted to the commissioner of revenue on or before the 20th day of each month for waste accepted at the facility during the previous month, using a form provided by the commissioner.

Subd. 4. [DISPOSITION OF PROCEEDS.] *Of the amounts specified in subdivisions 1, clause (2); 2, paragraph (b); and 3:*

(1) $360,000 must be deposited in the environmental fund for appropriations made under Laws 1991, chapter 254, article 1, section 2, subdivision 4; and

(2) the remainder must be credited to the landfill cleanup account established in Minnesota Statutes, section 115B.42.

The amount in clause (1) includes indirect costs.

Sec. 31. Minnesota Statutes 1990, section 115D.04, subdivision 2, is amended to read:

Subd. 2. [ASSISTANCE.] The pollution prevention assistance program must include at least the following:

(1) a program to assemble, catalog, and disseminate information on pollution prevention;

(2) a program to provide technical research and assistance, including on-site consultations to identify alternative methods that may be applied to prevent pollution and to provide assistance for planning under section 115D.07, excluding design engineering services; and

(3) outreach programs including seminars, workshops, training programs, and other similar activities designed to provide pollution prevention information and assistance to eligible recipients *and other interested persons*.

Sec. 32. [REPEALER.]

(a) Minnesota Statutes 1990, section 84.0885, is repealed.

(b) Minnesota Statutes 1990, section 89.036, is repealed.

Sec. 33. [EFFECTIVE DATES.]

This article is effective the day following final enactment, except that sections 4 and 22 are effective July 1, 1992, and sections 23 and 32, paragraph (b), are effective July 15, 1992.

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	$(1,112,000)	$ (3,820,000)	$ (4,932,000)
GENERAL FUND	$(3,112,000)	$(11,255,000)	$(14,367,000)
TRUNK HIGHWAY FUND	$ 2,000,000	$	$ 2,000,000
WORKERS' COMPENSATION	$	$ 3,274,000	$ 3,274,000
STATE AIRPORTS FUND	$	$ 10,000	$ 10,000
SPECIAL REVENUE FUND	$	$ 4,151,000	$ 4,151,000
REVENUE CHANGE	$ 49,000	$ 8,961,000	$ 9,010,000
GENERAL FUND	$ 49,000	$ 2,596,000	$ 2,645,000
WORKERS' COMPENSATION	$	$ 2,214,000	$ 2,214,000

SPECIAL REVENUE FUND	$	$ 4,151,000	$ 4,151,000

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 2,000,000

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 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.

Subd. 5. Aeronautics

10,000

This appropriation is from the state airports fund for the advisory council on metropolitan airports planning.

Subd. 6. Greater Minnesota Transit Assistance 440,000

This appropriation is from the general fund.

Sec. 3. REGIONAL TRANSIT BOARD 1,500,000

This appropriation is for Metro Mobility, and is notwithstanding any restriction in Laws 1991, chapter 233, section 3. 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)

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)

Subd. 10. State Patrol

(16,000) (40,000)

Subd. 11. Capitol Security

(75,000)

Subd. 12. Gambling Enforcement

(130,000)

Subd. 13. General Reductions

(3,000)	(71,000)	
Sec. 5. BOARD OF PEACE OFFICER STANDARDS AND TRAINING		
Subdivision 1. Total Appropriation Changes	(151,000)	669,000
Summary by Fund		
General Fund	(151,000)	(3,482,000)
Special Revenue Fund		4,151,000
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 fiscal year 1993 in excess of $4,151,000 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.		
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

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	(45,000)	(25,000)
Subd. 2. General Reduction	(95,000)	(95,000)

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.

Subd. 3. Greater Cloquet-Moose Lake Forest Fire Center		20,000

The society shall spend this amount as a grant to the city of Cloquet to complete planning and design for development of the center.

Subd. 4. Statewide Outreach	50,000	50,000

These appropriations are for historic site grants to encourage local historic preservation projects. To be eligible for a grant, a county or local project group must provide a 50 percent match, in accordance with the historical society's guidelines. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

Sec. 10. MINNESOTA HUMANITIES COMMISSION	(10,000)

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		(55,000)
Subd. 2. General Reduction		(75,000)
The reduction specified in this subdivision can be taken in either year of the 1992-1993 biennium.		
Subd. 3. Kee Theatre		20,000
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.	(3,361,000)	(4,490,000)
(a) $3,000,000 of the appropriation reduction in fiscal year 1992 is to be replaced 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.		
(b) Agricultural Utilization Research Institute		(1,000,000)
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.		
(c) General Reduction	(361,000)	(540,000)
(d) Minnesota High Technology Corridor Corporation		50,000
(e) The remainder of the reduction in fiscal year 1993 is intended as a one-time reduction and may be replaced by money from the agency's fund balance or the agency's seed capital account, or taken as reductions in agency operations expenditures, as determined by the agency's board.		
(f) Grants to the organizations required to receive grants and funding by Laws 1991, chapter 233, section 21, subdivision 1, and Laws 1991, chapter 322, section 18, other than grants to the agricultural utilization research institute, must not be reduced by more than 6.3 percent, and must not be included in the $3,000,000 reduction for the second year. Grants to the agricultural utilization research institute may not be reduced by		

more than the amount specified in paragraph (b).

Sec. 13. WORLD TRADE CENTER CORPORATION

Subdivision 1. Total Appropriation Changes	530,000
Subd. 2. General Reduction	(50,000)

This reduction 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).

Subd. 3. Privatization of corporation	580,000

(a) The commissioner of finance shall release all or part of this appropriation as provided in this subdivision. Any portion of the appropriation not released reverts to the general fund.

(b) The commissioner of finance shall release $220,000 of this appropriation on the day following final enactment of this act. Of this amount (1) $120,000 is for preservation of the assets of the corporation during the 90 days following the day following final enactment of this act, and (2) $100,000 shall be used to conduct an analysis of the feasibility of privatizing (through merger, asset sale, or public offering) all or part of the corporation. That analysis must include a full market value accounting study of the corporations's assets, liabilities, liens, and encumbrances. Subject to the approval of the commissioner of administration, the World Trade Center Corporation board shall select an investment advisor to perform the privatization analysis required under clause (2).

The study must be delivered to the board and the commissioner of administration not later than 90 days after the release of funds under this paragraph.

(c) Should the commissioner of administration determine that the study conducted under paragraph (b) shows a reasonable potential for the state to recover a significant proportion of its investment in the World Trade Center Corporation in a sale of all or part of the

corporation, the commissioner of administration shall request the commissioner of finance to release an additional $240,000 of this appropriation. The World Trade Center Corporation board shall utilize this amount during the 180 days following the expiration of the period described in paragraph (b) to prepare and execute a plan for accomplishing the privatization and to preserve the assets and goodwill of the corporation.

(d) If the commissioner of administration determines the release of the remaining $120,000 of this appropriation is necessary during the 90 days following the completion of the period described in paragraph (c) to preserve the assets and goodwill of the corporation and to facilitate the sale of all or part of the corporation, the commissioner of administration may request the commissioner of finance to release the remaining $120,000 of this appropriation.

(e) This appropriation is available until expended.

(f) 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.

(g) 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.

Sec. 14. LABOR AND INDUSTRY

Subdivision 1. Total Appropriation Changes	(80,000)	385,000
Summary by Fund		
General	(80,000)	(2,889,000)
Workers' Compensation		3,274,000

The approved general fund complement is decreased by 62.5 positions and the approved workers' compensation fund

complement is increased by 101.5 positions effective July 1, 1992.

The amounts in subdivision 1 are to be distributed among agency programs as specified in the following subdivisions.

Subd. 2. Workers' Compensation Regulation and Enforcement

Summary by Fund

General Fund	(1,458,000)	
Workers' Compensation	1,633,000	

The general fund reduction is from the money appropriated in Laws 1991, chapter 292, article 1, section 5, subdivision 1.

The appropriation of $1,633,000 in the second year is for the Workers' Compensation Vocational Rehabilitation Unit which is funded from the workers' compensation fund effective July 1, 1992.

Subd. 3. Workplace Regulation and Enforcement

Summary by Fund

General Fund	(40,000)	(1,431,000)
Workers' Compensation	1,641,000	

The appropriation of $1,641,000 in the second year is for the Occupational Safety and Health Act program which is funded from the workers' compensation fund effective July 1, 1992.

Subd. 4. General Support

General Fund	(40,000)

Sec. 15. SECRETARY OF STATE

Subdivision 1. General Reduction	(248,000)

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 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 $25,000 the second year are for the advisory council on metropolitan airport planning. The commissioner of transportation shall transfer these funds to the legislative

coordinating commission by July 15, 1992.

Sec. 17. 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. 18. Minnesota Statutes 1990, section 5.09, is amended to read:

5.09 [LEGISLATIVE MANUAL, STUDENTS' EDITION.]

The secretary of state~~, subject to the approval of the president of the senate and speaker of the house of representatives, shall~~ *may* prepare, compile, edit, and distribute a brief edition of the legislative manual, as provided in section 5.08, suitable for school pupils.

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 138.763, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] There is a St. Anthony Falls heritage board consisting of ~~ten~~ *thirteen* members with the director of the Minnesota historical society as chair. The members include the mayor, *the chairman of the Hennepin county board of commissioners,* two members each from the city council, *the Hennepin county board,* and the park board, and one each from the preservation commission, the preservation office, Hennepin county historical society, and the society.

Sec. 32. Minnesota Statutes 1990, section 138.766, is amended to read:

138.766 [MATCH.]

The city of Minneapolis, *Hennepin county,* and the park board shall provide match in money or in kind for the project under sections 138.761 to 138.765 on a dollar for dollar basis.

Sec. 33. 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. 34. Minnesota Statutes 1990, section 176.104, subdivision 2, is amended to read:

Subd. 2. [LIABILITY FOR ~~PAST~~ REHABILITATION; *LIEN.*] *(a)* If liability is determined after the employee has commenced rehabilitation under this section the liable party is responsible for the cost of rehabilitation provided. Future rehabilitation after liability is established is governed by section 176.102.

(b) If the employer, insurer, or defendant is given written notice by the department of a claim for rehabilitation services or disbursements, the claim is a lien against the amount paid or payable as compensation.

Sec. 35. Minnesota Statutes 1990, section 176.104, is amended by adding a subdivision to read:

Subd. 3. [REIMBURSEMENTS.] *All money received under this section must be credited to the special compensation fund.*

Sec. 36. Minnesota Statutes 1990, section 176.104, is amended by adding a subdivision to read:

Subd. 4. [VOCATIONAL REHABILITATION UNIT FUNDING.] *The cost of the vocational rehabilitation unit shall be financed by the special compensation fund beginning July 1, 1992.*

Sec. 37. Minnesota Statutes 1990, section 176.129, subdivision 1, is amended to read:

Subdivision 1. [DEPOSIT OF FUNDS.] The special compensation fund is created for the purposes provided for in this chapter *and chapter 182*. The state treasurer is the custodian of the special compensation fund. Sums paid to the commissioner pursuant to this section shall be deposited with the state treasurer for the benefit of the fund and used to pay the benefits under this chapter *and administrative costs pursuant to subdivision 11*. Any interest or profit accruing from investment of these sums shall be credited to the special compensation fund. Subject to the provisions of this section, all the powers, duties, functions, obligations, and rights vested in the special compensation fund immediately prior to January 1, 1984 are transferred to and vested in the special compensation fund recreated by this section. All rights and obligations of employers with regard to the special compensation fund which existed immediately prior to January 1, 1984, continue, subject to the provisions of this section.

Sec. 38. Minnesota Statutes 1990, section 176.129, subdivision 11, is amended to read:

Subd. 11. [ADMINISTRATIVE PROVISIONS.] The accounting, investigation, and legal costs necessary for the administration of the programs financed by the special compensation fund shall be paid from the fund during each biennium commencing July 1, 1981. Staffing and expenditures

related to the administration of the special compensation fund shall be approved through the regular budget and appropriations process. All sums recovered by the special compensation fund as a result of action under section 176.061, or recoveries of payments made by the special compensation fund under section 176.183 or 176.191, *or sums recovered under chapter 182,* shall be credited to the special compensation fund.

Sec. 39. Minnesota Statutes 1990, section 176.183, subdivision 1, is amended to read:

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 officers of corporations who have legal control, either individually or jointly with another or others, of the payment of wages. An action to recover the moneys 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.

Sec. 40. Minnesota Statutes 1991 Supplement, section 182.666, subdivision 2, is amended to read:

Subd. 2. Any employer who has received a citation for a serious violation of its duties under section 182.653, or any standard, rule, or order adopted under the authority of the commissioner as provided in this chapter, shall be assessed a fine not to exceed $7,000 for each violation. If the violation causes or contributes to the cause of the death of an employee, the employer shall be assessed a fine of up to ~~$10,000~~ *$25,000*.

Sec. 41. Minnesota Statutes 1990, section 182.666, subdivision 7, is amended to read:

Subd. 7. Fines imposed under this chapter shall be paid to the commissioner for deposit in the ~~general~~ *special compensation* fund and may be recovered in a civil action in the name of the department brought in the district court of the county where the violation is alleged to have occurred or the district court where the commissioner has an office. Unpaid fines shall be increased to 125 percent of the original assessed amount if not paid within 60 days after the fine becomes a final order. After that 60 days, unpaid fines shall accrue an additional penalty of ten percent per month compounded monthly until the fine is paid in full.

Sec. 42. 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. 43. 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. 44. 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. 45. 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. 46. 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. 47. 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. 48. 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. 49. 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. 50. 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. 51. 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. Nothing in this paragraph authorizes the commissioner or a member of the board to receive merchandise for personal use.

Sec. 52. 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. 53. 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. 54. 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~~ *420*
Importers of malt liquor	~~$200~~ *800*

Sec. 55. 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. 56. 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. 57. 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. 58. 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. 59. 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. 60. 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. 61. 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. 62. 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. 63. 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. 64. 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. 65. 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. 66. 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. 67. 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. 68. 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. 69. 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. 70. 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. 71. 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. 72. 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. 73. 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. 74. 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. 75. 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. 76. 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. 77. [STONE ARCH BRIDGE.]

Notwithstanding any other law to the contrary, the board of Hennepin county commissioners, in its capacity as the county board or as the Hennepin county regional rail authority, shall transfer legal title to the James J. Hill stone arch bridge to the commissioner of transportation for a consideration of $1,001. The deed of conveyance shall provide for reversion of the property to the county in the event the county has need of the bridge for light rail transit.

Sec. 78. [LOTTERY ADVERTISING EXPENDITURES.]

The director of the state lottery may not reduce expenditures for advertising in fiscal year 1993 in order to comply with the requirement in section 70 that amounts credited to the lottery operations account in fiscal year 1993 not exceed 14.5 percent of gross revenue in that fiscal year.

Sec. 79. [REPEALER.]

Minnesota Statutes 1990, section 211A.04, subdivision 2, is repealed. Minnesota Statutes 1991 Supplement, section 97A.485, subdivision 1a, is repealed.

Sec. 80. [EFFECTIVE DATES.]

(a) Except as provided in paragraph (b), this article is effective the day following final enactment.

(b) Sections 19, 24 to 29, 34 to 45, 52 to 72, and 74 to 79 are effective July 1, 1992. Section 20 is effective for taxable years after December 31, 1989.

ARTICLE 4

STATE GOVERNMENT AFFAIRS

Section 1. [STATE GOVERNMENT AFFAIRS; 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	$(1,611,000)	$(806,000)	$(2,417,000)

	APPROPRIATION CHANGE 1992	1993
Sec. 2. LEGISLATURE		(3,564,000)
Any part of this reduction may be taken from balances carried forward.		
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		600,000
$5,000 is for alternative dispute resolution in Anoka county.		
$50,000 is for a judges workload, updated weighted caseload time survey, 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).		
The supreme court, in consultation with representatives of official and free lance court reporters, shall study and report to the legislature on the certification of shorthand court reporters by January 1, 1993. The study shall consider testing, registration, continuing education, discipline, and fees necessary to offset the cost of the certification program.		
By January 1, 1993, the supreme court shall adopt rules governing vacation leave of judges and paid judicial leave for educational and other professional purposes. In developing these rules, the supreme court shall consider employee		

leave plans of the legislative and executive branches, including graduated accrual systems.

By January 1, 1993, the supreme court shall adopt rules governing the acceptance of fees, honoraria, or other compensation for work performed by judges on time for which they are compensated by the state or related in any way to their official positions or duties. In developing these rules, the supreme court shall consider the prohibitions in Minnesota Statutes, section 43A.38, subdivision 2.

Sec. 4. COURT OF APPEALS		(28,000)
Sec. 5. DISTRICT COURTS	180,000	(247,000)
Sec. 6. BOARD OF PUBLIC DEFENSE		60,000

Approved complement addition:

General fund - 1

$140,000 is for an automated data collection system and transfer of fiscal agent functions from the counties to the state.

$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.

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.

$50,000 the second year is for one position relating to planning and technical services.

Sec. 7. GOVERNOR AND LIEUTENANT GOVERNOR	503,000	105,000

$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.

$365,000 the second year is to cover costs of employees in the governor's office who are currently being charged to other agencies.

On August 15 of each year the commissioner of finance shall report to the chairs of the economic and state affairs division of the senate finance committee and the state government division of the house appropriations committee those personnel costs incurred by the office of the governor and the lieutenant governor that were supported by appropriations of other agencies during the previous fiscal year. The office of the governor shall inform the chairs of the divisions before initiating any interagency agreements.

Sec. 8. STATE AUDITOR		(30,000)
Sec. 9. STATE TREASURER		(63,000)
Sec. 10. ATTORNEY GENERAL	50,000	(600,000)

$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. 11. OFFICE OF STRATEGIC AND LONG-RANGE PLANNING (60,000)

No reductions may be made to the environmental quality board.

$50,000 of appropriations previously made must be used to pay for services previously rendered by the Minneapolis public library.

The temporary unclassified position currently used to administer the generic environmental impact study on timber harvesting must be continued with the current incumbent until the study is completed. Upon completion of the study, responsibility for analyzing and implementing study recommendations is transferred to the department of natural resources under Minnesota Statutes, section 15.039, at which time the complement of the office of strategic and long-range planning must be reduced by one and the complement of the department of natural resources must be increased by one.

Sec. 12. BOARD OF INVESTMENT (20,000)

Sec. 13. ADMINISTRATION 826,000

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, to improve the capital budget planning process.

$85,000 of the appropriation in fiscal year 1993 is to be used to manage the costs of freight for state purchases.

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 collocation in Laws 1991,

chapter 345, article 1, section 17, 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.

$720,000 is for public television equipment needs. Equipment grant allocations shall be made after considering the recommendations of the Minnesota Public Television Association.

$116,000 the second year is for equipment grants to public educational radio stations, which must be allocated after considering the recommendations of the Association of Minnesota Public Educational Radio Stations.

$278,000 the second year is for equipment grants to affiliate stations of Minnesota Public Radio, Incorporated, which must be allocated after considering the recommendations of Minnesota Public Radio, Incorporated.

The commissioner of administration is directed to transfer $82,000 in fiscal 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 bookstore 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 commissioner of administration 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.

The matching requirements in Laws 1991, chapter 345, article 1, section 17, subdivision 9, 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 telecommunications. 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 statewide in the next biennium.

$4,000 the second year is for the state band.

Sec. 14. FINANCE	(176,000)	2,096,000

Approved complement addition:

General fund - 1

$1,800,000 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 transferred to the general fund in fiscal year 1993 through a comprehensive review of statewide indirect costs. $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.

$10,000 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.

Up to $300,000 is to support enhanced collection activities in the departments of finance, human services, and revenue. Any unspent balance for these collection activities may be transferred to the accounts receivable restructuring study. This appropriation is available upon enactment.

$100,000 is for the attorney general and the commissioners of finance, revenue, and human services, under the supervision of the legislative commission on planning and fiscal policy, to conduct a study to identify long-term options on restructuring the state of Minnesota accounts receivable process and recommend changes 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 results of the study must be reported to the legislative commission on planning and fiscal policy.

Sec. 15. EMPLOYEE RELATIONS (269,000)

Approved complement addition:

Special revenue - 3

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.

$500,000 appropriated by Laws 1987, chapter 404, section 19, subdivision 5; $116,000 appropriated by Laws 1988, chapter 686, article 1, section 9, item (a); and $40,000 appropriated by Laws 1989, chapter 335, article 1, section 18, subdivision 3, to establish the statewide fringe benefit plan must be transferred from the employee insurance trust fund to the general fund by January 1, 1993.

Notwithstanding any law to the contrary, during fiscal year 1993 $944,000 in excess police state aid collected by the public employees retirement association must be transferred to the general fund.

Sec. 16. REVENUE (580,000) (580,000)

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. 17. TRADE AND ECONOMIC DEVELOPMENT

Subdivision 1. Total Appropriation Changes (1,046,000) 2,619,000

Subd. 2. Community Development

The appropriation reduction in fiscal year 1992 includes a reduction of $200,000 for a grant to the World Trade 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.

$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.

$2,356,000 the second year is for payment of a grant to the metropolitan council for metropolitan area regional parks maintenance and operation.

From money previously appropriated for economic recovery grants, the commissioner shall make up to $500,000 available for grants of 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 partnership program under Minnesota Statutes, chapter 116L. A company may receive no more than one grant per year. Any funds not obligated by May 31, 1993, may be used for economic recovery grants.

$200,000 of the unobligated balance in the agricultural and economic development account in the special revenue fund shall be transferred to the general fund by June 30, 1992.

The department of trade and economic development shall provide $50,000 from the economic recovery grant program to the city of Brooklyn Center to serve as the project coordinator of the first stage of a four-city business retention and local market expansion pilot project. The city shall share all results and written reports with the department of trade and economic development.

$250,000 the first year and $250,000 the second year are for transfer to the commissioner of jobs and training for a wage subsidy program to alleviate summer youth unemployment under Minnesota

Statutes, section 268.552. No more than five percent of this appropriation may be used for administration.

Subd. 3. Minnesota Trade Office

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

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 define beneficiaries of state appropriations for the promotion of significant tourism-related events and attempt to recover those appropriations. Money recovered, and money returned under contracts to host major events, must be credited to a special account to be used, when directly appropriated, to attract and host significant tourism-related events.

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.

$150,000 the second year is for a grant to Nicollet county to establish a tourist information and interpretive center on the site of the treaty of Traverse des Sioux. The grant is available only as matched by $2 of nonstate money for each $1 of this appropriation.

Subd. 5. Business Development and Analysis

$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 department shall proceed with the small business incubator pilot project authorized in Laws 1991, chapter 345, article 1, section 23, subdivision 5, and need not adopt rules for the project.

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 $20,000.

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 recommendations to the appropriate committees of the legislature by January 15, 1993.

Sec. 18. MILITARY AFFAIRS (542,000) (842,000)

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.

Except for reduction of the tuition reimbursement for enlistment or reenlistment, reductions totaling $300,000 in either

fiscal year 1992 or 1993 shall be allocated at the discretion of the department.

Sec. 19. VETERANS AFFAIRS (29,000)

Sec. 20. POLICE AND FIRE AMORTIZATION AID (2,020,000)

This reduction is due to excess investment earnings by the Minneapolis police and fire relief associations and reduces the aid apportionment otherwise payable to the city of Minneapolis on July 15, September 15, and November 15, 1992.

Sec. 21. CONTINGENT ACCOUNTS 1,240,000

This appropriation is available with the approval of the governor after receiving the recommendation of the legislative advisory commission under Minnesota Statutes, section 3.30.

$800,000 is for expenses of the commission on reform and efficiency.

Sec. 22. CANCELLATIONS

Subdivision 1. Freight expense

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.

Subd. 2. Intertech

The commissioner of finance shall direct agencies to reduce allotments to reflect a credit in Intertech billings of $2,000,000 which will result in savings to the general fund by June 30, 1993. This credit is based upon extra earnings made in the prior fiscal year that caused certain services to exceed their net revenue projections.

Subd. 3. 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 will be savings 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.

Subd. 4. 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 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 to the general fund of $222,000 in fiscal year 1992 and $1,350,000 in fiscal year 1993. Three new positions are to staff and implement a return-to-work unit which will manage internal file review and reduce costs.

Subd. 5. Prior injuries and illnesses

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 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 revenue fund and transferred to the appropriate funds from which associated claims originate according to procedures and by dates specified by the commissioner of finance.

Subd. 6. 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.

Subd. 7. Insurance Premiums

This reduction is to agency budgets to account for premium holidays to be 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. It is estimated that these cancellations will save the general fund $623,000 the first year and $4,900,000 the second year.

Subd. 8. MSRS

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.

Subd. 9. Governor's office employees

$365,000, representing the cost of employees in the governor's office who are currently being charged to other agencies, must be taken from allotments to those agencies and canceled to the general fund.

Sec. 23. 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. 24. [MANAGING REDUCTIONS.]

The general fund appropriation reductions to an agency in this article may be taken by the agency in either year of the biennium, except that an agency in the executive branch, other than a constitutional officer, must obtain the advance approval of the commissioner of finance before moving a reduction to a different fiscal year. Moving a reduction out of fiscal year 1993 does not increase the agency's appropriation base for the 1994-1995 biennium.

Sec. 25. Minnesota Statutes 1990, section 3.305, is amended to read:

3.305 [LEGISLATIVE COORDINATING COMMISSION; BUDGET ~~REVIEW~~ *AUTHORITY*.]

Subdivision 1. [REVIEW.) The administrative budget request of any

statutory commission the majority of whose members are members of the legislature shall be submitted to the legislative coordinating commission for review and comment before its submission to the finance committee of the senate and the appropriations committee of the house of representatives. No such commission shall employ additional personnel without first having received the recommendation of the legislative coordinating commission. The commission shall establish the compensation of all employees of any statutory commission, except classified employees of the legislative audit commission, the majority of whose members are members of the legislature.

Subd. 2. [TRANSFERS.] *The legislative coordinating commission may transfer unobligated balances among general fund appropriations to the legislature.*

Sec. 26. 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. 27. [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. 28. 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. 29. 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 before the warrants have been reported to the commissioner of commerce under section 345.41.*

Sec. 30. 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. 31. 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. 32. 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 ~~of~~ *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. 33. 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. 34. 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 representing 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. 35. 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. 36. Minnesota Statutes 1990, section 349.161, subdivision 4, is amended to read:

Subd. 4. [FEES.] The annual fee for a distributor's license is ~~$2,500~~ *$3,500*.

Sec. 37. Minnesota Statutes 1990, section 349.163, subdivision 2, is amended to read:

Subd. 2. [LICENSE; FEE.] A license under this section is valid for one year. The annual fee for the license is ~~$2,500~~ *$5,000*.

Sec. 38. 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. 39. 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.

(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.

Sec. 40. 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. 41. 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. 42. 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~~ *$110*.

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~~ *$110*.

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 a public authority or the party the public authority represents.

Sec. 43. 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 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. 44. 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. 45. 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. 46. 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. 47. 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. 48. 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. 49. 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. 50. 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 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~~ *state board of public defense.*

Sec. 51. Minnesota Statutes 1990, section 611.27, is amended by adding a subdivision to read:

Subd. 8. [PUBLIC DEFENDER SERVICES; STATE PUBLIC DEFENDER REVIEW.] *In a 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. 52. 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 chief judge of the district court, or a district court judge designated by the chief judge, authorize appointment of counsel other than the district public defender in such cases.*

Sec. 53. Minnesota Statutes 1990, section 611.27, is amended by adding a subdivision to read:

Subd. 10. [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. 54. Minnesota Statutes 1990, section 611.27, is amended by adding a subdivision to read:

Subd. 11. [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 may immediately appeal the order denying the request to the court of appeals and may request an expedited hearing.

Sec. 55. Minnesota Statutes 1990, section 611.27, is amended by adding a subdivision to read:

Subd. 12. [PUBLIC DEFENDER SERVICES; COMPENSATION AND EXPENSES.] *Counsel appointed under this subdivision shall document the time worked and expenses incurred in a manner prescribed by the chief district public defender.*

Sec. 56. Minnesota Statutes 1990, section 611.27, is amended by adding a subdivision to read:

Subd. 13. [PUBLIC DEFENSE SERVICES; CORRECTIONAL FACILITY INMATES.] *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 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 county criminal justice aid retained by the commissioner of revenue for that purpose under section 477A.0121, subdivision 4.*

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 are the responsibility of the state board of public defense. In such cases the state public defender may follow the procedures outlined in this section for obtaining court-ordered counsel.

Sec. 57. Minnesota Statutes 1990, section 611.27, is amended by adding a subdivision to read:

Subd. 14. [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. 58. [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 59 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. 59. [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, school district, joint vocational technical district formed under Minnesota Statutes, sections 136C.60 to 136C.69, or other political subdivision of the state 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 15, 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. 60. [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. The repeal of Minnesota Statutes 1991 Supplement, section 326.991, provided for in Laws 1991, chapter 306, section 26, is postponed until July 31, 1994.

Sec. 61. [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 shall 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.

Sec. 62. [LEGISLATIVE INTENT.]

The amendments in this article to Minnesota Statutes, sections 3.736, 16B.85, and 466.06, are intended to clarify, rather than to change, the original intent of the statutes amended.

Sec. 63. [EFFECTIVE DATE.]

This article is effective the day following final enactment, except that sections 36, 37, 42, 43, 46, and 47, are effective July 1, 1992.

Sections 26, 32, and 44 apply to cases pending or brought on or after their effective date.

ARTICLE 5

HUMAN DEVELOPMENT

Section 1. [HUMAN DEVELOPMENT; 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. Where a dollar amount appears in parenthesis, it means a reduction of an appropriation.

SUMMARY BY FUND

	1992	1993	TOTAL
APPROPRIATION CHANGE			
General	($1,799,000)	$3,802,000	$2,003,000
Special Revenue	63,000	755,000	818,000

	APPROPRIATIONS Available for the Year Ending June 30	
	1992	1993
Sec. 2. HUMAN SERVICES		
Subdivision 1. Total General Fund Appropriation	1,639,000	(2,497,000)
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 $65,000,000 in provider payments deposited in the general fund under the broad-based health care provider tax program.		
The commissioner of finance shall prepare a biennial budget for fiscal years 1994-1995 that does not include revenues from the provider surcharge that exceed the estimated cost associated with the Healthright program. The commissioner of finance shall also prepare a plan to phase out the non-Healthright provider surcharges by June 30, 1995.		
Subd. 2. Human Services Administration	(2,150,000)	(3,939,000)
Up to $500,000 may be transferred within the department as the commissioner considers necessary, with the advance approval of the commissioner of finance.		

$75,000 is appropriated to the commissioner for a cooperative project with Alexandria technical college regarding MAXIS data. If the commissioner and the college jointly develop a feasible project, the commissioner may transfer the $75,000 to the college and may transfer summary data from the MAXIS data system to the 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 Minnesota Statutes, section 13.02, subdivision 19.		
Subd. 3. Finance and Management Administration	.,-0-, . . .	(180,000)
Subd. 4. Economic Support and Services to the Elderly	.,-0-, . . .	(32,000)
Because nine percent or more of the total preadmission screenings done for a SAIL county under Minnesota Statutes, 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. 5. Services to Special Needs Adults	(2,803,000)	(2,227,000)
Subd. 6. Economic Support and Transition Services for Families and Individuals	(12,989,000)	(11,611,000)
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 are appropriated for general assistance grants.

The commissioner 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.

Money appropriated for fiscal year 1992 for paying contract institutions fees for cashing public assistance warrants under Laws 1991, chapter 292, article 1, section 2, subdivision 4, does not cancel, but is available for that purpose in fiscal year 1993.

Any unexpended balance of the $50,000 appropriation in Laws 1991, 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.

Subd. 7. Health Care for Families and Individuals	23,026,000	24,108,000

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 commissioner of human services shall submit a plan to the legislature to downsize an existing 48 bed intermediate care facility for persons with mental retardation or related conditions located in Dakota county. The plan must include the projected costs of the facility's rate adjustment and the alternative services for the residents being relocated, and the impact of the downsizing of the facility on the quality of care for clients.

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.

For the fiscal year ending June 30, 1993, $390,000 is transferred from Minnesota supplemental aid group residential housing grants to Rule 14 supported housing grants. This amount represents Minnesota supplemental aid payments for 170 unlicensed supported housing beds which are permanently removed from the group residential housing census. These beds must not be replaced by other group residential housing agreements.

Up to $30,000 of the appropriation for preadmission screening alternative care 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.

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.

The paragraph in Laws 1991, chapter 292, article 1, section 2, subdivision 9, providing for the implementation of a reduced reimbursement rate for therapy services provided by a physical or occupational therapy assistant is repealed. Services provided by a physical therapy assistant shall be reimbursed at the same rate as services performed by a physical therapist when the services of the physical therapy assistant are provided under the direction of a physical therapist who is on the premises. Services provided by a physical therapy assistant that are provided under the direction of a physical therapist who is not on the premises shall be reimbursed at 65 percent of the physical therapist rate. Services provided by an occupational therapy assistant shall be reimbursed at the same rate as services performed by an occupational therapist when the services of the occupational therapy assistant are provided under the direction of the occupational therapist who is on the premises. Services provided by an occupational therapy assistant that are not provided under the direction of an occupational therapist who is not on the premises shall be reimbursed at 65 percent of the occupational therapist rate.

During the biennium ending June 30, 1993, the commissioner shall identify long-term care providers with high mortgage rates on existing debt and work with them and their mortgagees or other lenders to negotiate debt refinancing at lower interest rates that produce annual interest expense savings under existing laws.

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.

In the event that a large community-based facility licensed under Minnesota 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 residential and day habilitation services funded by medical assistance and provided to clients for whom the county is financially responsible.

For the fiscal year ending June 30, 1993, if a facility which is in receivership under Minnesota Statutes, section 245A.12 or 245A.13, is sold to an unrelated organization: (a) the facility shall be considered a newly established facility for rate setting purposes notwithstanding any provisions to the contrary in Minnesota Statutes, section 256B.501, subdivision 11; and (b) the facility's historical basis for the physical plant, land, and land improvements for each facility must not exceed the prior owner's aggregate historical basis for these same assets for each facility. The allocation of the purchase price between land, land improvements, and physical plant shall be based on the real estate appraisal using the depreciated replacement cost method.

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.

The commissioner shall not spend money to study and 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 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 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.

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.

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 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.

Subd. 8. State Operated Residential Care for Special Needs Populations (3,445,000) (8,616,000)

For the fiscal year ending June 30, 1993, money collected as rent under Minnesota Statutes, section 16B.24, subdivision 5, for state property at any of the regional treatment centers or state nursing homes administered by the commissioner of human services is dedicated to the facility generating the rental income and is appropriated for the express purpose of maintaining the property. Any balance remaining at the end of the fiscal year shall not cancel and is available until expended.

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.

Of the $700,000 reduction in regional treatment center salary accounts, $600,000 must be taken from the regional treatment center appropriation for central office administrative costs.

Notwithstanding Laws 1991, chapter 292, article 1, section 2, subdivision 8, regarding the transfer of facilities at Faribault regional treatment center, the commissioner of human services may transfer the Birch facility to the commissioner of corrections on July 1, 1992, the Willow facility on December 1, 1992, and the

hospital facility upon completion of the 34 skilled nursing and ten infirmary bed annex at Rice County District 1 Hospital.

The commissioner shall continue utilizing the Brainerd regional laundry to provide laundry services for the regional treatment centers at Brainerd, Cambridge, Fergus Falls, and Moose Lake and the state nursing home at Ah-Gwah-Ching unless an alternative method is specifically authorized by law. The commissioner shall not contract with a private entity for laundry services for any of these facilities unless specifically authorized by the legislature.

The commissioners of human services and corrections and the veterans nursing homes board shall continue utilizing the Faribault regional laundry to provide laundry services for the Faribault regional treatment center, the Anoka-metro regional treatment center, the Minnesota correctional facility at Faribault, and the veterans homes at Minneapolis and Hastings unless an alternative option is specifically authorized by law. Any other state agencies utilizing the Faribault laundry shall also continue to do so unless an alternative option is authorized by law. The state agencies named or referred to in this paragraph shall not contract with a private entity for laundry services for any of these facilities unless specifically authorized by the legislature.

The commissioner of human services may not limit admissions to any regional treatment center or state-operated nursing home, except as provided by law.

The commissioner shall use the fiscal year 1993 appropriation for regional treatment center programs to offset any regional treatment center operating deficit and to assure maintenance of regional treatment center chemical dependency programs, including specialized chemical dependency programs.

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 enterprise 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.

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.

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. 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.

Subd. 9. Total Special Revenue Fund Appropriation	.-0-. . .	134,000
Sec. 3. MR/MH OMBUDSMAN	.-0-. . .	(50,000)
Sec. 4. VETERANS NURSING HOMES BOARD		
Total General Fund Appropriation	(116,000)	(265,000)

The $300,000 reduction for the Luverne veterans nursing home in fiscal year 1993 is a one-time reduction and does not reduce the base for the 1994-1995 biennium.

Sec. 5. COMMISSIONER OF JOBS AND TRAINING		
Total General Fund Appropriation	.-0-. . .	1,325,000

This appropriation is added to the appropriation in Laws 1991, chapter 292, article 1, section 5.

The amount of the appropriation for vocational rehabilitation services that is designated for mental illness demonstration grants may be used for innovative programs to serve persons with serious and persistent mental illness, but only if the money will be matched by federal funds.

The commissioners of jobs and training, human services, and finance in consultation with extended employment providers and day training and habilitation providers 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.

The appropriation for the head start program 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 in fiscal year 1992 at the same level as fiscal year 1992 plus any additional amounts based upon formula allocations of state and federal funds. The additional funds provided to a grantee under Minnesota Statutes, section 268.914, subdivision 2, in fiscal year 1992 must be considered part of the grantee's funding base for future formula allocations of state and federal funds.

Sec. 6. CORRECTIONS

Total General Fund Appropriation	(1,500,000)	4,450,000

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. Any remaining balance in the account that does not cancel to the general fund and is not held for counties is appropriated to the commissioner.

Of this appropriation, $3,450,000 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 in fiscal year 1993 to remodel and renovate two additional living units to house up to 160 inmates, and the transfer of administrative authority for the same space from the commissioner of human services to the commissioner of corrections.

Sec. 7. HEALTH

Subdivision 1. Total General Fund Appropriation	(1,072,000)	871,000

This appropriation is added to the appropriation in Laws 1991, chapter 292, article 1, section 9.

The commissioner shall postpone administration of the Minnesota department of health residential care home rule until fiscal year 1995.

The commissioner must report to the legislature by February 15, 1993, on options for home care licensure fees and their impact on home care providers.

Notwithstanding Laws 1985, First Special Session chapter 14, article 19, section 19, subdivision 8, of the unobligated balance in the Maternal and Child Health account, $400,000 shall cancel to the general fund.

The commissioner of health shall contract with a nonprofit organization in the area of urinary incontinence assessment

and management to conduct a demonstration relating to the potential for improving the quality of life of nursing home residents and for cost savings through improved assessment and management of urinary incontinence in nursing homes. The demonstration shall include the development of a treatment protocol by medical professionals, the evaluation and assessment of volunteer patients in nursing homes who are incontinent, the application of appropriate treatment and management practices as prescribed by the treatment protocol, and analysis of the quality of life and economic and medical benefits of the demonstration. The commissioner shall report results of the demonstration to the legislature not later than February 1, 1994. $50,000 is appropriated to the commissioner for purposes of the demonstration. This money shall be available only upon the showing by the contract recipient that it has $250,000 of matching private funds and in-kind services for purposes of the demonstration.

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 non-accredited 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 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.

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 investigate 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.

Subd. 2. Total Special Revenue Fund Appropriation	10,000	201,000

Of this appropriation, $70,000 is for two positions and support costs to develop a licensing and certifying program described below. The commissioner shall apply for federal grants for the purpose of lead abatement and report annually to the legislature the level of such grants to Minnesota and the expected receipt of such grants the next year.

To perform abatement as defined in Minnesota Statutes, section 144.871, subdivision 2, abatement contractors must be licensed and their employees must be certified by the commissioner. The commissioner must adopt rules that establish

criteria for issuing, suspending, and revoking for cause licenses and certificates. The commissioner must establish, collect, and deposit into the state government special revenue fund fees to pay for the cost of administering lead abatement licensing and certifying.

Sec. 8. HEALTH RELATED BOARDS

Subdivision 1. Total Special Revenue Fund Appropriation 53,000 420,000

The boards of medical practice, dentistry, nursing, and podiatric medicine shall increase fees to recover the cost of the appropriations for the reporting and monitoring of health care workers infected with the human immunodeficiency virus (HIV) or hepatitis B virus.

Subd. 2. Board of Social Work
16,000 28,000

Subd. 3. Board of Psychology
37,000 185,000

Subd. 4. Board of Chiropractic Examiners
.-0- 14,000

Subd. 5. Board of Dentistry
.-0- 11,000

Subd. 6. Board of Medical Practice
.-0- 94,000

Subd. 7. Board of Nursing
.-0- 86,000

Subd. 8. Board of Podiatric Medicine
.-0- 2,000

Sec. 9. COMMISSIONER OF HOUSING FINANCE AGENCY (750,000) .-0- . . .

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.

$750,000 the second year is for a demonstration project to remove blighted residential property under Minnesota Statutes, section 462A.05, subdivision 37, that is multiple-unit rental property.

The agency shall report to the legislature by January 15, 1993, on the results of the demonstration project.

Sec. 10. HUMAN RIGHTS .-0-. . . . (32,000)

Sec. 11. 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. 12. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 6

HEALTH DEPARTMENT

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 September 30, 1992. 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 institutional 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.43, subdivision 3, is amended to read:

Subd. 3. [HOME CARE SERVICE.] "Home care service" means any of the following services when delivered in a place of residence to a person whose illness, disability, or physical condition creates a need for the service:

(1) nursing services, including the services of a home health aide;

(2) personal care services not included under sections 148.171 to 148.285;

(3) physical therapy;

(4) speech therapy;

(5) respiratory therapy;

(6) occupational therapy;

(7) nutritional services;

(8) home management services when provided to a person who is unable to perform these activities due to illness, disability, or physical condition. Home management services include at least two of the following services: housekeeping, meal preparation, ~~laundry,~~ *and* shopping~~, and other similar services~~;

(9) medical social services;

(10) the provision of medical supplies and equipment when accompanied by the provision of a home care service;

(11) the provision of a hospice program as specified in section 144A.48; and

(12) other similar medical services and health-related support services identified by the commissioner in rule.

Sec. 6. Minnesota Statutes 1990, section 144A.43, subdivision 4, is amended to read:

Subd. 4. [HOME CARE PROVIDER.] "Home care provider" means an individual, organization, association, corporation, unit of government, or other entity that is regularly engaged in the delivery, directly or by contractual arrangement, of home care services for a fee. At least one home care service must be provided directly, although additional home care services may be provided by contractual arrangements. "Home care provider" includes a hospice program defined in section 144A.48. "Home care provider" does not include:

(1) any home care or nursing services conducted by and for the adherents of any recognized church or religious denomination for the purpose of providing care and services for those who depend upon spiritual means, through prayer alone, for healing;

(2) an individual who only provides services to a relative;

(3) an individual not connected with a home care provider who provides assistance with home management services or personal care needs if the assistance is provided primarily as a contribution and not as a business;

(4) an individual not connected with a home care provider who shares housing with and provides primarily housekeeping or homemaking services to an elderly or disabled person in return for free or reduced-cost housing;

(5) an individual or agency providing home-delivered meal services;

(6) an agency providing senior companion services and other older American volunteer programs established under the Domestic Volunteer Service Act of 1973, Public Law Number 98-288;

(7) ~~an individual or agency that only provides chore, housekeeping, or child care services which do not involve the provision of home care services;~~

~~(8)~~ an employee of a nursing home licensed under this chapter who provides emergency services to individuals residing in an apartment unit attached to the nursing home;

~~(9)~~ *(8)* a member of a professional corporation organized under sections 319A.01 to 319A.22 that does not regularly offer or provide home care services as defined in subdivision 3;

~~(10)~~ *(9)* the following organizations established to provide medical or surgical services that do not regularly offer or provide home care services as defined in subdivision 3: a business trust organized under sections 318.01 to 318.04, a nonprofit corporation organized under chapter 317A, a partnership organized under chapter 323, or any other entity determined by the commissioner;

~~(11)~~ *(10)* an individual or agency that provides medical supplies or durable medical equipment, except when the provision of supplies or equipment is accompanied by a home care service; ~~or~~

~~(12)~~ *(11)* an individual licensed under chapter 147; *or*

(12) an individual who provides home care services to a person with a developmental disability who lives in a place of residence with a family, foster family, or primary caregiver.

Sec. 7. Minnesota Statutes 1991 Supplement, section 144A.46, subdivision 1, is amended to read:

Subdivision 1. [LICENSE REQUIRED.] (a) A home care provider may not operate in the state without a current license issued by the commissioner of health.

(b) Within ten days after receiving an application for a license, the commissioner shall acknowledge receipt of the application in writing. The acknowledgment must indicate whether the application appears to be complete or whether additional information is required before the application will be considered complete. Within 90 days after receiving a complete application, the commissioner shall either grant or deny the license. If an applicant is not granted or denied a license within 90 days after submitting a complete application, the license must be deemed granted. An applicant whose license has been deemed granted must provide written notice to the commissioner before providing a home care service.

(c) Each application for a home care provider license, or for a renewal of a license, shall be accompanied by a fee to be set by the commissioner under section 144.122~~, except that the commissioner shall not charge a licensure fee to a home care provider operated by a statutory or home rule charter city, county, town, or other governmental entity~~.

Sec. 8. Minnesota Statutes 1991 Supplement, section 144A.46, subdivision 2, is amended to read:

Subd. 2. [EXEMPTIONS.] The following individuals or organizations

are exempt from the requirement to obtain a home care provider license:

(1) a person who is licensed as a registered nurse under sections 148.171 to 148.285 and who independently provides nursing services in the home without any contractual or employment relationship to a home care provider or other organization;

(2) a personal care assistant who provides services under the medical assistance program as authorized under sections 256B.0625, subdivision 19, and 256B.04, subdivision 16;

(3) a person or organization that exclusively offers, provides, or arranges for personal care assistant services under the medical assistance program as authorized under sections 256B.0625, subdivision 19, and 256B.04, subdivision 16;

(4) a person who is registered under sections 148.65 to 148.78 and who independently provides physical therapy services in the home without any contractual or employment relationship to a home care provider or other organization;

(5) ~~a person who provides services to a person with mental retardation under a program of~~ *a provider that is licensed by the commissioner of human services to provide* semi-independent living services ~~regulated by~~ *under* Minnesota Rules, parts 9525.0500 to 9525.0660 *when providing home care services to a person with a developmental disability*; ~~or~~

(6) a ~~person who provides services to a person with mental retardation under contract with a county~~ *provider that is licensed by the commissioner of human services* to provide ~~home~~ *home-* and community-based services ~~that are reimbursed~~ under ~~the medical assistance program, chapter 256B, and regulated by~~ Minnesota Rules, parts ~~9525.1800~~ *9525.2000* to ~~9525.1930~~ *9525.2140 when providing home care services to a person with a developmental disability; or*

(7) a person or organization that provides only home management services, if the person or organization is registered under section 5.

An exemption under this subdivision does not excuse the individual from complying with applicable provisions of the home care bill of rights.

Sec. 9. Minnesota Statutes 1990, section 144A.46, subdivision 5, is amended to read:

Subd. 5. [PRIOR CRIMINAL CONVICTIONS.] ~~An applicant for a home care provider license shall disclose to the commissioner all criminal convictions of persons involved in the management, operation, or control of the provider. A home care provider shall require employees of the provider and applicants for employment in positions that involve contact with recipients of home care services to disclose all criminal convictions.~~ *(a) All persons who have or will have direct contact with clients, including the home care provider, employees of the provider, and applicants for employment shall be required to disclose all criminal convictions.* The commissioner may adopt rules that may require a person who must disclose criminal convictions under this subdivision to provide fingerprints and releases that authorize law enforcement agencies, including the bureau of criminal apprehension and the federal bureau of investigation, to release information about the person's criminal convictions to the commissioner and home care providers. The bureau of criminal apprehension, county sheriffs, and local chiefs of police shall, if requested, provide the commissioner with criminal conviction data available from local,

state, and national criminal record repositories, including the criminal justice data communications network. No person may be employed by a home care provider in a position that involves contact with recipients of home care services nor may any person be involved in the management, operation, or control of a provider, if the person has been convicted of a crime that relates to the provision of home care services or to the position, duties, or responsibilities undertaken by that person in the operation of the home care provider, unless the person can provide sufficient evidence of rehabilitation. The commissioner shall adopt rules for determining what types of employment positions, including volunteer positions, involve contact with recipients of home care services, and whether a crime relates to home care services and what constitutes sufficient evidence of rehabilitation. The rules must require consideration of the nature and seriousness of the crime; the relationship of the crime to the purposes of home care licensure and regulation; the relationship of the crime to the ability, capacity, and fitness required to perform the duties and discharge the responsibilities of the person's position; mitigating circumstances or social conditions surrounding the commission of the crime; the length of time elapsed since the crime was committed; the seriousness of the risk to the home care client's person or property; and other factors the commissioner considers appropriate. Data collected under this subdivision shall be classified as private data under section 13.02, subdivision 12.

(b) Termination of an employee in good faith reliance on information or records obtained under paragraph (a) regarding a confirmed conviction does not subject the home care provider to civil liability or liability for unemployment compensation benefits.

Sec. 10. [144A.461] [REGISTRATION.]

A person or organization that provides only home management services defined as home care services under section 144A.43, subdivision 3, clause (8), may not operate in the state without a current certificate of registration issued by the commissioner of health. To obtain a certificate of registration, the person or organization must annually submit to the commissioner the name, address, and telephone number of the person or organization and a signed statement declaring that the person or organization is aware that the home care bill of rights applies to their clients and that the person or organization will comply with the bill of rights provisions contained in section 144A.44. A person who provides home management services under this section must, within 120 days after beginning to provide services, attend an orientation session approved by the commissioner that provides training on the bill of rights and an orientation on the aging process and the needs and concerns of elderly and disabled persons. An organization applying for a certificate must also provide the name, business address, and telephone number of each of the individuals responsible for the management or direction of the organization. The commissioner shall charge an annual registration fee of $20 for individuals and $50 for organizations. A home care provider that provides home management services and other home care services must be licensed, but licensure requirements other than the home care bill of rights do not apply to those employees or volunteers who provide only home management services to clients who do not receive any other home care services from the provider. A licensed home care provider need not be registered as a home management service provider, but must provide an orientation on the home care bill of rights to its employees or volunteers who provide home management services. The commissioner may suspend

or revoke a provider's certificate of registration or assess fines for violation of the home care bill of rights. Any fine assessed for a violation of the bill of rights by a provider registered under this section shall be in the amount established in the licensure rules for home care providers. As a condition of registration, a provider must cooperate fully with any investigation conducted by the commissioner, including providing specific information requested by the commissioner on clients served and the employees and volunteers who provide services. The commissioner may use any of the powers granted in sections 144A.43 to 144A.49 to administer the registration system and enforce the home care bill of rights under this section.

Sec. 11. Minnesota Statutes 1991 Supplement, section 144A.49, is amended to read:

144A.49 [TEMPORARY PROCEDURES.]

For purposes of this section, "home care providers" shall mean the providers described in section 144A.43, subdivision 4, including hospice programs described in section 144A.48. Home care providers are exempt from the licensure requirement in section 144A.46, subdivision 1, until 90 days after the effective date of the licensure rules. Beginning July 1, 1987, no home care provider, as defined in section 144A.43, subdivision 4, except a provider exempt from licensure under section 144A.46, subdivision 2, may provide home care services in this state without registering with the commissioner. A home care provider is registered with the commissioner when the commissioner has received in writing the provider's name; the name of its parent corporation or sponsoring organization, if any; the street address and telephone number of its principal place of business; the street address and telephone number of its principal place of business in Minnesota; the counties in Minnesota in which it may render services; the street address and telephone number of all other offices in Minnesota; and the name, educational background, and ten-year employment history of the person responsible for the management of the agency. A registration fee must be submitted with the application for registration~~, except that the commissioner shall not collect a registration fee from a home care provider operated by a statutory or home rule charter city, county, town, or other governmental entity~~. The fee must be established pursuant to section 144.122 and must be based on a consideration of the following factors: the number of clients served by the home care provider, the number of employees, the number of services offered, and annual revenues of the provider. The registration is effective until 90 days after licensure rules are effective. In order to maintain its registration and provide services in Minnesota, a home care provider must comply with section 144A.44 and comply with requests for information under section 144A.47. A registered home care provider is subject to sections 144A.51 to 144A.54. Registration under this section does not exempt a home care provider from the licensure and other requirements later adopted by the commissioner.

Within 90 days after the effective date of the licensure rules under section 144A.45, the commissioner of health shall issue provisional licenses to all home care providers registered with the department as of that date. The provisional license shall be valid until superseded by a license issued under section 144A.46 or for a period of one year, whichever is shorter. Applications for licensure as a home care provider received on or after the effective date of the home care licensure rules, shall be issued under section 144A.46, subdivision 1.

Sec. 12. Minnesota Statutes 1990, section 144A.51, subdivision 4, is amended to read:

Subd. 4. "Health care provider" means any professional licensed by the state to provide medical or health care services who does provide the services to a resident of a health facility *or a residential care home.*

Sec. 13. Minnesota Statutes 1991 Supplement, section 144A.51, subdivision 5, is amended to read:

Subd. 5. "Health facility" means a facility or that part of a facility which is required to be licensed pursuant to sections 144.50 to 144.58, *and* a facility or that part of a facility which is required to be licensed under any law of this state which provides for the licensure of nursing homes, ~~and a residential care home licensed under sections 144B.10 to 144B.17~~.

Sec. 14. Minnesota Statutes 1990, section 144A.51, subdivision 6, is amended to read:

Subd. 6. "Resident" means any resident or patient of a health facility *or a residential care home,* or a consumer of services provided by a home care provider, or the guardian or conservator of the resident, patient, or consumer, if one has been appointed.

Sec. 15. Minnesota Statutes 1990, section 144A.52, subdivision 3, is amended to read:

Subd. 3. The director may delegate to members of the staff any of the authority or duties of the director except the duty of formally making recommendations to the legislature, administrative agencies, health facilities, *residential care homes,* health care providers, home care providers, and the state commissioner of health.

Sec. 16. Minnesota Statutes 1990, section 144A.52, subdivision 4, is amended to read:

Subd. 4. The director shall attempt to include staff persons with expertise in areas such as law, health care, social work, dietary needs, sanitation, financial audits, health-safety requirements as they apply to health facilities, *residential care homes,* and any other relevant fields. To the extent possible, employees of the office shall meet federal training requirements for health facility surveyors.

Sec. 17. Minnesota Statutes 1991 Supplement, section 144A.53, subdivision 1, is amended to read:

Subdivision 1. [POWERS.] The director may:

(a) Promulgate by rule, pursuant to chapter 14, and within the limits set forth in subdivision 2, the methods by which complaints against health facilities, health care providers, home care providers, *or residential care homes,* or administrative agencies are to be made, reviewed, investigated, and acted upon; provided, however, that a fee may not be charged for filing a complaint.

(b) Recommend legislation and changes in rules to the state commissioner of health, legislature, governor, administrative agencies or the federal government.

(c) Investigate, upon a complaint or upon initiative of the director, any action or failure to act by a health care provider, home care provider, *residential care home,* or a health facility.

(d) Request and receive access to relevant information, records, incident reports, or documents in the possession of an administrative agency, a health care provider, a home care provider, *a residential care home,* or a health facility, and issue investigative subpoenas to individuals and facilities for oral information and written information, including privileged information which the director deems necessary for the discharge of responsibilities. For purposes of investigation and securing information to determine violations, the director need not present a release, waiver, or consent of an individual. The identities of patients or residents must be kept private as defined by section 13.02, subdivision 12.

(e) Enter and inspect, at any time, a health facility *or residential care home* and be permitted to interview staff; provided that the director shall not unduly interfere with or disturb the provision of care and services within the facility *or home* or the activities of a patient or resident unless the patient or resident consents.

(f) Issue correction orders and assess civil fines pursuant to section 144.653 or any other law which provides for the issuance of correction orders to health facilities or home care provider, or under section 144A.45. A facility's *or home's* refusal to cooperate in providing lawfully requested information may also be grounds for a correction order.

(g) Recommend the certification or decertification of health facilities pursuant to Title XVIII or XIX of the United States Social Security Act.

(h) Assist patients or residents of health facilities *or residential care homes* in the enforcement of their rights under Minnesota law.

(i) Work with administrative agencies, health facilities, home care providers, *residential care homes,* and health care providers and organizations representing consumers on programs designed to provide information about health facilities to the public and to health facility residents.

Sec. 18. Minnesota Statutes 1990, section 144A.53, subdivision 2, is amended to read:

Subd. 2. [COMPLAINTS.] The director may receive a complaint from any source concerning an action of an administrative agency, a health care provider, a home care provider, *a residential care home,* or a health facility. The director may require a complainant to pursue other remedies or channels of complaint open to the complainant before accepting or investigating the complaint.

The director shall keep written records of all complaints and any action upon them. After completing an investigation of a complaint, the director shall inform the complainant, the administrative agency having jurisdiction over the subject matter, the health care provider, the home care provider, *the residential care home,* and the health facility of the action taken.

Sec. 19. Minnesota Statutes 1990, section 144A.53, subdivision 3, is amended to read:

Subd. 3. [RECOMMENDATIONS.] If, after duly considering a complaint and whatever material the director deems pertinent, the director determines that the complaint is valid, the director may recommend that an administrative agency, a health care provider, a home care provider, *a residential care home,* or a health facility should:

(a) Modify or cancel the actions which gave rise to the complaint;

(b) Alter the practice, rule or decision which gave rise to the complaint;

(c) Provide more information about the action under investigation; or

(d) Take any other step which the director considers appropriate.

If the director requests, the administrative agency, a health care provider, a home care provider, *residential care home*, or health facility shall, within the time specified, inform the director about the action taken on a recommendation.

Sec. 20. Minnesota Statutes 1990, section 144A.53, subdivision 4, is amended to read:

Subd. 4. [REFERRAL OF COMPLAINTS.] If a complaint received by the director relates to a matter more properly within the jurisdiction of an occupational licensing board or other governmental agency, the director shall forward the complaint to that agency and shall inform the complaining party of the forwarding. The agency shall promptly act in respect to the complaint, and shall inform the complaining party and the director of its disposition. If a governmental agency receives a complaint which is more properly within the jurisdiction of the director, it shall promptly forward the complaint to the director, and shall inform the complaining party of the forwarding. If the director has reason to believe that an official or employee of an administrative agency, a home care provider, *residential care home*, or health facility has acted in a manner warranting criminal or disciplinary proceedings, the director shall refer the matter to the state commissioner of health, the commissioner of human services, an appropriate prosecuting authority, or other appropriate agency.

Sec. 21. Minnesota Statutes 1990, section 144A.54, subdivision 1, is amended to read:

Subdivision 1. Except as otherwise provided by this section, the director may determine the form, frequency, and distribution of the conclusions and recommendations. The director shall transmit the conclusions and recommendations to the state commissioner of health and the legislature. Before announcing a conclusion or recommendation that expressly or by implication criticizes an administrative agency, a health care provider, a home care provider, *a residential care home*, or a health facility, the director shall consult with that agency, health care provider, home care provider, *home*, or facility. When publishing an opinion adverse to an administrative agency, a health care provider, a home care provider, *a residential care home*, or a health facility, the director shall include in the publication any statement of reasonable length made to the director by that agency, health care provider, home care provider, *residential care home*, or health facility in defense or explanation of the action.

Sec. 22. Minnesota Statutes 1991 Supplement, section 144A.61, subdivision 3a, is amended to read:

Subd. 3a. [COMPETENCY EVALUATION PROGRAM.] The commissioner of health shall approve the competency evaluation program. A competency evaluation must be administered to nursing assistants who desire to be listed in the nursing assistant registry *and who have done one of the following: (1) completed an approved training program; (2) been listed on the nursing assistant registry maintained by another state; or (3) completed a training program in nursing assistant skills other than the approved course.*

The tests may only be administered by technical colleges, community colleges, or other organizations approved by the department of health. ~~After January 1, 1992,~~ A competency evaluation for a person, other than an individual enrolled in a licensed nurse education program, who has not completed an approved nursing assistant training program, must include an evaluation of all clinical skills.

Sec. 23. Minnesota Statutes 1991 Supplement, section 144A.61, subdivision 6a, is amended to read:

Subd. 6a. [NURSING ASSISTANTS HIRED IN 1990 AND AFTER.] Each nursing assistant hired to work in a nursing home or in a certified boarding care home on or after January 1, 1990, must have successfully completed an approved competency evaluation *prior to employment* or an approved nursing assistant training program and competency evaluation within four months from the date of employment.

Sec. 24. Minnesota Statutes 1991 Supplement, section 144B.01, subdivision 5, is amended to read:

Subd. 5. [RESIDENTIAL CARE HOME OR HOME.] "Residential care home" or "home" means an establishment with a minimum of five beds, where adult residents are provided sleeping accommodations and ~~two~~ *three* or more meals per day and where *at least two or more* supportive services *or at least one health-related service* are provided or offered to all residents by the ~~facility~~ *home. A residential care home is not required to offer every supportive or health-related service.* A "residential care home" does not include:

(1) a board and lodging establishment licensed under chapter 157 and ~~also licensed by the commissioner of human services under chapter 245A~~ *the provisions of Minnesota Rules, parts 9530.4100 to 9530.4450*;

(2) a boarding care home or a supervised living facility licensed under chapter 144;

(3) a home care provider licensed under chapter 144A; ~~and~~

(4) any housing arrangement which consists of apartments containing a separate kitchen or kitchen equipment that will allow residents to prepare meals and where supportive services may be provided, on an individual basis, to residents in their living units either by the management of the residential care home or by home care providers under contract with the home's management; *and*

(5) a board or lodging establishment which serves as a shelter for battered women or other similar purpose.

Sec. 25. Minnesota Statutes 1991 Supplement, section 144B.01, subdivision 6, is amended to read:

Subd. 6. [SUPPORTIVE SERVICES.] "Supportive services" means the provision of supervision and minimal assistance with independent living skills. Supportive services include assistance with transportation, arranging for meetings and appointments, arranging for medical and social services, help with laundry, ~~managing money~~ *handling personal funds of residents*, and personal shopping assistance. ~~In addition, supportive services include, if needed, assistance with walking, grooming, dressing, eating, bathing, toileting, and providing reminders to residents to take medications. Supportive services also include other health-related support services identified by the~~

~~commissioner in rule.~~

Sec. 26. Minnesota Statutes 1991 Supplement, section 144B.01, is amended by adding a subdivision to read:

Subd. 7. [HEALTH-RELATED SERVICES.] *"Health-related services" include provision of or arrangement, if needed, of assistance with walking, grooming, dressing, eating, bathing, toileting, storing medications, providing reminders to take medications, administering medications, and other services identified by the commissioner in rule.*

Sec. 27. Minnesota Statutes 1991 Supplement, section 144B.10, subdivision 2, is amended to read:

Subd. 2. [PERIODIC INSPECTION.] (a) All homes required to be licensed under sections 144B.01 to 144B.17 shall be periodically inspected by the commissioner to ensure compliance with rules and standards. Inspections shall occur at different times throughout the calendar year.

(b) Within the limits of the resources available to the commissioner, the commissioner shall conduct inspections and reinspections with a frequency and in a manner calculated to produce the greatest benefit to residents. In performing this function, the commissioner may devote proportionately more resources to the inspection of those homes in which conditions present the most serious concerns with respect to resident health, safety, comfort, and well-being, including:

(1) change in ownership;

(2) frequent change in management or staff;

(3) complaints about care, safety, or rights;

(4) previous inspections or reinspections which have resulted in correction orders related to care, safety, or rights; and

(5) indictment of persons involved in ownership or operation of the home for alleged criminal activity.

(c) A home that does not have any of the conditions in paragraph (b) or any other condition established by the commissioner that poses a risk to resident care, safety, or rights shall be inspected once every ~~two~~ *three* years.

Sec. 28. Minnesota Statutes 1991 Supplement, section 147.03, is amended to read:

147.03 [LICENSURE BY ENDORSEMENT; RECIPROCITY; *TEMPORARY PERMIT.*]

Subdivision 1. [ENDORSEMENT; RECIPROCITY.] *(a)* The board~~, with the consent of six of its members,~~ may issue a license to practice medicine to any person who satisfies the ~~following~~ requirements: *in paragraphs (b) to (f).*

~~(a)~~ *(b)* The applicant shall satisfy all the requirements established in section 147.02, subdivision 1, paragraphs (a), (b), (d), (e), and (f).

~~(b)~~ *(c)* The applicant shall:

(1) within ten years prior to application have passed an examination prepared and graded by the Federation of State Medical Boards, the National Board of Medical Examiners, the National Board of Osteopathic Examiners, or the Medical Council of Canada; or

(2) have a current license from the equivalent licensing agency in another state or Canada~~;~~ and *either:*

(i) pass the Special Purpose Examination of the Federation of State Medical Boards with a score of 75 or better *within three attempts*; or

(ii) have a current certification by a specialty board of the American Board of Medical Specialties *or of the Royal College of Physicians and Surgeons of Canada*.

~~(c)~~ *(d)* The applicant shall pay a fee established by the board by rule. The fee may not be refunded.

~~(d)~~ *(e) The applicant must not be under license suspension or revocation by the licensing board of the state in which the conduct that caused the suspension or revocation occurred.*

(f) The applicant must not have engaged in conduct warranting disciplinary action against a licensee, or have been subject to disciplinary action in another state *other than as specified in paragraph (e)*. If an applicant does not satisfy the requirements stated in this ~~clause~~ *paragraph*, the board may ~~refuse to~~ issue a license ~~unless it determines~~ *only on the applicant's showing* that the public will be protected through issuance of a license with conditions or limitations the board considers appropriate.

Subd. 2. [TEMPORARY PERMIT.] The board may issue a temporary permit to practice medicine to a physician eligible for licensure under this section upon payment of a fee set by the board. The permit remains valid only until the next meeting of the board.

Sec. 29. 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. 30. 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. 31. 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. 32. 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. 33. 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. 34. [CONSOLIDATION OF REGULATION OF HOME CARE SERVICES AND RESIDENTIAL CARE HOMES.]

The commissioner of health, in consultation with the commissioner of human services, shall submit a report to the legislature by November 1, 1992, on the advisability and feasibility of consolidating licensure and regulation of home care services and residential care homes into one activity with the goal of avoiding contradictory or duplicative regulation and allowing flexibility for creative service development by regulating services rather than institutions. If the commissioner determines that consolidation of the two systems is feasible and desirable, the commissioner shall submit recommendations for changes in laws and regulations that are necessary to consolidate the systems. In developing the report and recommendations, the commissioner shall consider methods of enforcing physical plant and fire safety standards that are appropriate to congregate living settings and that reflect the needs and characteristics of different populations served in residential care homes. The commissioner shall also consider the need to modify home care rules to allow a social model for providing services as an alternative to a medical model for certain supportive services provided in residential care homes and home care settings. The commissioner of health shall consult with the commissioner of human services regarding the impact of changes on costs and payment mechanisms.

Sec. 35. [EFFECTIVE DATES.]

Sections 1, 2, and 3 are effective July 1, 1993. The remaining sections are effective the day following final enactment.

ARTICLE 7
MEDICAL PROGRAMS

Section 1. [144.0505] [COOPERATION WITH COMMISSIONER OF HUMAN SERVICES.]

The commissioner shall promptly provide to the commissioner of human services upon request information on hospital revenues, nursing home licensure, and health maintenance organization revenues specifically required by the commissioner of human services to operate the provider surcharge program.

Sec. 2. 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 $500,000, or 25 percent of the facility's appraised value, whichever is less, unless the project:

(1) has been approved through the process described in section 144A.073;

(2) meets an exception in subdivision 3;

(3) is necessary to correct violations of state or federal law issued by the commissioner of health;

(4) is necessary to repair or replace a portion of the facility that was destroyed by fire, lightning, or other hazards provided that the provisions of subdivision 3, clause (g), are met; or

(5) as of May 1, 1992, the facility has submitted to the commissioner of health written documentation evidencing that the facility meets the "commenced construction" definition as specified in subdivision 3, clause (b), or that substantial steps have been taken prior to April 1, 1992, relating to the construction project. "Substantial steps" require that the facility has made arrangements with outside parties relating to the construction project and include the hiring of an architect or construction firm, submission of preliminary plans to the department of health or documentation from a financial institution that financing arrangements for the construction project have been made.

Prior to the approval of any construction project, the commissioner of health shall be provided with an itemized cost estimate for the construction project. If a construction project is anticipated to be completed in phases, the total estimated cost of all phases of the project shall be submitted to the commissioner and shall be considered as one construction project. Once the construction project is completed and prior to the final clearance by the commissioner, the total actual costs for the construction project shall be submitted to the commissioner. If the final construction cost exceeds the threshold in this subdivision, the commissioner of human services shall not recognize any of the construction costs or the related financing costs in excess of this threshold in establishing the facility's property-related payment rate.

The commissioner of health shall adopt emergency or permanent rules to implement this section or to amend the emergency rules for granting exceptions to the moratorium on nursing homes under section 144A.073. The authority to adopt emergency rules continues to December 30, 1992.

Sec. 3. 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~~ *25* percent of the appraised value of the facility or ~~$200,000~~ *$500,000*, whichever is less, or to license or certify beds in a facility for which the total costs of remodeling or renovation exceed ~~ten~~ *25* percent of the appraised value of the facility or ~~$200,000~~ *$500,000*, 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 buildings, 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, *or in a facility that was granted an exception to the moratorium under section 144A.073*, and if the cost of any remodeling of the facility does not exceed ~~ten~~ *25* percent of the appraised value of the facility or ~~$200,000~~ *$500,000*, 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;

(u) to certify, after September 30, 1992, and prior to July 1, 1993, existing nursing home beds in a facility that was licensed and in operation prior to January 1, 1992;

(v) to license and certify new nursing home beds to replace beds in a facility condemned as part of an economic redevelopment plan in a city of the first class, provided the new facility is located within one mile of the site of the old facility. Operating and property costs for the new facility must be determined and allowed under existing reimbursement rules; or

(w) to license and certify up to 20 new nursing home beds in a community-operated hospital and attached convalescent and nursing care facility with 40 beds on April 21, 1991, that suspended operation of the hospital in April 1986. The commissioner of human services shall provide the facility with the same per diem property-related payment rate for each additional licensed and certified bed as it will receive for its existing 40 beds.

Sec. 4. Minnesota Statutes 1990, section 144A.073, subdivision 3, is amended to read:

Subd. 3. [REVIEW AND APPROVAL OF PROPOSALS.] Within the limits of money specifically appropriated to the medical assistance program for this purpose, the interagency board for quality assurance may recommend that the commissioner of health grant exceptions to the nursing home licensure or certification moratorium for proposals that satisfy the requirements of this section. The interagency board shall appoint an advisory review panel composed of representatives of consumers and providers to review proposals and provide comments and recommendations to the board. The commissioners of human services and health shall provide staff and technical assistance to the board for the review and analysis of proposals. The interagency board shall hold a public hearing before submitting recommendations to the commissioner of health on project requests. The board shall submit recommendations within 150 days of the date of the publication of the notice, based on a comparison and ranking of proposals using the criteria in subdivision 4. The commissioner of health shall approve or disapprove a project within 30 days after receiving the board's recommendations. The cost to the medical assistance program of the proposals approved must be within the limits of the appropriations specifically made for this purpose. Approval of a proposal expires ~~12~~ *18* months after approval by the commissioner of health unless the facility has commenced construction as defined in section 144A.071, subdivision 3, paragraph (b). The board's report to the legislature, as required under section 144A.31, must include the projects approved, the criteria used to recommend proposals for approval, and the estimated costs of the projects, including the costs of

initial construction and remodeling, and the estimated operating costs during the first two years after the project is completed.

Sec. 5. 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 1, 1990~~ *July 1, 1992*, may be commenced more than ~~12~~ *18* 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. 6. 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. 7. [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. 8. 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. 9. Minnesota Statutes 1990, section 147.01, is amended by adding a subdivision to read:

Subd. 6. [LICENSE SURCHARGE.] *In addition to any fee established under section 214.06, the board shall assess an annual license surcharge of $400 against each physician licensed under this chapter as follows:*

(1) a physician whose license is issued or renewed between April 1 and September 30 shall be billed on or before November 15, and the physician must pay the surcharge by December 15; and

(2) a physician whose license is issued or renewed between October 1 and March 31 shall be billed on or before May 15, and the physician must pay the surcharge by June 15.

The board shall provide that the surcharge payment must be remitted to the commissioner of human services to be deposited in the general fund under section 256.9656. The board shall not renew the license of a physician who has not paid the surcharge required under this section. The board shall promptly provide to the commissioner of human services upon request information available to the board and specifically required by the commissioner to operate the provider surcharge program. The board shall limit the surcharge to physicians residing in Minnesota and the states contiguous to Minnesota upon notification from the commissioner of human services that the federal government has approved a waiver to allow the surcharge to be applied in that manner.

Sec. 10. 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;

(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. *The board shall adopt rules regarding prospective drug utilization review and patient counseling by pharmacists. A pharmacist in the exercise of the pharmacist's professional judgment, upon the presentation of a new prescription by a patient or the patient's caregiver or agent, shall perform the prospective drug utilization review required by rules issued under this subdivision.*

Sec. 11. Minnesota Statutes 1990, section 151.06, is amended by adding a subdivision to read:

Subd. 1a. [DISCIPLINARY ACTION.] *It shall be grounds for disciplinary action by the board of pharmacy against the registration of the pharmacy if the board of pharmacy determines that any person with supervisory responsibilities at the pharmacy sets policies that prevent a licensed pharmacist from providing drug utilization review and patient counseling as required by rules adopted under subdivision 1. The board of pharmacy shall follow the requirements of chapter 14 in any disciplinary actions taken under this section.*

Sec. 12. 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 inflation adjustments in reimbursement rates for each vendor, based upon* the projected percentage change in the urban consumer price index, all items, published by the United States Department of Labor, for the upcoming calendar year over the current calendar year. The commissioner shall not provide an annual inflation adjustment for the biennium ending June 30, 1993.

Sec. 13. Minnesota Statutes 1990, section 254B.06, subdivision 3, is

amended to read:

Subd. 3. [PAYMENT; DENIAL.] The commissioner shall pay eligible vendors for placements made by local agencies under section 254B.03, subdivision 1, and placements by tribal designated agencies according to section 254B.09. The commissioner may reduce or deny payment of the state share when services are not provided according to the placement criteria established by the commissioner. The commissioner may pay for all or a portion of improper county chemical dependency placements and bill the county for the entire payment made when the placement did not comply with criteria established by the commissioner. *The commissioner shall not pay vendors until private insurance company claims have been settled.*

Sec. 14. 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. 15. 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. 16. 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~~ *$535* 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. 17. 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 health and human services to: (1) exclude from the surcharge under subdivision 1 a nursing home that provides all services free of charge; (2) make a pro rata reduction in the surcharge paid by a nursing home that provides a portion of its services free of charge; (3) limit the hospital surcharge to acute care hospitals only; and (4) limit the physician license surcharge under section 147.01, subdivision 6, to physicians licensed in Minnesota and residing in Minnesota or a state contiguous to Minnesota. If a waiver is approved under this subdivision, the commissioner shall adjust the nursing home surcharge accordingly or shall direct the board of medical practice to adjust the physician license surcharge under section 147.01, subdivision 6, accordingly. Any waivers granted by the federal government shall be effective on or after October 1, 1992.*

Sec. 18. Minnesota Statutes 1991 Supplement, section 256.9657, subdivision 2, is amended to read:

Subd. 2. [HOSPITAL SURCHARGE.] ~~(a)~~ Effective ~~July 1, 1991~~ *October 1, 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~~ *1.4* 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. 19. Minnesota Statutes 1991 Supplement, section 256.9657, subdivision 3, is amended to read:

Subd. 3. [HEALTH ~~PLAN~~ *MAINTENANCE ORGANIZATION* SURCHARGE.] Effective ~~July 1, 1991~~ *October 1, 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~~ *six-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. 20. 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 15, 1991~~ *October 15, 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. 21. 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 and section 147.01, subdivision 6. The commissioner of human services shall impose civil penalties for violation of this section or section 147.01, subdivision 6, as provided in section 289A.60, and the tax and penalties are subject to interest at the rate provided in section 270.75.*

Sec. 22. 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. 23. Minnesota Statutes 1991 Supplement, section 256.969, subdivision 1, is amended to read:

Subdivision 1. [HOSPITAL COST INDEX.] *(a)* 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, *and the hospital cost index under medical assistance, excluding general assistance medical care, shall be increased by one percentage point to reflect changes in technology for admissions occurring after September 30, 1992.*

(b) For fiscal years beginning on or after July 1, 1993, the commissioner of human services shall not provide automatic annual inflation adjustments for hospital payment rates under medical assistance, excluding the technology factor under paragraph (a), nor under 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 payment rates under medical assistance and general assistance medical care, based upon the hospital cost index.

Sec. 24. 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. 25. Minnesota Statutes 1991 Supplement, section 256.969, subdivision 9, is amended to read:

Subd. 9. [DISPROPORTIONATE NUMBERS OF LOW-INCOME PATIENTS SERVED.] For admissions occurring on or after ~~July 1, 1989~~ *October 1, 1992*, the medical assistance disproportionate population adjustment shall comply with federal law ~~at fully implemented rates~~ *and shall be paid to a hospital, excluding regional treatment centers and facilities of the federal Indian Health Service, with a medical assistance inpatient utilization rate in excess of the arithmetic mean. The adjustment must be determined as follows:*

(1) for a hospital with a medical assistance inpatient utilization rate above the arithmetic mean for all hospitals excluding regional treatment centers and facilities of the federal Indian Health Service but less than or equal to one standard deviation above the mean, the adjustment must be determined by multiplying the total of the operating and property payment rates by the difference between the hospital's actual medical assistance inpatient utilization rate and the arithmetic mean for all hospitals excluding regional treatment centers and facilities of the federal Indian Health Service; and

(2) for a hospital with a medical assistance inpatient utilization rate above one standard deviation above the mean, the adjustment must be determined by multiplying the adjustment that would be determined under clause (1) for that hospital by 1.1. If federal matching funds are not available for all adjustments under this subdivision, the commissioner shall reduce payments on a pro rata basis so that all adjustments qualify for federal match. The commissioner may establish a separate disproportionate population operating payment rate adjustment under the general assistance medical care program. *For purposes of this subdivision medical assistance does not include general assistance medical care. The commissioner shall report annually on the number of hospitals likely to receive the adjustment authorized by this section. The commissioner shall specifically report on the adjustments received by public hospitals and public hospital corporations located in cities of the first class.*

Sec. 26. 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. 27. 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. 28. 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 *or July 1, 1992, whichever is earlier*.

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~~ *until the implementation date of the upgrade to the Medicaid management information system* the hospital cost index *excluding the technology factor* 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~~ *20*, paragraphs ~~(g)~~ *(a)* and ~~(h)~~ *(b)*.

(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.

(e) If the upgrade to the Medicaid management information system has not been completed by July 1, 1992, the commissioner shall make adjustments for admissions occurring on or after that date as follows:

(1) provide a ten percent increase to hospitals that meet the requirements of section 256.969, subdivision 20, or, upon written request from the hospital to the commissioner, 50 percent of the rate change that the commissioner estimates will occur after the upgrade to the Medicaid management information system; and

(2) adjust the rebased payment rates that are established after the upgrade to the Medicaid management information system to compensate for a rebasing effective date of July 1, 1992. The adjustment shall be based on the change in rates from July 1, 1992, to the rebased rates in effect under the systems upgrade. The adjustment shall reflect payments under clause (1),

differences in the hospital cost index and dissimilar rate establishment procedures such as the variable outlier and the treatment of births and rehabilitation units of hospitals. The adjustment shall be in effect for a period not to exceed the amount of time from July 1, 1992, to the systems upgrade.

Sec. 29. 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. 30. 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. 31. 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. 32. 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. 33. 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. 34. 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. 35. Minnesota Statutes 1990, section 256B.056, subdivision 2, is amended to read:

Subd. 2. [HOMESTEAD; *EXCLUSION FOR INSTITUTIONALIZED PERSONS.*] ~~To be eligible for medical assistance, a person must not own, individually or together with the person's spouse, real property other than the homestead. For the purposes of this section, "homestead" means the house~~

~~owned and occupied by the applicant or recipient as a primary place of residence, together with the contiguous land upon which it is situated.~~ *The homestead shall be excluded for the first six calendar months of a person's stay in a long-term care facility and shall continue to be excluded for as long as the recipient can be reasonably expected to return, as provided under the methodologies for the supplemental security income program.* The homestead shall continue to be excluded for persons residing in a long-term care facility if it is used as a primary residence by one of the following individuals:

(a) the spouse;

(b) a child under age 21;

(c) a child of any age who is blind or permanently and totally disabled as defined in the supplemental security income program;

(d) a sibling who has equity interest in the home and who resided in the home for at least one year immediately before the date of the person's admission to the facility; or

(e) a child of any age, or, subject to federal approval, a grandchild of any age, who resided in the home for at least two years immediately before the date of the person's admission to the facility, and who provided care to the person that permitted the person to reside at home rather than in an institution.

~~The homestead is also excluded for the first six calendar months of the person's stay in the long-term care facility. The person's equity in the homestead must be reduced to an amount within limits or excluded on another basis if the person remains in the long-term care facility for a period longer than six months. Real estate not used as a home may not be retained unless the property is not salable, the equity is $6,000 or less and the income produced by the property is at least six percent of the equity, or the excess real property is exempted for a period of nine months if there is a good faith effort to sell the property and a legally binding agreement is signed to repay the amount of assistance issued during that nine months.~~

Sec. 36. Minnesota Statutes 1990, section 256B.056, subdivision 3, is amended to read:

Subd. 3. [ASSET LIMITATIONS.] To be eligible for medical assistance, a person must not individually own more than $3,000 in assets, or if a member of a household with two family members (husband and wife, or parent and child), the household must not own more than $6,000 in assets, plus $200 for each additional legal dependent. In addition to these maximum amounts, an eligible individual or family may accrue interest on these amounts, but they must be reduced to the maximum at the time of an eligibility redetermination. ~~For residents of long-term care facilities, the accumulation of the clothing and personal needs allowance pursuant to section 256B.35 must also be reduced to the maximum at the time of the eligibility redetermination. The value of the items in paragraphs (a) to (i) are not considered in determining medical assistance eligibility.~~ *The accumulation of the clothing and personal needs allowance pursuant to section 256B.35 must also be reduced to the maximum at the time of the eligibility redetermination. The value of assets that are not considered in determining eligibility for medical assistance is the value of those assets that are excluded by the aid to families with dependent children program for families and children, and the supplemental security income program for aged, blind,*

and disabled persons, with the following exceptions:

(a) ~~The homestead is not considered.~~

~~(b)~~ Household goods and personal effects are not considered.

~~(c) Personal property used as a regular abode by the applicant or recipient is not considered.~~

~~(d) A lot in a burial plot for each member of the household is not considered.~~

~~(e)~~ *(b)* Capital and operating assets of a trade or business that the local agency determines are necessary to the person's ability to earn an income are not considered.

~~(f) Insurance settlements to repair or replace damaged, destroyed, or stolen property are considered to the same extent as in the related cash assistance programs.~~

~~(g) One motor vehicle that is licensed pursuant to chapter 168 and defined as: (1) passenger automobile, (2) station wagon, (3) motorcycle, (4) motorized bicycle or (5) truck of the weight found in categories A to E, of section 168.013, subdivision 1e, and that is used primarily for the person's benefit is not considered.~~

~~To be excluded, the vehicle must have a market value of less than $4,500; be necessary to obtain medically necessary health services; be necessary for employment; be modified for operation by or transportation of a handicapped person; or be necessary to perform essential daily tasks because of climate, terrain, distance, or similar factors. The equity value of other motor vehicles is counted against the asset limit.~~

~~(h) Life insurance policies and assets designated as burial expenses, according to the standards and restrictions of the supplemental security income (SSI) program.~~

~~(i) Other items excluded by federal law are not considered.~~

(c) Motor vehicles are excluded to the same extent excluded by the supplemental security income program.

(d) Assets designated as burial expenses are excluded to the same extent excluded by the supplemental security income program.

Sec. 37. 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. 38. 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. 39. 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. 40. Minnesota Statutes 1990, section 256B.059, subdivision 2, is amended to read:

Subd. 2. [ASSESSMENT OF SPOUSAL SHARE.] At the beginning of a continuous period of institutionalization of a person, at the request of either the institutionalized spouse or the community spouse, or upon application for medical assistance, the total value of assets in which either the institutionalized spouse or the community spouse had an interest at the time of *the first period of* institutionalization *of 30 days or more* shall be assessed

and documented and the spousal share shall be assessed and documented.

Sec. 41. Minnesota Statutes 1990, section 256B.059, subdivision 5, is amended to read:

Subd. 5. [ASSET AVAILABILITY.] (a) At the time of application for medical assistance benefits, assets considered available to the institutionalized spouse shall be the total value of all assets in which either spouse has an ownership interest, reduced by the greater of:

(1) $12,000; or

(2) the lesser of the spousal share or $60,000; or

(3) the amount required by court order to be paid to the community spouse. If the community spouse asset allowance has been increased under subdivision 4, then the assets considered available to the institutionalized spouse under this subdivision shall be further reduced by the value of additional amounts allowed under subdivision 4.

(b) An institutionalized spouse may be found eligible for medical assistance even though assets in excess of the allowable amount are found to be available under paragraph (a) if the assets are owned jointly or individually by the community spouse, and the institutionalized spouse cannot use those assets to pay for the cost of care without the consent of the community spouse, and if: (i) the institutionalized spouse assigns to the commissioner the right to support from the community spouse under section 256B.14, subdivision 2; (ii) the institutionalized spouse lacks the ability to execute an assignment due to a physical or mental impairment; or (iii) the denial of eligibility would cause an imminent threat to the institutionalized spouse's health and well-being.

(c) After the month in which the institutionalized spouse is determined eligible for medical assistance, during the continuous period of institutionalization, no assets of the community spouse are considered available to the institutionalized spouse, unless the institutionalized spouse has been found eligible under clause (b).

(d) *Assets determined to be available to the institutionalized spouse under this section must be used for the health care or personal needs of the institutionalized spouse.*

(e) For purposes of this section, assets do not include assets excluded under section 256B.056, without regard to the limitations on total value in that section.

Sec. 42. Minnesota Statutes 1990, section 256B.0595, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED TRANSFERS.] *(a)* If a person or the person's spouse has given away, sold, or disposed of, for less than fair market value, any asset or interest therein, except assets other than the homestead that are excluded under section 256B.056, subdivision 3, within 30 months before or any time after the date of institutionalization if the person has been determined eligible for medical assistance, or within 30 months before or any time after the date of the first approved application for medical assistance if the person has not yet been determined eligible for medical assistance, the person is ineligible for long-term care services for the period of time determined under subdivision 2.

(b) This section applies to transfers, for less than fair market value, of

income or assets that are considered income in the month received, such as inheritances, court settlements, and retroactive benefit payments.

(c) This section applies to payments for care or personal services provided by a relative, unless the compensation was stipulated in a notarized, written agreement which was in existence when the service was performed, the care or services directly benefited the person, and the payments made represented reasonable compensation for the care or services provided. A notarized written agreement is not required if payment for the services was made within 60 days after the service was provided.

(d) This section applies to the portion of any asset or interest that a person or a person's spouse transfers to an irrevocable trust, annuity, or other instrument, that exceeds the value of the benefit likely to be returned to the person or spouse during his or her lifetime, based on his or her estimated life expectancy using the life expectancy tables employed by the supplemental security income program to determine the value of an agreement for services for life. The commissioner may adopt rules reducing life expectancies based on the need for long-term care.

(e) For purposes of this section, long-term care services include nursing facility services, and ~~home~~ *home-* and community-based services provided pursuant to section 256B.491. For purposes of this subdivision and subdivisions 2, 3, and 4, "institutionalized person" includes a person who is an inpatient in a nursing facility, or who is receiving ~~home~~ *home-* and community-based services under section 256B.491.

Sec. 43. Minnesota Statutes 1991 Supplement, section 256B.0625, subdivision 2, is amended to read:

Subd. 2. [SKILLED AND INTERMEDIATE NURSING CARE.] Medical assistance covers skilled nursing home services and services of intermediate care facilities, including training and habilitation services, as defined in section 252.41, subdivision 3, for persons with mental retardation or related conditions who are residing in intermediate care facilities for persons with mental retardation or related conditions. Medical assistance must not be used to pay the costs of nursing care provided to a patient in a swing bed as defined in section 144.562, unless (a) the facility in which the swing bed is located is eligible as a sole community provider, as defined in Code of Federal Regulations, title 42, section 412.92, or the facility is a public hospital owned by a governmental entity with 15 or fewer licensed acute care beds; (b) the health care financing administration approves the necessary state plan amendments; (c) the patient was screened as provided by law; (d) the patient no longer requires acute care services; and (e) no nursing home beds are available within 25 miles of the facility. *Medical assistance also covers up to ten days of nursing care provided to a patient in a swing bed if: (1) the patient's physician certifies that the patient has a terminal illness or condition that is likely to result in death within 30 days and that moving the patient would not be in the best interests of the patient and patient's family; (2) no open nursing home beds are available within 25 miles of the facility; and (3) no open beds are available in any Medicare hospice program within 50 miles of the facility.* The daily medical assistance payment for nursing care for the patient in the swing bed is the statewide average medical assistance skilled nursing care per diem as computed annually by the commissioner on July 1 of each year.

Sec. 44. 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 information to the formulary committee on the impact that placing the drug on prior authorization will have on the quality of patient care and information regarding whether the drug is subject to clinical abuse or misuse. Prior authorization may be required by the commissioner before certain formulary drugs are eligible for payment. The formulary shall not include: drugs or products for which there is no federal funding; over-the-counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, products for the treatment of lice, and vitamins for children under the age of seven and pregnant or nursing women; or any other over-the-counter drug identified by the commissioner, in consultation with the drug formulary committee as necessary, appropriate and cost effective for the treatment of certain specified chronic diseases, conditions or disorders, and this determination shall not be subject to the requirements of chapter 14, the administrative procedure act; nutritional products, except for those products needed for treatment of phenylketonuria, hyperlysinemia, maple syrup urine disease, a combined allergy to human milk, cow milk, and soy formula, or any other childhood or adult diseases,

conditions, or disorders identified by the commissioner as requiring a similarly necessary nutritional product; anorectics; and drugs for which medical value has not been established. *Nutritional products needed for the treatment of a combined allergy to human milk, cow's milk, and soy formula require prior authorization.* Separate payment shall not be made for nutritional products for residents of long-term care facilities; payment for dietary requirements is a component of the per diem rate paid to these facilities. Payment to drug vendors shall not be modified before the formulary is established except that the commissioner shall not permit payment for any drugs which may not by law be included in the formulary, and the commissioner's determination shall not be subject to chapter 14, the administrative procedure act. The commissioner shall publish conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

(b) The basis for determining the amount of payment shall be the lower of the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner, the maximum allowable cost set by the federal government or by the commissioner plus the fixed dispensing fee or the usual and customary price charged to the public. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. The actual acquisition cost of a drug may 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 January 4, 1993, or the date the Medicaid Management Information System (MMIS) upgrade is implemented, whichever occurs last, a pharmacy provider may require individuals who seek to become eligible for medical assistance under a one-month spend-down, as provided in section 256B.056, subdivision 5, to pay for services to the extent of the spend-down amount at the time the services are provided. A pharmacy provider

choosing this option shall file a medical assistance claim for the pharmacy services provided. If medical assistance reimbursement is received for this claim, the pharmacy provider shall return to the individual the total amount paid by the individual for the pharmacy services reimbursed by the medical assistance program. If the claim is not eligible for medical assistance reimbursement because of the provider's failure to comply with the provisions of the medical assistance program, the pharmacy provider shall refund to the individual the total amount paid by the individual. Pharmacy providers may choose this option only if they apply similar credit restrictions to private pay or privately insured individuals. A pharmacy provider choosing this option must inform individuals who seek to become eligible for medical assistance under a one-month spend-down of (1) their right to appeal the denial of services on the grounds that they have satisfied the spend-down requirement, and (2) their potential eligibility for the health right program or the children's health plan.

Sec. 45. 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. 46. Minnesota Statutes 1991 Supplement, section 256B.0625, subdivision 17, is amended to read:

Subd. 17. [TRANSPORTATION COSTS.] (a) Medical assistance covers transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by nonambulatory persons in obtaining emergency or nonemergency medical care when paid directly to an ambulance company, common carrier, or other recognized providers of transportation services. For the purpose of this subdivision, a person who is incapable of transport by taxicab or bus shall be considered to be nonambulatory.

(b) Medical assistance covers special transportation, as defined in Minnesota Rules, part 9505.0315, subpart 1, item F, if the provider receives and maintains a current physician's order by the recipient's attending physician. The commissioner shall establish maximum medical assistance reimbursement rates for special transportation services for persons who need a wheelchair lift van or stretcher-equipped vehicle and for those who do not need a wheelchair lift van or stretcher-equipped vehicle. The average of these two rates must not exceed ~~$12.50~~ *$13* for the base rate and $1 per mile. Special transportation provided to nonambulatory persons who do not need a wheelchair lift van or stretcher-equipped vehicle, may be reimbursed at a lower rate than special transportation provided to persons who need a wheelchair lift van or stretcher-equipped vehicle.

Sec. 47. 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 home 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 home care services.*

Sec. 48. 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. 49. 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. 50. Minnesota Statutes 1991 Supplement, section 256B.0627, subdivision 5, as amended by Laws 1992, chapter 391, section 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 commissioner'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 *complete* request ~~for prior authorization~~, *assessment, and care plan*, 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 *comparable* 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 *cooperatively* applying for home care services under the community alternative care program developed under section 256B.49, or until it is determined *by the appropriate regulatory agency* that a health benefit plan is *or is not* required to pay for *appropriate* medically necessary ~~nursing~~ *health care* services. *Recipients or their representatives must cooperatively assist the commissioner in obtaining this determination.* 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 duration 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. 51. 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. 52. 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. 53. 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. 54. 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. 55. 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. 56. 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 room and board 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 a period 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. 57. 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. *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 *greater of either the statewide or any of the geographic groups' weighted* average monthly medical assistance nursing facility payment rate of the case mix resident class to which the 180-day eligible client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059. 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. 58. 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. 59. 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. 60. 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. 61. 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. 62. 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.*

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. 63. 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. 64. Minnesota Statutes 1991 Supplement, section 256B.0915, is amended by adding a subdivision to read:

Subd. 5. [REASSESSMENTS FOR WAIVER CLIENTS.] *A reassessment of a client served under the elderly or disabled waiver must be conducted at least every six 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. 65. 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 coordinating 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. 66. 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. 67. 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. 68. 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. 69. 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. 70. 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. 71. 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. 72. 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. 73. Minnesota Statutes 1991 Supplement, section 256B.0919, subdivision 1, is amended to read:

Subdivision 1. [ADULT FOSTER CARE LICENSURE CAPACITY.] Notwithstanding contrary provisions of the human services licensing act and rules adopted under it, an adult foster care license holder may care for five adults age 60 years or older who do not have serious and persistent mental illness or a developmental disability. ~~The license holder under this section shall not be a corporate business which operates more than two facilities.~~

Sec. 74. 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. 75. [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. 76. Minnesota Statutes 1991 Supplement, section 256B.093, subdivision 1, is amended to read:

Subdivision 1. [STATE ~~COORDINATOR~~ *TRAUMATIC BRAIN INJURY CASE MANAGEMENT.*] The commissioner of human services shall ~~designate a full-time position within the long-term care management division of the department of human services to supervise and coordinate services for persons with traumatic brain injuries.~~

~~An advisory committee shall be established to provide recommendations to the department regarding program and service needs of persons with traumatic brain injuries.~~

(1) establish and maintain statewide traumatic brain injury case management;

(2) designate a full-time position to supervise and coordinate services for persons with traumatic brain injuries;

(3) contract with qualified agencies or employ staff to provide statewide administrative case management; and

(4) establish an advisory committee to provide recommendations in a report to the department regarding program and service needs of persons with traumatic brain injuries.

Sec. 77. Minnesota Statutes 1991 Supplement, section 256B.093, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] ~~The commissioner may contract with qualified agencies or employ staff to provide statewide case management services to medical assistance recipients who are at risk of institutionalization and who~~ *Persons eligible for traumatic brain injury administrative case management must be eligible medical assistance recipients who* have traumatic brain injury *and:*

(1) are at risk of institutionalization; or

(2) exceed limits established by the commissioner in section 256B.0627, subdivision 5, paragraph (b).

Sec. 78. Minnesota Statutes 1991 Supplement, section 256B.093, subdivision 3, is amended to read:

Subd. 3. [CASE MANAGEMENT DUTIES.] The department shall fund case management under this subdivision using medical assistance administrative funds. Case management duties include:

(1) assessing the person's individual needs for services required to prevent institutionalization;

(2) ensuring that a care plan that addresses the person's needs is developed, implemented, and monitored on an ongoing basis by the appropriate agency or individual;

(3) assisting the person in obtaining services necessary to allow the person to remain in the community;

(4) coordinating home care services with other medical assistance services under section 256B.0625;

(5) ensuring appropriate, accessible, and cost-effective medical assistance services;

(6) recommending to the commissioner the approval or denial of the use of medical assistance funds to pay for home care services when home care services exceed thresholds established by the commissioner under ~~Minnesota Rules, parts 9505.0170 to 9505.0475~~ *section 256B.0627*;

(7) assisting the person with problems related to the provision of home care services;

(8) ensuring the quality of home care services;

(9) reassessing the person's need for and level of home care services at a frequency determined by the commissioner; and

(10) recommending to the commissioner the approval or denial of medical assistance funds *to pay* for out-of-state placements for traumatic brain injury services *and in-state traumatic brain injury services provided by designated Medicare long-term care hospitals*.

Sec. 79. 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. 80. Minnesota Statutes 1990, section 256B.15, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] *For purposes of this section, "medical assistance" includes the medical assistance program under chapter 256B and the general assistance medical care program under chapter 256D, but does not include the alternative care program under chapter 256B.*

Subd. 1a. [ESTATES SUBJECT TO CLAIMS.] If a person receives any medical assistance hereunder, on the person's death, if single, or on the death of the survivor of a married couple, either or both of whom received medical assistance, the total amount paid for medical assistance rendered for the person and spouse shall be filed as a claim against the estate of the person or the estate of the surviving spouse in the court having jurisdiction to probate the estate.

A claim shall be filed if medical assistance was rendered for either or both persons under one of the following circumstances:

(a) the person was over 65 years of age, *and received services under chapter 256B, excluding alternative care*; ~~or~~

(b) the person resided in a medical institution for six months or longer, *received services under chapter 256B excluding alternative care*, and, at the time of institutionalization or application for medical assistance, whichever is later, the person could not have reasonably been expected to be discharged and returned home, as certified in writing by the person's treating physician. For purposes of this section only, a "medical institution" means a skilled nursing facility, intermediate care facility, intermediate care facility

for persons with mental retardation, nursing facility, or inpatient hospital; *or*

(c) the person received general assistance medical care services under chapter 256D.

The claim shall be considered an expense of the last illness of the decedent for the purpose of section 524.3-805. Any statute of limitations that purports to limit any county agency or the state agency, or both, to recover for medical assistance granted hereunder shall not apply to any claim made hereunder for reimbursement for any medical assistance granted hereunder. Counties are entitled to one-half of the nonfederal share of medical assistance collections from estates that are directly attributable to county effort.

Sec. 81. Minnesota Statutes 1990, section 256B.15, subdivision 2, is amended to read:

Subd. 2. [LIMITATIONS ON CLAIMS.] The claim shall include only the total amount of medical assistance rendered after age 65 or during a period of institutionalization described in subdivision 1, clause (b), *and the total amount of general assistance medical care rendered*, and shall not include interest. *Claims that have been allowed but not paid shall bear interest according to section 524.3-806, paragraph (d).* A claim against the estate of a surviving spouse who did not receive medical assistance, for medical assistance rendered for the predeceased spouse, is limited to the value of the assets of the estate that were marital property or jointly owned property at any time during the marriage.

Sec. 82. 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 transfer an amount equal to two percent of the public hospital's net patient revenues, excluding net Medicare revenue to the state Medicaid agency. These sums shall be 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. 83. 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. 84. 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. 85. 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. 86. 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. 87. Minnesota Statutes 1990, section 256B.421, is amended by adding a subdivision to read:

Subd. 16. [CAPITAL ASSETS.] *"Capital assets," for purposes of section 256B.431, subdivisions 13 to 21, means a nursing facility's buildings, attached fixtures, land improvements, leasehold improvements, and all additions to or replacements of those assets used directly for resident care.*

Sec. 88. 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. *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.*

(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.

(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 the 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. 89. Minnesota Statutes 1991 Supplement, section 256B.431, subdivision 21, is amended to read:

Subd. 21. [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 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 use the indices as forecasted by Data Resources, Inc., in the fourth quarter of the calendar year preceding the rate year.

(c) For rate years beginning on or after July 1, 1993, the commissioner shall not provide automatic annual inflation adjustments for nursing homes. 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. 90. Minnesota Statutes 1991 Supplement, section 256B.431, subdivision 2m, is amended to read:

Subd. 2m. [NURSING HOMES SPECIALIZING IN THE TREATMENT OF HUNTINGTON'S DISEASE.] For the rate year beginning July 1, 1991, *and for the rate period from July 1, 1992, to December 31, 1992,* the commissioner shall reimburse nursing homes that specialize in the treatment of Huntington's disease using the case mix per diem limit that applies to nursing homes licensed under the department of human services' rules governing residential services for physically handicapped persons to establish rates for up to 35 persons with Huntington's disease. For purposes of this subdivision, a nursing home specializes in the treatment of Huntington's

disease if more than 25 percent of its licensed capacity is used for residents with Huntington's disease.

Sec. 91. Minnesota Statutes 1991 Supplement, section 256B.431, subdivision 2o, is amended to read:

Subd. 2o. [SPECIAL PAYMENT RATES FOR SHORT-STAY NURSING HOMES.] Notwithstanding contrary provisions of this section and rules adopted by the commissioner, for the rate ~~year~~ *years* beginning *on or after* July 1, 1992, a nursing home whose average length of stay for the rate year beginning July 1, 1991, is less than 180 days must be reimbursed for allowable costs up to 125 percent of the total care-related limit and 105 percent of the other-operating-cost limit for hospital-attached nursing facilities. The nursing home continues to receive this rate even if the home's average length of stay is more than 180 days in the rate ~~year~~ *years* subsequent to the rate year beginning July 1, 1991.

Sec. 92. 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. 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 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. 95. 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 21 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 on October 1, 1992, and for rate years beginning after June 30, 1993, the property-related rate for a nursing facility shall be the greater of $4 or the property-related payment rate in effect on September 30, 1992. In addition, the incremental increase in the nursing facility's rental rate will be determined under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section.

(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 periods beginning after October 1, 1992, and for rate years beginning after June 30, 1993, 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. 96. 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 periods beginning on October 1, 1992, and for rate years beginning after June 30, 1993, 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, including sales occurring after June 30, 1992, 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 or October 1, 1992, whichever is later, 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):

(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 Systems Costs for Nursing Homes for any time periods during which both are available must be used. If the Dodge Construction Systems Costs for Nursing Homes 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, 1992, including debt assumed by the purchaser of the nursing facility.

Sec. 97. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

Subd. 15. [CAPITAL REPAIR AND REPLACEMENT COST REPORTING AND RATE CALCULATION.] *For rate years beginning after June 30, 1993, a nursing facility's capital repair and replacement payment rate shall be established annually as provided in paragraphs (a) to (d).*

(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 payment rate, the allowable annual repair and replacement costs for the reporting year must be divided by actual resident days for the reporting year. The annual allowable capital repair and replacement costs shall not exceed $150 per licensed bed. The excess of the allowed capital repair and replacement costs over the capital repair and replacement limit shall be a cost carryover to succeeding cost reporting periods, except that sale of a facility, under subdivision 14, shall terminate the carryover of all costs except those incurred in the most recent cost reporting year. The termination of the carryover shall have effect on the capital repair and replacement rate on the same date as provided in subdivision 14, paragraph (f), for the sale. For rate years beginning after June 30, 1994, the capital repair and replacement limit shall be subject to the index provided in subdivision 3f, paragraph (a). For purposes of this subdivision, the number of licensed beds shall be the number used to calculate the nursing facility's capacity days. The capital repair and replacement rate must be added to the nursing facility's total payment rate.

(c) Capital repair and replacement costs under this subdivision shall not be counted as either care-related or other operating costs, nor subject to care-related or other operating limits.

(d) If costs otherwise allowable under this subdivision are incurred as the result of a project approved under the moratorium exception process in section 144A.073, or in connection with an addition to or replacement of buildings, attached fixtures, or land improvements for which the total historical cost of these assets exceeds the lesser of $150,000 or ten percent of the nursing facility's appraised value, these costs must be claimed under subdivisions 16 or 17, as appropriate.

Sec. 98. 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, if a nursing facility acquires capital assets 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 $150,000 or ten percent of the most recent appraised value, the nursing facility shall be eligible for an equity incentive payment rate as in paragraphs (a) to (d). This computation is separate from the determination of the nursing facility's rental rate. An equity incentive payment rate as computed under this subdivision is limited to one in a 12-month period.*

(a) An eligible nursing facility shall receive an equity incentive payment rate equal to the allowable historical cost of the capital asset acquired, minus the allowable debt directly identified to that capital asset, 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). This amount shall be added to the nursing facility's total payment rate and shall be effective the same day as the incremental increase in paragraph (d) or subdivision 17. 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 equity incentive payment rate 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 rate shall be paid for ten years. The sale of a nursing facility under subdivision 14 shall terminate application of the equity incentive payment rate effective on the date provided in subdivision 4, paragraph (f), for the sale.

(d) A nursing facility with an addition to or a renovation of its buildings, attached fixtures, or land improvements meeting the criteria in this subdivision and not receiving the property-related payment rate adjustment in subdivision 17, shall receive the incremental increase in the nursing facility's rental rate as determined under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section. The incremental increase shall be added to the nursing facility's property-related payment rate. The effective date of this incremental increase shall be the first day of the month following the month in which the addition or replacement is completed.

Sec. 99. 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 periods beginning on October 1, 1992, and for rate years beginning after June 30, 1993, 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 subdivision 16 and this subdivision.*

(b) Notwithstanding Minnesota Rules, part 9549.0060, subpart 5, item A, subitems (1) and (3), and subpart 7, item D, allowable interest expense on debt shall include:

(1) interest expense on 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) interest expense on 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; and

(3) interest on debt incurred for the establishment of a debt reserve fund, net of the interest earned on the debt reserve fund.

(c) Debt incurred for costs under paragraph (b) is not subject to Minnesota Rules, part 9549.0060, subpart 5, item A, subitem (5) or (6).

(d) The incremental increase in a nursing facility's rental rate, determined under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section, resulting from the acquisition of allowable capital assets, and allowable debt and interest expense under this subdivision 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 moratorium project was completed.

(e) Notwithstanding subdivision 3f, paragraph (a), for rate periods beginning on October 1, 1992, and for rate years beginning after June 30, 1993, 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 $150,000 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), beginning January 1, 1993.

Sec. 100. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

Subd. 18. [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 permit a nursing facility to appeal its appraisal according to the procedures provided in section 256B.50, subdivision 2. Any reappraisals conducted in connection with that appeal must utilize the comparative-unit method as described in the Marshall Valuation Service published by Marshall-Swift in establishing the nursing facility's depreciated replacement cost.

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 reappraisal, if any, shall be considered an allowable cost under Minnesota Rules, parts 9549.0040, subpart 9, and 9549.0061.

(2) The redetermination of a nursing facility's appraised value under this paragraph shall have no impact on the rental payment rate determined under subdivision 13 but shall only be used for calculating the nursing facility's rental rate under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section for rate years beginning after June 30, 1993.

(3) For all rate years after June 30, 1993, the commissioner shall no longer conduct any appraisals under Minnesota Rules, part 9549.0060, for the purpose of determining property-related payment rates.

(b) Notwithstanding Minnesota Rules, part 9549.0060, subpart 2, for rate years beginning after June 30, 1993, the commissioner shall routinely update the appraised value of each nursing facility by adding the cost of capital asset acquisitions to its allowable appraised value.

The commissioner shall also annually index each nursing facility's allowable appraised value by the inflation index referenced in subdivision 3f, paragraph (a), for the purpose of computing the nursing facility's annual rental rate. In annually adjusting the nursing facility's appraised value, the commissioner must not include the historical cost of capital assets acquired during the reporting year in the nursing facility's appraised value.

In addition, the nursing facility's appraised value must be reduced by the historical cost of capital asset disposals or applicable credits such as public grants and insurance proceeds. Capital asset additions and disposals must be reported on the nursing facility's annual cost report in the reporting year of acquisition or disposal. The incremental increase in the nursing facility's rental rate resulting from this 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 the rate year following the reporting year.

Sec. 101. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

Subd. 19. [REFINANCING INCENTIVE.] *(a) A nursing facility that refinances debt after May 30, 1992, in order to save in interest expense payments as determined in clauses (1) to (5) may be eligible for the refinancing incentive under this subdivision. To be eligible for the refinancing incentive, a nursing facility must notify the commissioner in writing of such a refinancing within 60 days following the date on which the refinancing occurs. If the nursing facility meets these conditions, the commissioner shall determine the refinancing incentive as in clauses (1) to (5).*

(1) Compute the aggregate amount of interest expense, including amortized issuance and financing costs, remaining on the debt to be refinanced,

and divide this amount by the number of years remaining for the term of that debt.

(2) Compute the aggregate amount of interest expense, including amortized issuance and financing costs, for the new debt, and divide this amount by the number of years for the term of that debt.

(3) Subtract the amount in clause (2) from the amount in clause (1), and multiply the amount, if positive, by .5.

(4) The amount in clause (3) shall be divided by the nursing facility's occupancy factor under subdivision 3f, paragraph (c).

(5) The per diem amount in clause (4) shall be deducted from the nursing facility's property-related payment rate for three full rate years following the rate year in which the refinancing occurs. For the fourth full rate year following the rate year in which the refinancing occurs, and each rate year thereafter, the per diem amount in clause (4) shall again be deducted from the nursing facility's property-related payment rate.

(b) 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).

(c) The proceeds of refinancing may not be used for the purpose of withdrawing equity from the nursing facility.

(d) 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, and the full amount of the refinancing incentive in paragraph (a) shall be implemented.

(e) If a nursing facility eligible under this subdivision fails to notify the commissioner as required, the commissioner shall determine the full amount of the refinancing incentive in paragraph (a), and shall deduct one-half that amount from the nursing facility's property-related payment rate effective the first day of the month following the month in which the refinancing is completed. For the next three full rate years, the commissioner shall deduct one-half the amount in paragraph (a), clause (5). The remaining per diem amount shall be deducted in each rate year thereafter.

(f) The commissioner shall reestablish the nursing facility's rental rate under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section following the refinancing using the new debt and interest expense information for the purpose of measuring future incremental rental increases.

Sec. 102. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

Subd. 20. [SPECIAL PROPERTY RATE SETTING.] *For rate periods beginning on October 1, 1992, and for rate years beginning after June 30, 1993, the property-related payment rate for a nursing facility approved for total replacement under the moratorium exception process in section 144A.073 through an addition to another nursing facility 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. 103. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

Subd. 21. [INDEXING THRESHHOLDS.] *Beginning January 1, 1993, and each January 1 thereafter, the commissioner shall annually update the dollar threshholds in subdivision 15, paragraph (d), subdivisions 16 and 17, and in section 144A.071, subdivision 2, and subdivision 3, clauses (h) and (p), by the inflation index referenced in subdivision 3f, paragraph (a).*

Sec. 104. 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 directly identified costs associated with the department of human services' or the department of health's managing agent under a receivership agreement must be allocated to the facility under receivership, and are nonallowable costs to the managing agent on the facility's cost reports.*

Sec. 105. 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. 106. 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. 107. 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. 108. 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. 109. Minnesota Statutes 1990, section 256B.48, subdivision 2, is amended to read:

Subd. 2. [REPORTING REQUIREMENTS.] No later than December 31 of each year, a skilled nursing facility or intermediate care facility, including boarding care facilities, which receives medical assistance payments or other reimbursements from the state agency shall:

(a) Provide the state agency with a copy of its audited financial statements. The audited financial statements must include a balance sheet, income statement, statement of the rate or rates charged to private paying residents, statement of retained earnings, statement of cash flows, notes to the financial statements, audited applicable supplemental information, and the certified public accountant's or licensed public accountant's opinion. The examination by the certified public accountant or licensed public accountant shall be conducted in accordance with generally accepted auditing standards as promulgated and adopted by the American Institute of Certified Public Accountants;

(b) Provide the state agency with a statement of ownership for the facility;

(c) Provide the state agency with separate, audited financial statements as specified in clause (a) for every other facility owned in whole or part by an individual or entity which has an ownership interest in the facility;

(d) Upon request, provide the state agency with separate, audited financial statements as specified in clause (a) for every organization with which the facility conducts business and which is owned in whole or in part by an individual or entity which has an ownership interest in the facility;

(e) Provide the state agency with copies of leases, purchase agreements, and other documents related to the lease or purchase of the nursing facility;

(f) Upon request, provide the state agency with copies of leases, purchase agreements, and other documents related to the acquisition of equipment, goods, and services which are claimed as allowable costs; and

(g) Permit access by the state agency to the certified public accountant's and licensed public accountant's audit workpapers which support the audited financial statements required in clauses (a), (c), and (d).

Documents or information provided to the state agency pursuant to this subdivision shall be public. If the requirements of clauses (a) to (g) are not met, the reimbursement rate may be reduced to 80 percent of the rate in effect on the first day of the fourth calendar month after the close of the reporting year, and the reduction shall continue until the requirements are

met.

Both nursing facilities and intermediate care facilities for the mentally retarded must maintain statistical and accounting records in sufficient detail to support information contained in the facility's cost report for at least five years, including the year following the submission of the cost report. For computerized accounting systems, the records must include copies of electronically generated media such as magnetic discs and tapes.

Sec. 110. 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. 111. Minnesota Statutes 1990, section 256B.48, is amended by adding a subdivision to read:

Subd. 3a. [AUDIT ADJUSTMENTS.] *If the commissioner requests supporting documentation during a field audit for an item of cost reported by a long-term care facility, and the long-term care facility's response does not adequately document the item of cost, the commissioner may make reasoned assumptions considered appropriate in the absence of the requested documentation to reasonably establish a payment rate rather than disallow the entire item of cost. This provision shall not diminish the long-term care facility's appeal rights.*

Sec. 112. Minnesota Statutes 1990, section 256B.48, subdivision 4, is amended to read:

Subd. 4. [EXTENSIONS.] The commissioner may grant *up to* a 15-day extension of the reporting deadline to a nursing home for good cause. To receive such an extension, a nursing home shall submit a written request by December 1. The commissioner will notify the nursing home of the decision by December 15. *Between December 1 and December 31, the nursing facility may request a reporting extension for good cause by telephone and followed by a written request.*

Sec. 113. 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. 114. 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 program.*

Sec. 115. 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. 116. 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 section 144A.154, 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. 117. 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. 118. 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. 119. 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. 120. Minnesota Statutes 1990, section 256B.50, subdivision 1b, is amended to read:

Subd. 1b. [FILING AN APPEAL.] To appeal, the provider shall file with the commissioner a written notice of appeal; the appeal must be *postmarked or* received by the commissioner within 60 days of the date the determination of the payment rate was mailed. The notice of appeal must specify each disputed item; the reason for the dispute; the total dollar amount in dispute for each separate disallowance, allocation, or adjustment of each cost item or part of a cost item; the computation that the provider believes is correct; the authority in statute or rule upon which the provider relies for each disputed item; the name and address of the person or firm with whom contacts may be made regarding the appeal; and other information required

by the commissioner. *The commissioner shall review an appeal by a nursing facility, if the appeal was sent by certified mail and postmarked prior to August 1, 1991, and would have been received by the commissioner within the 60-day deadline if it had not been delayed due to an error by the postal service.*

Sec. 121. Minnesota Statutes 1990, section 256B.50, subdivision 2, is amended to read:

Subd. 2. [APPRAISED VALUE.] (a) A nursing home may appeal the determination of its appraised value, as determined by the commissioner pursuant to section 256B.431 and rules established thereunder. A written notice of appeal concerning the appraised value of a nursing home's real estate as established by an appraisal conducted after July 1, 1986, must be filed with the commissioner within 60 days of the date the determination was made and shall state the appraised value the nursing home believes is correct for the building, land improvements, and attached equipment and the name and address of the firm with whom contacts may be made regarding the appeal. The appeal request shall include a separate appraisal report prepared by an independent appraiser of real estate which supports the total appraised value claimed by the nursing home. The appraisal report shall be based on an on-site inspection of the nursing home's real estate using the depreciated replacement cost method, must be in a form comparable to that used in the commissioner's appraisal, and must pertain to the same time period covered by the appealed appraisal. The appraisal report shall include information related to the training, experience, and qualifications of the appraiser who conducted and prepared the appraisal report for the nursing home. *An appeal request shall be deemed timely if it is postmarked or received by the commissioner within the time limits established for filing such appeal requests.*

(b) A nursing home which has filed an appeal request prior to the effective date of Laws 1987, chapter 403, concerning the appraised value of its real estate as established by an appraisal conducted before July 1, 1986, must submit to the commissioner the information described under paragraph (a) within 60 days of the effective date of Laws 1987, chapter 403, in order to preserve the appeal.

(c) An appeal request which has been filed pursuant to the provisions of paragraph (a) or (b) shall be finally resolved through an agreement entered into by and between the commissioner and the nursing home or by the determination of an independent appraiser based upon an on-site inspection of the nursing home's real estate using the depreciated replacement cost method, in a form comparable to that used in the commissioner's appraisal, and pertaining to the same time period covered by the appealed appraisal. The appraiser shall be selected by the commissioner and the nursing home by alternately striking names from a list of appraisers approved for state contracts by the commissioner of administration. The appraiser shall make assurances to the satisfaction of the commissioner and the nursing home that the appraiser is experienced in the use of the depreciated cost method of appraisals and that the appraiser is free of any personal, political, or economic conflict of interest that may impair the ability to function in a fair and objective manner. The commissioner shall pay costs of the appraiser through a negotiated rate for services of the appraiser.

(d) The decision of the appraiser is final and is not appealable. Exclusive jurisdiction for appeals of the appraised value of nursing homes lies with

the procedures set out in this subdivision. No court of law shall possess subject matter jurisdiction to hear appeals of appraised value determinations of nursing homes.

Sec. 122. 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 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 use the indices as forecasted by Data Resources, Inc., in the first quarter of the calendar year in which the rate year begins. *For fiscal years beginning after June 30, 1993, the commissioner shall not provide automatic inflation adjustments for intermediate care facilities for persons with mental retardation. The commissioner of finance shall include annual inflation 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. 123. 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. 124. 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. 125. 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. 126. 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. 127. Minnesota Statutes 1991 Supplement, section 256D.03, subdivision 3, is amended to read:

Subd. 3. [GENERAL ASSISTANCE MEDICAL CARE; ELIGIBILITY.]

(a) General assistance medical care may be paid for any person ~~who is age 18 or older and~~ who is not eligible for medical assistance under chapter 256B, including eligibility for medical assistance based on a spend-down of excess income according to section 256B.056, subdivision 5, and:

(1) who is receiving assistance under section 256D.05 or 256D.051; or

(2)(i) who is a resident of Minnesota; and whose equity in assets is not in excess of $1,000 per assistance unit. Exempt assets, the reduction of excess assets, and the waiver of excess assets must conform to the medical assistance program in chapter 256B, *with the following exception: the maximum amount of undistributed funds in a trust that could be distributed to or on behalf of the beneficiary by the trustee, assuming the full exercise of the trustee's discretion under the terms of the trust, must be applied toward the asset maximum*; and

(ii) who has countable income not in excess of the assistance standards established in section 256B.056, subdivision 4, or whose excess income is spent down pursuant to section 256B.056, subdivision 5, using a six-month budget period, except that a one-month budget period must be used for recipients residing in a long-term care facility. The method for calculating earned income disregards and deductions for a person who resides with a dependent child under age 21 shall be as specified in section 256.74, subdivision 1. However, if a disregard of $30 and one-third of the remainder described in section 256.74, subdivision 1, clause (4), has been applied to the wage earner's income, the disregard shall not be applied again until the wage earner's income has not been considered in an eligibility determination for general assistance, general assistance medical care, medical assistance, or aid to families with dependent children for 12 consecutive months. The earned income and work expense deductions for a person who does not reside with a dependent child under age 21 shall be the same as the method used to determine eligibility for a person under section 256D.06, subdivision 1, except the disregard of the first $50 of earned income is not allowed; or

(3) who would be eligible for medical assistance except that the person resides in a facility that is determined by the commissioner or the federal health care financing administration to be an institution for mental diseases.

(b) Eligibility is available for the month of application, and for three months prior to application if the person was eligible in those prior months. A redetermination of eligibility must occur every 12 months.

(c) General assistance medical care is not available for a person in a correctional facility unless the person is detained by law for less than one year in a county correctional or detention facility as a person accused or convicted of a crime, or admitted as an inpatient to a hospital on a criminal hold order, and the person is a recipient of general assistance medical care at the time the person is detained by law or admitted on a criminal hold order and as long as the person continues to meet other eligibility requirements of this subdivision.

(d) General assistance medical care is not available for applicants or recipients who do not cooperate with the county agency to meet the requirements of medical assistance.

(e) In determining the amount of assets of an individual, there shall be included any asset or interest in an asset, including an asset excluded under paragraph (a), that was given away, sold, or disposed of for less than fair

market value within the 30 months preceding application for general assistance medical care or during the period of eligibility. Any transfer described in this paragraph shall be presumed to have been for the purpose of establishing eligibility for general assistance medical care, unless the individual furnishes convincing evidence to establish that the transaction was exclusively for another purpose. For purposes of this paragraph, the value of the asset or interest shall be the fair market value at the time it was given away, sold, or disposed of, less the amount of compensation received. For any uncompensated transfer, the number of months of ineligibility, including partial months, shall be calculated by dividing the uncompensated transfer amount by the average monthly per person payment made by the medical assistance program to skilled nursing facilities for the previous calendar year. The individual shall remain ineligible until this fixed period has expired. The period of ineligibility may exceed 30 months, and a reapplication for benefits after 30 months from the date of the transfer shall not result in eligibility unless and until the period of ineligibility has expired. The period of ineligibility begins in the month the transfer was reported to the county agency, or if the transfer was not reported, the month in which the county agency discovered the transfer, whichever comes first. For applicants, the period of ineligibility begins on the date of the first approved application.

Sec. 128. 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. 129. [501B.90] [EXCULPATORY CLAUSES LINKED TO PUBLIC ASSISTANCE ELIGIBILITY UNENFORCEABLE.]

A provision in a trust created after July 1, 1992, purporting to make assets or income unavailable to a beneficiary if the beneficiary applies for or is determined eligible for public assistance or a public health care program is unenforceable.

Sec. 130. [HOSPITAL OUTPATIENT REIMBURSEMENT.]

For outpatient hospital facility fee payments for services rendered on or after October 1, 1992, the commissioner of human services shall pay the lower of (1) submitted charge, or (2) 32 percent above the rate in effect on June 30, 1992, except for those services for which there is a federal maximum allowable payment. Services for which there is a federal maximum allowable payment shall be paid at the lower of (1) submitted charge, or (2) the federal maximum allowable payment. Total aggregate payment for outpatient hospital facility fee services shall not exceed the Medicare upper limit. If it is determined that a provision of this section conflicts with existing or future requirements of the United States government with respect to federal financial participation in medical assistance, the federal requirements prevail. The commissioner may, in the aggregate, prospectively reduce payment rates to avoid reduced federal financial participation resulting from rates that

are in excess of the Medicare upper limitations.

Sec. 131. [PHYSICIAN AND DENTAL REIMBURSEMENT.]

(a) The physician reimbursement increase provided in Minnesota Statutes, section 256B.74, subdivision 2, shall not be implemented. Effective for services rendered on or after October 1, 1992, the commissioner shall make payments for physician services as follows:

(1) payment for level one Health Care Finance Administration's common procedural coding system (HCPCS) codes titled "office and other outpatient services," "preventive medicine new and established patient," "delivery, antepartum, and postpartum care," "critical care," caesarean delivery and pharmacologic management provided to psychiatric patients, and HCPCS level three codes for enhanced services for prenatal high risk, shall be paid at the lower of (i) submitted charges, or (ii) 25 percent above the rate in effect on June 30, 1992. If the rate on any procedure code within these categories is different than the rate that would have been paid under the methodology in Minnesota Statutes, section 256B.74, subdivision 2, then the larger rate shall be paid;

(2) payments for all other services shall be paid at the lower of (i) submitted charges, or (ii) 15.4 percent above the rate in effect on June 30, 1992; and

(3) all physician rates shall be converted from the 50th percentile of 1982 to the 50th percentile of 1989, less the percent in aggregate necessary to equal the above increases.

(b) The dental reimbursement increase provided in Minnesota Statutes, section 256B.74, subdivision 5, shall not be implemented. Effective for services rendered on or after October 1, 1992, the commissioner shall make payments for dental services as follows:

(1) dental services shall be paid at the lower of (i) submitted charges, or (ii) 25 percent above the rate in effect on June 30, 1992; and

(2) dental rates shall be converted from the 50th percentile of 1982 to the 50th percentile of 1989, less the percent in aggregate necessary to equal the above increases.

Sec. 132. [HEALTH MAINTENANCE ORGANIZATION REIMBURSEMENT.]

Effective October 1, 1992, the commissioner shall adjust rates paid to a health maintenance organization under contract with the commissioner to reflect rate increases provided in Minnesota Statutes, section 256.969, subdivisions 1, 9, and 20, and sections 130 and 131. The adjustment to reflect increases under section 256.969, subdivision 9, must be made on a nondiscounted basis.

Sec. 133. [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 total 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 surcharge shall be

adjusted by inflationary and caseload changes in future bienniums to maintain reimbursement of health care providers in accordance with the requirements of the state and federal laws governing the medical assistance program, including the requirements of the Medicaid moratorium amendments of 1991 found in Public Law No. 102-234. 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 102-234 by enacting conforming legislation prior to the issuance of federal implementing regulations.

Sec. 134. [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.

Sec. 135. [REPEALER; ASSET LIMITATIONS FOR VETERANS.]

Minnesota Statutes 1990, section 256B.056, subdivision 3a, is repealed.

Minnesota Statutes 1991 Supplement, sections 144A.071, subdivision 3a; 256.9657, subdivision 5; 256.969, subdivision 7; and 256B.74, subdivisions 8 and 9; and Laws 1991, chapter 292, article 4, section 77, excluding subdivision 9, are repealed effective October 1, 1992. Laws 1991, chapter 292, article 4, section 77, subdivision 9, is repealed the day following final enactment.

Sec. 136. [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. 137. [EFFECTIVE DATES.]

Section 39 is effective January 1, 1993.

Section 60 is effective the day following final enactment.

Sections 9, 15, 16, 18 to 21, 25, 27, 46, 82, 123, and 124 are effective October 1, 1992.

Section 42 is effective July 1, 1992, and applies to transfers or payments

made on or after that date.

Section 130 is not effective in the event that the health right program is not enacted into law prior to October 1, 1992. In the event the health right program is not enacted into law prior to October 1, 1992, the percentage increase in reimbursement rates scheduled to be effective October 1, 1992, and provided for in section 131 shall not be effective, and the commissioner shall implement, effective October 1, 1992, the rate increases provided in Minnesota Statutes, section 256B.74, subdivision 2 and 5.

Section 28 is effective for admissions occurring on or after October 1, 1992.

The provisions of section 44 relating to prior authorization of drugs are effective for all drugs added to the list of drugs requiring prior authorization on or after July 1, 1992.

ARTICLE 8

ASSISTANCE PAYMENTS

Section 1. [149.10] [CREMATION; UNCLAIMED REMAINS.]

Any funeral director, or other person or establishment licensed under this chapter, may arrange for proper disposal after one year of cremains unclaimed by family or next of kin.

Sec. 2. 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. 3. 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. 4. 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. 5. 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. 6. 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. 7. 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. 8. 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. 9. 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. 10. [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.*

Sec. 11. 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.*

Sec. 12. 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.

(3) 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 of rent are reduced or terminated. Whenever possible under state and federal laws and regulations and if the recipient consents, the state or county shall provide at least 30 days notice to vendors before vendor payments of rent 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 of rent will be reduced or terminated. When the county notifies a vendor that vendor payments of rent will be reduced or terminated, the county shall include in the notice that it is illegal to discriminate on the grounds that a person is receiving public assistance and the penalties for violation. The county shall also notify the recipient that it is illegal to discriminate on the grounds that a person is receiving public assistance and the procedures for filing a complaint. The county agency may develop procedures, including using the MAXIS system, to implement vendor notice and may charge vendors a fee not exceeding $5 to cover notification costs.

(4) 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)~~ *(5)* The county shall be paid from state and federal funds available therefor the amount provided for in section 256.82.

~~(4)~~ *(6)* 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. 13. Minnesota Statutes 1991 Supplement, section 256.935, subdivision 1, is amended to read:

Subdivision 1. On the death of any person receiving public assistance through aid to dependent children, the county agency shall pay an amount for funeral expenses not exceeding ~~$370 and~~ *the amount paid for comparable services under section 261.035 plus* actual cemetery charges. No funeral expenses shall be paid if the estate of the deceased is sufficient to pay such expenses or if the ~~children, or~~ spouse, who ~~were~~ *was* legally responsible for the support of the deceased while living, ~~are~~ *is* able to pay such expenses; provided, that the additional payment or donation of the cost of cemetery lot, interment, religious service, or for the transportation of the body into or out of the community in which the deceased resided, shall not limit payment by the county agency as herein authorized. Freedom of choice in the selection of a funeral director shall be granted to persons lawfully authorized to make arrangements for the burial of any such deceased recipient. In determining the sufficiency of such estate, due regard shall be had for the nature and marketability of the assets of the estate. The county agency may grant funeral expenses where the sale would cause undue loss to the estate. Any amount paid for funeral expenses shall be a prior claim against the estate, as provided in section 524.3-805, and any amount recovered shall be reimbursed to the agency which paid the expenses. The commissioner shall specify requirements for reports, including fiscal reports, according to section 256.01, subdivision 2, paragraph (17). The state share of county agency expenditures shall be 50 percent and the county share shall be 50 percent. Benefits shall be issued to recipients by the state or

county and funded according to section 256.025, subdivision 3, subject to provisions of section 256.017.

Beginning July 1, 1991, the state will reimburse counties according to the payment schedule set forth in section 256.025 for the county share of county agency expenditures made under this subdivision from January 1, 1991, on. Payment under this subdivision is subject to the provisions of section 256.017.

Sec. 14. 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. 15. [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.*

Sec. 16. 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.*

Sec. 17. 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; 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. 18. 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. 19. 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~~ *six* calendar months during any 12 consecutive calendar month period, subject to the provisions of paragraph (d), subdivision 3, and section 256D.052, subdivision 4. 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. *After July 1, 1992, if orientation is available within three weeks after the date eligibility is determined, initial payment will not be made until the registrant attends orientation to the work readiness program.* Prior to terminating work readiness assistance the county agency must provide advice on the person's eligibility for general assistance medical care and must assess the person's eligibility for general assistance under section 256D.05 to the extent possible, using information in the case file, and determine the person's eligibility for general assistance. A determination that the person is not eligible for general assistance must be stated in the notice of termination of work readiness benefits.

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

(c) Except for family members who must participate in work readiness services under the provisions of section 256D.05, subdivision 1, clause (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. 20. Minnesota Statutes 1990, section 256D.051, is amended by adding a subdivision to read:

Subd. 17. [START WORK GRANTS.] *Within the limit of available appropriations, the county agency may make grants necessary to enable work readiness recipients to accept bona fide offers of employment. The grants may be made for costs directly related to starting employment, including transportation costs, clothing, tools and equipment, license or other fees,*

and relocation. Start work grants are available once in any 12-month period to a recipient. The commissioner shall allocate money appropriated for start work grants to counties based on each county's work readiness caseload in the 12 months ending in March for each following state fiscal year and may reallocate any unspent amounts.

Sec. 21. 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. 22. Minnesota Statutes 1990, section 256D.06, is amended by adding a subdivision to read:

Subd. 5a. [SSI CONVERSIONS AND BACK CLAIMS.] *(a)* [SSI CONVERSIONS.] *The commissioner of human services shall contract with agencies or organizations capable of ensuring 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 money owing to the state under interim assistance agreements is collected.*

(b) [BACK CLAIMS FOR FEDERAL HEALTH CARE BENEFITS.] *The commissioner shall also directly or through contract implement procedures for collecting federal Medicare and medical assistance funds for which clients converted to SSI are retroactively eligible.*

(c) [ADDITIONAL REQUIREMENTS.] *The commissioner shall begin contracting with agencies to ensure implementation of this section within 14 days after enactment of this section. County contracts with providers for residential services shall include the requirement that providers screen*

residents who may be eligible for federal benefits and provide that information to the local agency. The commissioner shall modify the MAXIS computer system to provide information on clients who have been on general assistance for two years or longer. The list of clients shall be provided to local services for screening under this section.

(d) [REPORT.] *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 the organizations involved;

(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. 23. [256D.091] [GRANT DIVERSION.]

Subdivision 1. [DEFINITIONS.] *(a) "Diverted grant" means the amount of the general assistance grant or work readiness assistance payment, not exceeding the standard of assistance for one person, that is available for a wage subsidy.*

(b) "Net monthly wage" means the income remaining to a registrant after taking the disregards and exclusions from income under section 256D.06.

(c) "Registrant" means a recipient of general assistance or work assistance who is participating in a grant diversion employment and employment-related program.

Subd. 2. [GRANT DIVERSION PROGRAM.] *(a) The county agency may establish a grant diversion program for payment of all or a part of a recipient's general assistance or work readiness grant 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 county agency may administer and deliver grant diversions directly or may contract for delivery of the program according to section 268.871.*

(b) The county agency shall assess a registrant's continued eligibility for general assistance or work readiness assistance before the end of the registrant's grant diversion period.

(c) The county agency shall submit fiscal and summary reports required by the commissioner.

Subd. 3. [REGISTRANT PARTICIPATION.] *(a) A recipient may refuse employment or employment-related training under the grant diversion program unless the recipient lacks a work history or local work reference and the recipient's employability plan requires participation in a community investment program.*

(b) A recipient may participate in a grant diversion program for up to four months.

(c) During participation in the grant diversion program, a registrant must submit to the county agency the monthly food stamp eligibility household report form.

Subd. 4. [CONTRACT WITH GRANT DIVERSION EMPLOYER.] *The county agency or the local service unit shall enter into a written contract with a grant diversion employer. The contract must include:*

(1) the period of time the diverted grant is available;

(2) the amount of the monthly diverted grant;

(3) the method of payment of the diverted grant;

(4) data gathering and reporting requirements;

(5) agreement by the employer not to terminate or reduce the working hours of current employees in order to participate in the grant diversion program;

(6) agreement by the employer to provide the registrant the same or a comparable level of wages, fringe benefits, and workers' compensation coverage that are provided other employees; and

(7) agreement by the employer to hire the registrant at the end of the grant diversion period.

Subd. 5. [NOTICE TO REGISTRANT.] *The county agency or local service unit shall provide the registrant written notice of the terms of the registrant's grant diversion program, including:*

(1) the requirement to complete the period of subsidized employment or employment-related training specified in the contract;

(2) the date of the first day of employment or employment-related training;

(3) the name, address, and occupational title of the employer;

(4) the hourly wage and the number of work hours per week;

(5) the effect of participation on work readiness eligibility;

(6) the maximum period of participation and the months the registrant's grant will be diverted;

(7) the amount of the diverted grant and the amount of any residual assistance grant; and

(8) the actions to be taken if the registrant fails to complete the grant diversion participation period.

The county agency shall maintain a copy of the notice in the registrant's case file.

Subd. 6. [GRANT DIVERSION MONTHLY PAYMENT.] *(a) The county agency shall calculate and pay the diverted grant directly to the registrant's employer or shall reimburse an employment and training service provider that has paid the employer. The amount of monthly payment available to an employer under the grant diversion program must not exceed the monthly standard of assistance for one person.*

(b) If a registrant is receiving assistance as a member of an assistance unit, the monthly payment to the assistance unit may be reduced only by the amount of the assistance standard for one person.

(c) Notwithstanding any change in resources, household, or income of the registrant or the registrant's assistance unit, eligibility for work readiness and the amount of monthly payment is not subject to change during the grant diversion period if the registrant is participating in the grant diversion program as required in the notice provided under subdivision 5.

Subd. 7. [MEDICAL CARE.] *A registrant is eligible for general assistance medical care during the term of the grant diversion contract.*

Subd. 8. [CHILD CARE.] *A recipient who is the sole adult in an assistance unit with one or more children under 12 years of age must not be referred to the grant diversion program during hours the child is in the home unless the county agency pays any child care expenses that exceed the child care deduction from earned income.*

Subd. 9. [DISQUALIFICATION.] *A registrant who fails without good cause to complete the grant diversion period specified in the contract must be disqualified from receiving assistance as provided in section 256D.101.*

Sec. 24. 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.*

Sec. 25. Minnesota Statutes 1990, section 256D.54, subdivision 3, is amended to read:

Subd. 3. [INTERIM ASSISTANCE ADVOCACY INCENTIVE PROGRAM.] From the amount recovered under an interim assistance agreement, county agencies may retain 25 percent plus actual reasonable fees, costs, and disbursements of appeals, litigation, and advocacy assistance given to the recipient for the recipient's claim for supplemental security income. The money kept under this section is from the state share of the recovery. The *commissioner or the* county agency may contract with qualified persons to provide the special assistance. The methods by which a county agency identifies, refers, and assists recipients who may be eligible for benefits under federal programs for the aged, blind, or disabled are those methods used by the general assistance interim assistance advocacy incentive program.

Sec. 26. 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. 27. 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. 28. 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. 29. 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. 30. 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. 31. 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. 32. 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. 33. 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. 34. 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. 35. 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. 36. 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 *designated by the department of corrections* are not ~~negotiated rate~~ *group* residences *under this chapter.*

Sec. 37. 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 Reconciliation 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.~~ *(4) 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. 38. 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~~ *must* be paid at the rates in effect on ~~March 1, 1985~~ *June 30, 1991*, 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. 39. 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 Minnesota department of health, or licensed by the department 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. 40. 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 Minnesota department of health as a boarding care home before March 1, 1985, and which is not certified to receive medical assistance.*

Sec. 41. 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. 42. 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. 43. 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. 44. 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 July 1, 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. 45. 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. 46. 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. 47. 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 residential housing* rate of a *group* 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~~ *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. The only exception to this limitation is a rate adjustment for the payment of the additional room and board costs of*

serving additional persons in the group residence. Until a statewide rate setting system is developed in accordance with subdivision 6, "room and board payments" referenced in this section means the ~~directly identifiable~~ *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 payments do not include payments for the costs of modifications and adaptations of the group residence 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 group residences 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. 48. [256I.051] [RATE LIMITATION; WAIVERED SERVICES ELIGIBILITY.]

(a) 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 elderly waiver, the community alternatives for disabled individuals program, or the community alternative care program, the group residential housing rate must include only the room and board portion of the rate. This paragraph applies only to the extent that there are waiver funds available.

(b) The room and board portion of the group residential housing rate 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) 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

(3) the personal needs allowance authorized for medical assistance recipients under section 256B.35.

Sec. 49. 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. 50. Minnesota Statutes 1991 Supplement, section 261.035, is amended to read:

261.035 [~~BURIAL~~ *FUNERALS* AT EXPENSE OF COUNTY.]

When a person dies in any county without apparent means to provide for ~~burial and without relatives of sufficient ability to procure the burial~~ *that person's funeral or final disposition*, the county board shall first investigate to determine whether ~~the~~ *that* person ~~who has died has~~ *had* contracted for any prepaid ~~burial~~ *funeral* arrangements. If ~~such~~ arrangements have been made, the county shall authorize ~~burial~~ *arrangements to be implemented* in accord with the ~~written~~ instructions of the deceased. If it is determined that the person did not leave sufficient means to defray the necessary expenses of ~~burial~~ *a funeral and final disposition*, nor any ~~relatives therein~~ *spouse* of sufficient ability to procure the burial, the county board shall ~~cause~~ *provide for* a ~~decent burial or cremation~~ *funeral and final disposition* of the person's remains to be made at the expense of the county. ~~Cremation shall not be used for persons who are known to be opposed to cremation because of religious affiliation or belief.~~ *Any funeral and final disposition provided at the expense of the county shall be in accordance with religious and moral beliefs of the decedent or the decedent's spouse or the decedent's next of kin. If the wishes of the decedent are not known and the county has no information about the existence of or location of any next of kin, the county may determine the method of final disposition.*

Sec. 51. 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. 52. 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. 53. Minnesota Statutes 1990, section 518.551, subdivision 7, is amended to read:

Subd. 7. [SERVICE FEE.] *(a)* 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. 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. 54. 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) The commissioner of human services shall distribute money for this purpose to counties to cover the costs of the administrative process, including the salaries of administrative law judges. If available appropriations are insufficient to cover the costs, the commissioner shall prorate the amount

among the counties.

Sec. 55. [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. The study must be conducted in conformity with federal requirements on studies using human subjects for research.

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. For purposes of this demonstration project, eligible individuals shall be limited to Hennepin county on a first-come, first-served basis, subject to approval of the county board.

Sec. 56. [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. 57. [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. 58. [IMPLEMENTATION.]

Notwithstanding the second sentence of Laws 1991, chapter 292, article 5, section 85, subdivision 1, the commissioner shall implement the Minnesota

family investment plan field trials beginning April 1, 1994.

Sec. 59. [REPEALER.]

Minnesota Statutes 1990, sections 144A.15, subdivision 6; 256B.495, subdivision 3; 256D.09, subdivision 3; and 256I.05, subdivision 7; and Minnesota Statutes 1991 Supplement, section 256I.05, subdivision 7a, are repealed.

Sec. 60. [EFFECTIVE DATE.]

Sections 26 to 32 are effective the day following final enactment. Section 37, subdivision 3, clause (4), is effective July 1, 1993.

Section 19 is effective January 1, 1993, except for the provision in subdivision 1, paragraph (a), referring to orientation which is effective immediately upon final enactment.

ARTICLE 9

SOCIAL SERVICES, MENTAL HEALTH, AND DEVELOPMENTAL DISABILITIES

Section 1. [16B.185] [PROCUREMENTS FROM REHABILITATION FACILITIES AND DAY TRAINING AND HABILITATION FACILITIES.]

In collaboration with the commissioners of jobs and training, human services, and trade and economic development, the commissioner shall identify contracts for the purchase of goods and services from certified rehabilitation facilities and day training and habitation services that will enhance employment opportunities for persons with severe disabilities that result in additional annual sales volume of 15 percent per year by July 1, 1995.

Sec. 2. Minnesota Statutes 1990, section 43A.191, subdivision 2, is amended to read:

Subd. 2. [AGENCY AFFIRMATIVE ACTION PLANS.] (a) The head of each agency in the executive branch shall prepare and implement an agency affirmative action plan consistent with this section and rules issued under section 43A.04, subdivision 3.

(b) The agency plan must include a plan for the provision of reasonable accommodation in the hiring and promotion of qualified disabled persons. The reasonable accommodation plan must consist of at least the following:

(1) procedures for compliance with section 363.03 and, where appropriate, regulations implementing United States Code, title 29, section 794, as amended through December 31, 1984, which is section 504 of the Rehabilitation Act of 1973, as amended;

(2) methods and procedures for providing reasonable accommodation for disabled job applicants, current employees, and employees seeking promotion; and

(3) provisions for funding reasonable accommodations.

(c) The agency plan must be prepared by the agency head with the assistance of the agency affirmative action officer and the director of equal employment opportunity. The council on disability shall provide assistance with the agency reasonable accommodation plan.

(d) *The agency plan must identify, annually, any positions in the agency*

that can be used for supported employment as defined in section 268A.01, subdivision 13, of persons with severe disabilities. The agency shall report this information to the commissioner. An agency that hires more than one supported worker in the identified positions must receive recognition for each supported worker toward meeting the agency's affirmative action goals and objectives.

(e) An agency affirmative action plan may not be implemented without the commissioner's approval.

Sec. 3. [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. 4. [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. 5. [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. 6. [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. 7. Minnesota Statutes 1990, section 245A.02, is amended by adding a subdivision to read:

Subd. 7a. [HIV MINIMUM STANDARDS.] *"HIV minimum standards" means those items approved by the department and contained in the HIV-1 Guidelines for chemical dependency treatment and care programs in Minnesota including HIV education to clients, completion of HIV training by all new and existing staff, provision for referral to individual HIV counseling and services for all clients, and the implementation of written policies and procedures for working with HIV-infected clients.*

Sec. 8. 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. 9. 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;

(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; or

(23) community support services programs as defined in section 245.462, subdivision 6, and family community support services as defined in section 245.4871, subdivision 17.

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. 10. Minnesota Statutes 1991 Supplement, section 245A.04, subdivision 3, is amended to read:

Subd. 3. [STUDY OF THE APPLICANT.] (a) Before the commissioner issues a license, the commissioner shall conduct a study of the individuals specified in clauses (1) to (4) according to rules of the commissioner. The applicant, license holder, the bureau of criminal apprehension, and county agencies, after written notice to the individual who is the subject of the study, shall help with the study by giving the commissioner criminal conviction data and reports about abuse or neglect of adults in licensed programs substantiated under section 626.557 and the maltreatment of minors in licensed programs substantiated under section 626.556. The individuals to be studied shall include:

(1) the applicant;

(2) persons over the age of 13 living in the household where the licensed program will be provided;

(3) current employees or contractors of the applicant who will have direct contact with persons served by the program; and

(4) volunteers who have direct contact with persons served by the program to provide program services, if the contact is not directly supervised by the individuals listed in clause (1) or (3).

The juvenile courts shall also help with the study by giving the commissioner existing juvenile court records on individuals described in clause (2) relating to delinquency proceedings held within either the five years immediately preceding the application or the five years immediately preceding the individual's 18th birthday, whichever time period is longer. The commissioner shall destroy juvenile records obtained pursuant to this subdivision when the subject of the records reaches age 23.

For purposes of this subdivision, "direct contact" means providing face-to-face care, training, supervision, counseling, consultation, or medication assistance to persons served by a program. For purposes of this subdivision, "directly supervised" means an individual listed in clause (1) or (3) is within sight or hearing of a volunteer to the extent that the individual listed in clause (1) or (3) is capable at all times of intervening to protect the health and safety of the persons served by the program who have direct contact with the volunteer.

A study of an individual in clauses (1) to (4) shall be conducted on at least an annual basis. No applicant, license holder, or individual who is the subject of the study shall pay any fees required to conduct the study.

(b) The individual who is the subject of the study must provide the applicant or license holder with sufficient information to ensure an accurate study including the individual's first, middle, and last name; home address, city, county, and state of residence; zip code; sex; date of birth; and driver's license number. The applicant or license holder shall provide this information about an individual in paragraph (a), clauses (1) to (4), on forms prescribed by the commissioner. The commissioner may request additional information of the individual, which shall be optional for the individual to provide, such as the individual's social security number or race.

(c) Except for child foster care, adult foster care, and family day care homes, a study must include information from the county agency's record of substantiated abuse or neglect of adults in licensed programs, and the

maltreatment of minors in licensed programs, information from juvenile courts as required in paragraph (a) for persons listed in paragraph (a), clause (2), and information from the bureau of criminal apprehension. For child foster care, adult foster care, and family day care homes, the study must include information from the county agency's record of substantiated abuse or neglect of adults, and the maltreatment of minors, information from juvenile courts as required in paragraph (a) for persons listed in paragraph (a), clause (2), and information from the bureau of criminal apprehension. The commissioner may also review arrest and investigative information from the bureau of criminal apprehension, a county attorney, county sheriff, county agency, local chief of police, other states, the courts, or a national criminal record repository if the commissioner has reasonable cause to believe the information is pertinent to the disqualification of an individual listed in paragraph (a), clauses (1) to (4).

(d) An applicant's or license holder's failure or refusal to cooperate with the commissioner is reasonable cause to deny an application or immediately suspend, suspend, or revoke a license. Failure or refusal of an individual to cooperate with the study is just cause for denying or terminating employment of the individual if the individual's failure or refusal to cooperate could cause the applicant's application to be denied or the license holder's license to be immediately suspended, suspended, or revoked.

(e) The commissioner shall not consider an application to be complete until all of the information required to be provided under this subdivision has been received.

(f) No person in paragraph (a), clause (1), (2), (3), or (4) who is disqualified as a result of this section may be retained by the agency in a position involving direct contact with persons served by the program.

(g) ~~The commissioner shall not implement the procedures contained in this subdivision until appropriate rules have been adopted, except for the applicants and license holders for child foster care, adult foster care, and family day care homes.~~

~~(h)~~ Termination of persons in paragraph (a), clause (1), (2), (3), or (4) made in good faith reliance on a notice of disqualification provided by the commissioner shall not subject the applicant or license holder to civil liability.

~~(i)~~ *(h)* The commissioner may establish records to fulfill the requirements of this section. The information contained in the records is only available to the commissioner for the purpose authorized in this section.

~~(j)~~ *(i)* The commissioner may not disqualify an individual subject to a study under this section because that person has, or has had, a mental illness as defined in section 245.462, subdivision 20.

Sec. 11. Minnesota Statutes 1990, section 245A.07, subdivision 2, is amended to read:

Subd. 2. [IMMEDIATE SUSPENSION IN CASES OF IMMINENT DANGER TO HEALTH, SAFETY, OR RIGHTS.] If the license holder's failure to comply with applicable law or rule has placed the health, safety, or rights of persons served by the program in imminent danger, the commissioner shall act immediately to suspend the license. No state funds shall be made available or be expended by any agency or department of state, county, or municipal government for use by a license holder regulated under

sections 245A.01 to 245A.16 while a license is under immediate suspension. A notice stating the reasons for the immediate suspension and informing the license holder of the right to a contested case hearing under chapter 14 must be delivered by personal service to the address shown on the application or the last known address of the license holder. The license holder may appeal an order immediately suspending a license ~~by notifying the commissioner~~. *The appeal of an order immediately suspending a license must be made* in writing by certified mail *and must be received by the commissioner* within five calendar days after ~~receiving~~ *the license holder receives* notice that the license has been immediately suspended. A license holder and any controlling individual shall discontinue operation of the program upon receipt of the commissioner's order to immediately suspend the license.

Sec. 12. Minnesota Statutes 1990, section 245A.07, subdivision 3, is amended to read:

Subd. 3. [SUSPENSION, REVOCATION, PROBATION.] The commissioner may suspend, revoke, or make probationary a license if a license holder fails to comply fully with applicable laws or rules. A license holder who has had a license suspended, revoked, or made probationary must be given notice of the action by certified mail. The notice must be mailed to the address shown on the application or the last known address of the license holder. The notice must state the reasons the license was suspended, revoked, or made probationary.

(a) If the license was suspended or revoked, the notice must inform the license holder of the right to a contested case hearing under chapter 14. The license holder may appeal an order suspending or revoking a license ~~by notifying the commissioner~~. *The appeal of an order suspending or revoking a license must be made* in writing by certified mail *and must be received by the commissioner* within ten calendar days after ~~receiving~~ *the license holder receives* notice that the license has been suspended or revoked.

(b) If the license was made probationary, the notice must inform the license holder of the right to request a reconsideration by the commissioner. The request for reconsideration must be made in writing by certified mail *and must be received by the commissioner* within ten calendar days after ~~receiving~~ *the license holder receives* notice that the license has been made probationary. The license holder may submit with the request for reconsideration written argument or evidence in support of the request for reconsideration. The commissioner's disposition of a request for reconsideration is final and is not subject to appeal under chapter 14.

Sec. 13. [245A.091] [EXEMPTION FROM CERTAIN RULE PARTS GOVERNING RESIDENTIAL PROGRAMS FOR PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS.]

A Minnesota residential program certified under federal standards by the department of health as an intermediate care facility for persons with mental retardation or related conditions is exempt from the following Minnesota Rules parts:

(1) part 9525.0235, subparts 4; 6; 7; 8; 10, items A and B; and 12 to 15;

(2) part 9525.0243;

(3) part 9525.0245, subparts 2, items A, C, D, E, F; 4 to 7; and 9;

(4) part 9525.0255, subparts 1, items B, D, and F; and 3;

(5) part 9525.0265, subparts 1, items A and C; 3, items A to F; 5; and 8, items A and B;

(6) part 9525.0275;

(7) part 9525.0285, subparts 2 and 3;

(8) part 9525.0295, subparts 5, item B, subitem (3); and 6;

(9) part 9525.0305, subparts 2; 3, items C, E, and F; and 5;

(10) part 9525.0315, subparts 1; 2; and 3, items A to D;

(11) part 9525.0325, subpart 3, items A, D to G, and I to K;

(12) part 9525.0335, items C, E, F, H to J, and K, subitems (2) and (3); and

(13) part 9525.0345, subparts 1, item B, subitem (2); 2, item A; 3 to 5; and 6, items A and B.

Sec. 14. Minnesota Statutes 1990, section 245A.11, is amended to read:

245A.11 [SPECIAL CONDITIONS FOR RESIDENTIAL PROGRAMS.]

Subdivision 1. [POLICY STATEMENT.] It is the policy of the state that persons shall not be excluded by municipal zoning ordinances or other land use regulations from the benefits of normal residential surroundings.

Subd. 2. [PERMITTED SINGLE-FAMILY RESIDENTIAL USE.] Residential programs with a licensed capacity of six or fewer persons shall be considered a permitted single-family residential use of property for the purposes of zoning and other land use regulations. *Programs otherwise allowed under this subdivision shall not be prohibited by operation of restrictive covenants or similar restrictions, regardless of when entered into, which cannot be met because of the nature of the licensed program, including provisions which require the home's occupants be related, and that the home must be occupied by the owner, or similar provisions.*

Subd. 2a. [ADULT FOSTER CARE LICENSE CAPACITY.] *An adult foster care license holder may have a maximum license capacity of five if all persons in care are age 60 or over and who do not have a serious and persistent mental illness or a developmental disability. A license holder who is incorporated as a business may operate a maximum of two programs with a licensed capacity of five in each program.*

Subd. 2b. [ADULT FOSTER CARE; FAMILY ADULT DAY CARE.] *An adult foster care license holder licensed under the conditions in subdivision 2a may also provide family adult day care for adults age 60 or over if no persons in the adult foster or adult family day care program have a serious and persistent mental illness or a developmental disability. The maximum combined capacity for adult foster care and family adult day care is five adults. A separate license is not required to provide family adult day care under this subdivision. Adult foster care homes providing services to five adults under this section shall not be subject to licensure by the commissioner of health under the provisions of chapter 144, 144A, 157, or any other law requiring facility licensure by the commissioner of health.*

Subd. 3. [PERMITTED MULTIFAMILY RESIDENTIAL USE.] Unless otherwise provided in any town, municipal, or county zoning regulation, a licensed residential program with a licensed capacity of seven to 16 ~~adults~~

~~or children~~ *persons* shall be considered a permitted multifamily residential use of property for the purposes of zoning and other land use regulations. A town, municipal, or county zoning authority may require a conditional use or special use permit to assure proper maintenance and operation of a residential program. Conditions imposed on the residential program must not be more restrictive than those imposed on other conditional uses or special uses of residential property in the same zones, unless the additional conditions are necessary to protect the health and safety of the ~~adults or children~~ *persons* being served by the program. Nothing in sections 245A.01 to 245A.16 shall be construed to exclude or prohibit residential programs from single-family zones if otherwise permitted by local zoning regulations.

Subd. 4. [LOCATION OF RESIDENTIAL PROGRAMS.] In determining whether to grant a license, the commissioner shall specifically consider the population, size, land use plan, availability of community services, and the number and size of existing licensed residential programs in the town, municipality, or county in which the applicant seeks to operate a residential program. The commissioner shall not grant an initial license to any residential program if the residential program will be within 1,320 feet of an existing residential program unless one of the following conditions apply: (1) the existing residential program is located in a hospital licensed by the commissioner of health; ~~or~~ (2) the town, municipality, or county zoning authority grants the residential program a conditional use or special use permit. ~~In cities of the first class, this subdivision applies even if a residential program is considered a permitted single-family residential use of property under subdivision 2. Foster care homes are exempt from this subdivision~~; *(3) the program serves six or fewer persons and is not located in a city of the first class; or (4) the program is foster care.*

Subd. 5. [OVERCONCENTRATION AND DISPERSAL.] (a) Before January 1, 1985, each county having two or more group residential programs within 1,320 feet of each other shall submit to the department of human services a plan to promote dispersal of group residential programs. In formulating its plan, the county shall solicit the participation of affected persons, programs, municipalities having highly concentrated residential program populations, and advocacy groups. For the purposes of this subdivision, "highly concentrated" means having a population in residential programs serving seven or more persons that exceeds one-half of one percent of the population of a recognized planning district or other administrative subdivision.

(b) Within 45 days after the county submits the plan, the commissioner shall certify whether the plan fulfills the purposes and requirements of this subdivision including the following requirements:

(1) a new program serving seven or more persons must not be located in any recognized planning district or other administrative subdivision where the population in residential programs is highly concentrated;

(2) the county plan must promote dispersal of highly concentrated residential program populations;

(3) the county plan shall promote the development of residential programs in areas that are not highly concentrated;

(4) no person in a residential program shall be displaced as a result of this section until a relocation plan has been implemented that provides for an acceptable alternative placement;

(5) if the plan provides for the relocation of residential programs, the relocation must be completed by January 1, 1990. If the commissioner certifies that the plan does not do so, the commissioner shall state the reasons, and the county has 30 days to submit a plan amended to comply with the requirements of the commissioner.

(c) After July 1, 1985, the commissioner may reduce grants under section 245.73 to a county required to have an approved plan under paragraph (a) if the county does not have a plan approved by the commissioner or if the county acts in substantial disregard of its approved plan. The county board has the right to be provided with advance notice and to appeal the commissioner's decision. If the county requests a hearing within 30 days of the notification of intent to reduce grants, the commissioner shall not certify any reduction in grants until a hearing is conducted and a decision made in accordance with the contested case provisions of chapter 14.

Subd. 5a. [INTEGRATION OF RESIDENTIAL PROGRAMS.] *The commissioner of human services shall seek input from counties and municipalities on methods for integrating all residential programs into the community.*

Subd. 6. [HOSPITALS; EXEMPTION.] Residential programs located in hospitals shall be exempt from the provisions of this section.

Sec. 15. 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. 16. Minnesota Statutes 1991 Supplement, section 245A.16, subdivision 1, is amended to read:

Subdivision 1. [DELEGATION OF AUTHORITY TO AGENCIES.] (a) County agencies and private agencies that have been designated or licensed by the commissioner to perform licensing functions and activities under section 245A.04, to recommend denial of applicants under section 245A.05, to issue correction orders, *to issue variances*, and recommend fines under section 245A.06, or to recommend suspending, revoking, and making licenses probationary under section 245A.07, shall comply with rules and directives of the commissioner governing those functions and with this section.

(b) ~~By January 1, 1991, the commissioner shall study and make recommendations to the legislature regarding the licensing and provision of support services to child foster homes. In developing the recommendations, the commissioner shall consult licensed private agencies, county agencies, and licensed foster home providers.~~

~~(c)~~ For family day care programs, the commissioner may authorize licensing reviews every two years after a licensee has had at least one annual review.

Sec. 17. [245A.19] [HIV TRAINING IN CHEMICAL DEPENDENCY TREATMENT PROGRAM.]

(a) Applicants and license holders for chemical dependency residential and nonresidential programs must demonstrate compliance with HIV minimum standards prior to their application being complete. The HIV minimum

standards contained in the HIV-1 Guidelines for chemical dependency treatment and care programs in Minnesota are not subject to rulemaking.

(b) Ninety days after enactment of this section, the applicant or license holder shall orient all chemical dependency treatment staff and clients to the HIV minimum standards. Thereafter, orientation shall be provided to all staff and clients, within 72 hours of employment or admission to the program. In-service training shall be provided to all staff on at least an annual basis and the license holder shall maintain records of training and attendance.

(c) The license holder shall maintain a list of referral sources for the purpose of making necessary referrals of clients to HIV-related services. The list of referral services shall be updated at least annually.

(d) Written policies and procedures, consistent with HIV minimum standards, shall be developed and followed by the license holder. All policies and procedures concerning HIV minimum standards shall be approved by the commissioner. The commissioner shall provide training on HIV minimum standards to applicants.

(e) The commissioner may permit variances from the requirements in this section. License holders seeking variances must follow the procedures in section 245A.04, subdivision 9.

Sec. 18. [246.0135] [OPERATION OF REGIONAL TREATMENT CENTERS.]

The commissioner of human services is prohibited from closing any regional treatment center or state-operated nursing home or any program at any of the regional treatment centers or state-operated nursing homes, without specific legislative authorization. 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, must be 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).

Sec. 19. Minnesota Statutes 1991 Supplement, section 251.011, subdivision 3, is amended to read:

Subd. 3. [AH-GWAH-CHING CENTER.] When tuberculosis treatment is discontinued at Ah-Gwah-Ching that facility ~~may~~ *shall* be used by the commissioner of human services for the care of geriatric patients, and shall be known as the Ah-Gwah-Ching Center. *The commissioner shall not decrease the number of nursing home beds nor close the Ah-Gwah-Ching Center without specific approval by the legislature.*

Sec. 20. 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. 21. 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. 22. 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. 23. Minnesota Statutes 1990, section 254A.03, subdivision 2, is amended to read:

Subd. 2. [AMERICAN INDIAN PROGRAMS.] There is hereby created *a section 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 section 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 section within the alcohol and drug abuse section of the department of human services.

Sec. 24. 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. 25. 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. 26. 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. 27. Minnesota Statutes 1991 Supplement, section 256B.092, subdivision 7, is amended to read:

Subd. 7. [SCREENING TEAMS.] For persons with mental retardation or a related condition, screening teams shall be established which shall evaluate the need for the level of care provided by residential-based habilitation services, residential services, training and habilitation services, and nursing facility services. The evaluation shall address whether home- and community-based services are appropriate for persons who are at risk of placement in an intermediate care facility for persons with mental retardation or related conditions, or for whom there is reasonable indication that they might require this level of care. The screening team shall make an evaluation of need within 15 working days of the date that the assessment is completed or within 60 working days of a request for service by a person with mental retardation or related conditions, whichever is the earlier, and within five working days of an emergency admission of a person to an intermediate

care facility for persons with mental retardation or related conditions. The screening team shall consist of the case manager for persons with mental retardation or related conditions, the person, the person's legal guardian or conservator, or the parent if the person is a minor, and a qualified mental retardation professional, as defined in the Code of Federal Regulations, title 42, section 483.430, as amended through June 3, 1988. The case manager may also act as the qualified mental retardation professional if the case manager meets the federal definition. County social service agencies may contract with a public or private agency or individual who is not a service provider for the person for the public guardianship representation required by the screening or individual service planning process. The contract shall be limited to public guardianship representation for the screening and individual service planning activities. The contract shall require compliance with the commissioner's instructions and may be for paid or voluntary services. For persons determined to have overriding health care needs, a registered nurse must be designated as either the case manager or the qualified mental retardation professional. The case manager shall consult with the person's physician, other health professionals or other individuals as necessary to make this evaluation. *For persons under the jurisdiction of a correctional agency, the case manager must consult with the corrections administrator regarding additional health, safety, and supervision needs.* The case manager, with the concurrence of the person, the person's legal guardian or conservator, or the parent if the person is a minor, may invite other individuals to attend meetings of the screening team. No member of the screening team shall have any direct or indirect service provider interest in the case. Nothing in this section shall be construed as requiring the screening team meeting to be separate from the service planning meeting.

Sec. 28. 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. 29. Minnesota Statutes 1990, section 256B.501, is amended by adding a subdivision to read:

Subd. 4b. [WAIVER RATES AND GROUP 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. 30. Minnesota Statutes 1990, section 256C.28, subdivision 2, is amended to read:

Subd. 2. [REMOVAL; VACANCIES; ~~EXPIRATION~~.] The compensation, removal of members, and filling of vacancies on the council are as provided in section 15.0575. ~~The council expires as provided in section 15.059, subdivision 5.~~

Sec. 31. Minnesota Statutes 1990, section 256C.28, subdivision 3, is amended to read:

Subd. 3. [DUTIES.] The council shall:

(1) advise ~~the commissioner,~~ the governor, ~~and~~ the legislature, *and the commissioners of the departments of human services, education, jobs and training, and health* on the nature of the issues and disabilities confronting hearing impaired persons in Minnesota;

(2) advise ~~the commissioner,~~ the governor, ~~and~~ the legislature, *and the commissioners of the departments of human services, education, jobs and training, and health* on the development of policies, programs, and services affecting hearing impaired persons, and on the use of appropriate federal and state money;

(3) create a public awareness of the special needs and potential of hearing impaired persons;

(4) provide ~~the commissioner,~~ the governor, ~~and~~ the legislature, *and the commissioners of the departments of human services, education, jobs and training, and health* with a review of ongoing services, programs, and proposed legislation affecting hearing impaired persons;

(5) advise ~~the commissioner,~~ the governor, ~~and~~ the legislature, *and the commissioners of the departments of human services, education, jobs and training, and health* on statutes or rules necessary to ensure that hearing impaired persons have access to benefits and services provided to individuals in Minnesota;

(6) recommend to ~~the commissioner,~~ the governor, ~~and~~ the legislature, *and the commissioners of the departments of human services, education, jobs and training, and health* legislation designed to improve the economic and social conditions of hearing impaired persons in Minnesota;

(7) propose solutions to problems of hearing impaired persons in the areas of education, employment, human rights, human services, health, housing, and other related programs;

(8) recommend to the governor and the legislature any needed revisions in the state's affirmative action program and any other steps necessary to eliminate the underemployment or unemployment of hearing impaired persons in the state's work force;

(9) work with other state and federal agencies and organizations to promote economic development for hearing impaired Minnesotans; and

(10) coordinate its efforts with other state and local agencies serving hearing impaired persons.

Sec. 32. 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. 33. Minnesota Statutes 1990, section 299F.011, subdivision 4a, is amended to read:

Subd. 4a. [FAMILY OR GROUP FAMILY DAY CARE HOME REGULATION.] *(a)* Notwithstanding any contrary provision of this section, the fire marshal shall not adopt or enforce a rule:

(1) establishing staff ratios, age distribution requirements, and limitations on the number of children in care;

(2) regulating the means of egress from family or group family day care homes in addition to the egress rules that apply to the home as a single family dwelling; or

(3) confining family or group family day care home activities to the floor of exit discharge.

(b) For purposes of this subdivision, "family or group family day care home" means a dwelling unit in which the day care provider provides the services referred to in section 245A.02, subdivision 10, to one or more persons.

(c) Nothing in this subdivision prohibits the department of human services from adopting or enforcing rules regulating day care, including the subjects in subdivision 4a, clauses (1) and (3). The department may not, however, adopt or enforce a rule stricter than subdivision 4a, clause (2).

(d) The department of human services may by rule adopt procedures for requesting the state fire marshal or a local fire marshal to conduct an inspection of day care homes to ensure compliance with state or local fire codes.

(e) The commissioners of public safety and human services may enter into an agreement for the commissioner of human services to perform follow-up inspections of programs, subject to licensure under section 245A, to determine whether certain violations cited by the state fire marshal have been corrected. The agreement shall identify specific items the commissioner of human services is permitted to inspect. The list of items is not subject to rulemaking and may be changed by mutual agreement between the state fire marshal and the commissioner. The agreement shall provide for training

of individuals who will conduct follow-up inspections. The agreement shall contain procedures for the commissioner of human services to follow when the commissioner requires assistance from the state fire marshal to carry out the duties of the agreement.

(f) No tort liability is transferred to the commissioner of human services as a result of the commissioner of human services performing activities within the limits of the agreement.

Sec. 34. Minnesota Statutes 1990, section 363.071, is amended by adding a subdivision to read:

Subd. 7. [LITIGATION AND HEARING COSTS.] *The administrative law judge shall order a respondent who is determined to have engaged in an unfair discriminatory practice to reimburse the department and the attorney general for all appropriate litigation and hearing costs expended in preparing for and conducting the hearing, unless payment of the costs would impose a financial hardship on the respondent. 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. 35. Minnesota Statutes 1990, section 363.14, subdivision 2, is amended to read:

Subd. 2. [DISTRICT COURT JURISDICTION.] Any action brought pursuant to this section shall be filed in the district court of the county wherein the unlawful discriminatory practice is alleged to have been committed or where the respondent resides or has a principal place of business.

Any action brought pursuant to this chapter shall be heard and determined by a judge sitting without a jury.

If the court finds that the respondent has engaged in an unfair discriminatory practice, it shall issue an order directing appropriate relief as provided by section 363.071, subdivision 2.

When the court issues an order providing for payment to the state of a civil penalty pursuant to section 363.071, subdivision 2, it shall serve a copy of that order upon the attorney general at the same time as it makes service upon the parties.

Sec. 36. 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 shall order a respondent who is determined to have engaged in an unfair discriminatory practice to reimburse the department and the attorney general for all appropriate litigation and court costs expended in preparing for and conducting the hearing, unless payment of the costs would impose a financial hardship on the respondent. 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. 37. [SPECIAL RATE AND LICENSING EXCEPTION.]

Notwithstanding contrary provisions of Minnesota Statutes, chapters 144, 157, 245A, and 256B, a facility that on August 1, 1987, was licensed by the commissioner of health as a boarding care facility with 11 or fewer beds and which had at least 75 percent of its licensed beds occupied by chronically, severely impaired, mentally ill individuals who were transferred to the facility from a regional treatment center may retain that license and must be reimbursed at a rate equal to its documented actual costs and known cost changes according to the rate formula in effect in 1980, or $50 per resident per day, whichever is lower. This exemption from other rate-setting regulations or restrictions continues as long as the proportion of the facility's residents who are chronically, severely impaired, mentally ill individuals who were transferred to the facility from a regional treatment center remains at or above 75 percent.

Sec. 38. [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 needs of persons with mental retardation or related conditions.

Sec. 39. [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 arrangements; (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 non-compliance 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. 40. [PILOT PROJECT FOR CRISIS SERVICES.]

The commissioner may authorize a pilot project to provide community-based crisis services for persons with mental retardation or related conditions who would otherwise be admitted to or are at risk of being admitted to an acute care hospital for psychological care. To make available the facility capacity for the pilot project, the commissioner may authorize relocation of and alternative services for up to 15 residents of an existing intermediate care facility for persons with mental retardation or related conditions. The medical assistance costs of the alternative services must not exceed the medical assistance costs of services, including day training and habilitation services, for the residents at the intermediate care facility who are relocated. The commissioner may adjust the program operating costs rate of the facility under Minnesota Rules, part 9553.0050, subpart 3, as necessary to implement the pilot project. The project shall serve persons who are the responsibility of Hennepin and Carver counties and other counties as determined by the commissioner.

By January 15, 1994, the commissioner shall report to the legislature on the cost effectiveness of the pilot project.

Sec. 41. [ALTERNATIVE SERVICES PILOT PROJECTS.]

Subdivision 1. [ELIGIBLE PERSON.] *"Eligible person" means a person with mental retardation or related conditions who is 65 years of age or older. An eligible person may be under 65 years of age if authorized by the commissioner to receive alternative services for health or medical reasons.*

Subd. 2. [ALTERNATIVE SERVICES AUTHORIZED.] *Notwithstanding other law to the contrary, the commissioner may develop pilot projects that provide alternatives to day training and habilitation services for persons with mental retardation or related conditions who are 65 years of age or older. Before implementing the pilot projects, the commissioner shall consult with the board on aging; providers of day training and habilitation programs, residential programs, state-operated community-based programs, and other alternative services for persons with mental retardation or related conditions; and other interested persons including parents, advocates, and persons who may be considered for alternative services. The commissioner shall select as pilot project vendors only current providers of day training and habilitation programs, residential programs, state-operated community-based programs, or other alternative programs.*

Subd. 3. [ALTERNATIVE SERVICES PARTICIPATION.] *No more than 30 persons may receive alternative services under the pilot projects, and participants must be selected as follows: no more than seven persons from day training and habilitation programs; no more than seven persons from state-operated community-based programs; no more than seven persons from residential programs; and no more than nine persons from other community-integrated programs. Alternative services may be provided by a person's residential program provider only after other alternative services have been considered and determined not to meet the person's needs.*

Subd. 4. [ADVISORY COMMITTEE.] *The commissioner shall convene an advisory committee consisting of persons concerned with and affected by the alternative services pilot projects and the effect of the projects on existing services to evaluate the alternative services pilot projects. The commissioner shall report the advisory committee's evaluation to the legislature by February 1, 1994.*

Subd. 5. [RIGHTS AND PROTECTIONS.] *(a) The commissioner shall notify eligible persons or their legal representatives, in writing, when alternative services pilot projects have been authorized in the county. Eligible persons or their legal representatives may choose to participate in the alternative services pilot project that best serves the person's individual needs.*

(b) Persons participating in alternative services must continue to receive active treatment as provided in a person's individual service plan to ensure compliance with applicable federal regulations.

(c) The county must inform persons participating in alternative services when any part of Minnesota Rules is waived. No rights or procedural protections under sections 256.045, subdivision 4a, or 256B.092, may be waived.

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. 42. [SOCIAL SERVICE PILOT PROJECT; INTERGOVERNMENTAL AGREEMENTS.]

Subdivision 1. [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. 2. [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. 3. [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 subdivisions 1 to 5 with all county social services and mental health advisory committees and councils.*

Subd. 4. [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. 5. [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. 43. [STUDY OF RESTRICTIONS ON RIGHT TO PROVIDE LICENSED DAY CARE.]

The commissioner of human services shall submit a report to the legislature by December 1, 1992, on the feasibility and desirability of prohibiting deeds; covenants; housing, condominium, or townhouse association bylaws, declarations, or rules; leases, rental agreements, or rules for manufactured home park lots or other rental property; or other conveyance instruments from including restrictions on use of residential property that would prevent a person from providing family or group family day care services for which the person is licensed under Minnesota Rules, parts 9502.0300 to 9502.0445. In completing the report, the commissioner shall consider the need for exceptions for:

(1) owner-occupied rental property with no more than two units, including the owner-occupied unit; and

(2) housing for older persons, as defined in United States Code, title 42, section 3607(b), as amended through December 31, 1991.

Sec. 44. [REPEALER.]

Minnesota Statutes 1990, sections 245A.14, subdivision 5; 245A.17; and

Minnesota Statutes 1991 Supplement, section 252.46, subdivision 15, are repealed.

Minnesota Rules, part 9503.0170, subpart 6, item D, is repealed."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; providing for programs relating to higher education; environment and natural resources; agriculture, transportation, semi-state, and regulatory agencies; economic and state affairs; health and human services; providing for regulation of certain activities and practices; making fund and account transfers; providing for fees; making grants; appropriating money and reducing earlier appropriations with certain conditions; amending Minnesota Statutes 1990, sections 3.21; 3.305; 3.736, subdivision 8; 5.09; 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 subdivisions; 18B.26, subdivision 3; 43A.191, subdivision 2; 44A.0311; 60A.1701, subdivision 5; 72B.04, subdivision 10; 80A.28, subdivision 2; 82.21, subdivision 1; 82B.09, subdivision 1; 85A.04, subdivision 1; 89.035; 89.37, by adding a subdivision; 115D.04, subdivision 2; 116J.9673, subdivision 4; 116P.11; 136.60, by adding a subdivision; 136A.1354, subdivision 4; 136A.29, subdivision 9; 138.56, by adding a subdivision; 138.763, subdivision 1; 138.766; 141.21, by adding a subdivision; 144.122; 144.123, subdivision 2; 144A.071, subdivision 2; 144A.073, subdivisions 3, 3a, and 5; 144A.43, subdivisions 3 and 4; 144A.46, subdivision 5; 144A.51, subdivisions 4 and 6; 144A.52, subdivisions 3 and 4; 144A.53, subdivisions 2, 3, and 4; 144A.54, subdivision 1; 147.01, by adding a subdivision; 151.06, subdivision 1, and by adding a subdivision; 169.01, subdivision 55; 169.965, by adding a subdivision; 176.104, subdivision 2, and by adding subdivisions; 176.129, subdivisions 1 and 11; 176.183, subdivision 1; 182.666, subdivision 7; 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 subdivisions; 245A.07, subdivisions 2 and 3; 245A.11; 245A.13, subdivision 4; 252.025, subdivision 4; 254A.03, subdivision 2; 254B.06, subdivision 3; 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, 2, 3, 5, and by adding a subdivision; 256B.057, by adding a subdivision; 256B.059, subdivisions 2 and 5; 256B.0595, subdivision 1; 256B.0625, by adding subdivisions; 256B.064, by adding a subdivision; 256B.092, by adding a subdivision; 256B.14, subdivision 2; 256B.15, subdivisions 1 and 2; 256B.19, by adding a subdivision; 256B.36; 256B.41, subdivisions 1 and 2; 256B.421, subdivision 1, and by adding a subdivision; 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, 2, 3, 4, and by adding subdivisions; 256B.495, subdivisions 1, 2, and by adding subdivisions; 256B.50, subdivisions 1b and 2; 256B.501, subdivision 3c, and by adding subdivisions; 256C.28, subdivisions 2 and 3; 256D.02, subdivision 8, and by adding subdivisions; 256D.03, by adding a subdivision; 256D.051, by adding a subdivision; 256D.06, subdivision 5, and by adding a subdivision; 256D.35, subdivision 11; 256D.54, subdivision 3; 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; 270.063; 270.71; 298.221; 299E.01, subdivision 1; 299E.011,

subdivision 4a; 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; 349.161, subdivision 4; 349.163, subdivision 2; 352.04, subdivisions 2 and 3; 353.27, subdivision 13; 356.65, subdivision 1; 357.021, subdivision 1a; 357.18, by adding a subdivision; 359.01, subdivision 3; 363.071, by adding a subdivision; 363.14, subdivisions 2 and 3; 466.06; 490.123, by adding a subdivision; 514.67; 518.551, subdivisions 7 and 10; 609.131, by adding a subdivision; 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; 60A.14, subdivision 1; 84.0855; 89.37, subdivision 4; 121.936, subdivision 1; 135A.03, subdivisions 1a and 7; 136A.101, subdivision 8; 136A.121, subdivision 6; 136A.1353, subdivision 4; 144.50, subdivision 6; 144A.071, subdivision 3; 144A.31, subdivision 2a; 144A.46, subdivisions 1 and 2 ; 144A.49; 144A.51, subdivision 5; 144A.53, subdivision 1; 144A.61, subdivisions 3a and 6a; 144B.01, subdivisions 5, 6, and by adding a subdivision; 144B.10, subdivision 2; 147.03; 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; 240.13, subdivisions 5 and 6; 240.15, subdivision 6; 240.18, by adding a subdivision; 245A.03, subdivision 2; 245A.04, subdivision 3; 245A.16, subdivision 1; 251.011, subdivision 3; 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; 256.035, subdivision 1; 256.935, subdivision 1; 256.9656; 256.9657, subdivisions 1, 2, 3, 4, 7, and by adding a subdivision; 256.9685, subdivision 1; 256.969, subdivisions 1, 2, 9, 20, and 21; 256.9751, subdivisions 1 and 6; 256.98, subdivision 8; 256B.0625, subdivisions 2, 13, and 17; 256B.0627, subdivision 5, as amended; 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.0919, subdivision 1; 256B.092, subdivisions 4 and 7; 256B.093, subdivisions 1, 2, and 3; 256B.431, subdivisions 2l, 2m, 2o, and 3f; 256B.49, subdivision 4; 256B.74, subdivisions 1 and 3; 256D.03, subdivisions 3 and 4; 256D.05, subdivision 1; 256D.051, subdivision 1; 256H.03, subdivisions 4 and 6; 256H.05, subdivision 1b, and by adding a subdivision; 256I.05, subdivisions 1a, 1b, 2, and 10; 261.035; 340A.311; 340A.316; 340A.504, subdivision 3; 349A.10, subdivision 3; 357.021, subdivision 2; 508.82; 508A.82; 611.27, subdivision 7; 626.861, subdivisions 1 and 4; Laws 1987, chapter 396, article 12, section 6, subdivision 2; Laws 1991, chapter 233, section 2, subdivision 2; Laws 1991, chapter 254, article 1, section 7, subdivision 5; and Laws 1991, chapter 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, chapter 4A; 16B; 44A; 84; 115B; 136C; 144; 144A; 149; 244; 245A; 246; 256; 256B; 256D; 256I; and 501B; repealing Minnesota Statutes 1990, sections 41A.051; 84.0885; 89.036; 136A.143; 136C.13, subdivision 2; 141.21, subdivision 2; 144A.15, subdivision 6; 211A.04, subdivision 2; 245A.14, subdivision 5; 245A.17; 252.46, subdivision 15; 256B.056, subdivision 3a; 256B.495, subdivision 3; 256D.09, subdivision 3; 256I.05, subdivision 7; and 270.185; Minnesota Statutes 1991 Supplement, sections 97A.485, subdivision 1a; 135A.50; 144A.071,

subdivision 3a; 256.9657, subdivision 5; 256.969, subdivision 7; 256B.74, subdivisions 8 and 9; 256I.05, subdivision 7a; 326.991; and Laws 1991, chapters 292, article 4, section 77; and 356, article 3, section 14."

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

House Conferees: (Signed) Phyllis Kahn, David P. Battaglia, Lee Greenfield, Lyndon R. Carlson, James I. Rice

Senate Conferees: (Signed) William P. Luther, Carl W. Kroening, Don Samuelson, Keith Langseth, Dennis R. Frederickson

Mr. Luther moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2694 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2694 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 41 and nays 25, as follows:

Those who voted in the affirmative were:

Adkins	Finn	Johnson, J.B.	Neuville	Samuelson
Beckman	Flynn	Kelly	Novak	Solon
Benson, J.E.	Frederickson, D.J.	Kroening	Pappas	Spear
Berglin	Frederickson, D.R.	Langseth	Piper	Stumpf
Bertram	Gustafson	Lessard	Pogemiller	Waldorf
Chmielewski	Halberg	Luther	Ranum	
Cohen	Hottinger	Merriam	Reichgott	
DeCramer	Hughes	Moe, R.D.	Renneke	
Dicklich	Johnson, D.J.	Morse	Sams	

Those who voted in the negative were:

Belanger	Dahl	Johnston	Mehrkens	Price
Benson, D.D.	Davis	Knaak	Metzen	Riveness
Berg	Day	Laidig	Mondale	Terwilliger
Bernhagen	Frank	Larson	Olson	Traub
Brataas	Johnson, D.E.	McGowan	Pariseau	Vickerman

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Messrs. Moe, R.D. and Benson, D.D. introduced—

Senate Resolution No. 143: A Senate resolution honoring Family Service of Greater St. Paul on celebrating 100 years of service.

Referred to the Committee on Rules and Administration.

Mr. Samuelson moved that H.F. No. 1818 be taken from the table. The motion prevailed.

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.

RECONSIDERATION

Mr. Samuelson moved that the vote whereby H.F. No. 1818 was passed by the Senate on March 24, 1992, be now reconsidered. The motion prevailed.

Mrs. Pariseau moved to amend H.F. No. 1818, as amended pursuant to Rule 49, adopted by the Senate March 18, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 1668.)

Page 2, after line 28, insert:

"Sec. 4. [INDEPENDENT SCHOOL DISTRICT NO. 195, RANDOLPH; VOTING HOURS.]

Notwithstanding Minnesota Statutes, section 205A.09, subdivision 1, the school board of independent school district No. 195, Randolph, may designate the time during which polling places will remain open for voting under the provisions of Minnesota Statutes, section 205A.09, subdivision 2.

Sec. 5. [EFFECTIVE DATE.]

Section 4 is effective the day following final enactment."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 1818 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Moe, R.D.	Renneke
Beckman	Day	Johnson, J.B.	Mondale	Riveness
Belanger	DeCramer	Johnston	Morse	Sams
Benson, D.D.	Finn	Kelly	Neuville	Samuelson
Benson, J.E.	Flynn	Knaak	Novak	Solon
Berg	Frank	Kroening	Olson	Spear
Berglin	Frederickson, D.J.	Langseth	Pappas	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pariseau	Terwilliger
Bertram	Gustafson	Lessard	Piper	Traub
Brataas	Halberg	Luther	Pogemiller	Vickerman
Chmielewski	Hottinger	McGowan	Price	Waldorf
Cohen	Hughes	Mehrkens	Ranum	
Dahl	Johnson, D.E.	Metzen	Reichgott	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Spear moved that S.F. No. 2795 be withdrawn from the Committee on Judiciary and re-referred to the Committee on Rules and Administration. The motion prevailed.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Lessard introduced—

S.F. No. 2801: A bill for an act relating to highways; regulating storage of highway salt; proposing coding for new law in Minnesota Statutes, chapter 160.

Referred to the Committee on Transportation.

Messrs. Metzen and Novak introduced—

S.F. No. 2802: A bill for an act relating to taxation; property; decreasing the class rate on residential nonhomestead and apartment property; amending Minnesota Statutes 1991 Supplement, sections 273.13, subdivision 25; and 273.1398, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

MEMBERS EXCUSED

Mr. Pogemiller was excused from the Session of today from 10:00 a.m. to 2:00 p.m. Mr. Frederickson, D.J. was excused from the Session of today from 10:00 a.m. to 12:15 p.m. Ms. Johnston was excused from the Session of today from 10:45 to 11:30 a.m. Mr. Gustafson was excused from the Session of today at 12:05 to 1:10 p.m. and from 2:15 to 3:30 p.m. Mr. Beckman was excused from the Session of today from 1:15 to 2:30 p.m. Mr. Neuville was excused from the Session of today from 2:00 to 3:30 p.m. and from 7:30 to 9:45 p.m. Mr. Lessard was excused from the Session of today from 3:00 to 3:15 p.m. Mr. Laidig was excused from the Session of today from 7:30 to 8:40 p.m. Mr. Riveness was excused from the Session of today from 8:00 to 9:15 p.m. Mr. Johnson, D.J. was excused from the Session of today for brief periods of time.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 11:00 a.m., Thursday, April 16, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

ONE HUNDREDTH DAY

St. Paul, Minnesota, Thursday, April 16, 1992

The Senate met at 11:00 a.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by Senator Pat Piper.

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

Adkins	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moe, R.D.	Riveness
Belanger	Dicklich	Kelly	Mondale	Sams
Benson, D.D.	Finn	Knaak	Morse	Samuelson
Benson, J.E.	Flynn	Kroening	Neuville	Solon
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Halberg	Luther	Piper	Vickerman
Chmielewski	Hottinger	Marty	Pogemiller	Waldorf
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

April 14, 1992

The Honorable Jerome M. Hughes
President of the Senate

Dear President Hughes:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 2177.

Warmest regards,
Arne H. Carlson, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 1778.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 15, 1992

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 2699: A bill for an act relating to state government; department of administration; modifying the encumbrance process for agency construction projects; modifying authority for building maintenance and leasing; changing requirements for certain agency purchases; requiring certain recipients of state money to provide free advertising space for state programs; 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 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; proposing coding for new law in Minnesota Statutes, chapter 16B.

Senate File No. 2699 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 15, 1992

CONCURRENCE AND REPASSAGE

Mr. Riveness moved that the Senate concur in the amendments by the House to S.F. No. 2699 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2699 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 50 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Johnson, J.B.	Marty	Price
Beckman	Day	Johnston	McGowan	Renneke
Belanger	DeCramer	Kelly	Mehrkens	Riveness
Benson, D.D.	Finn	Knaak	Metzen	Samuelson
Benson, J.E.	Flynn	Kroening	Moe, R.D.	Solon
Berg	Frank	Laidig	Morse	Spear
Berglin	Frederickson, D.J.	Langseth	Novak	Stumpf
Bernhagen	Hughes	Larson	Pappas	Terwilliger
Bertram	Johnson, D.E.	Lessard	Pariseau	Traub
Chmielewski	Johnson, D.J.	Luther	Piper	Vickerman

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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.

Senate File No. 2186 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 15, 1992

CONCURRENCE AND REPASSAGE

Ms. Traub moved that the Senate concur in the amendments by the House to S.F. No. 2186 and that the bill be placed on its repassage as amended. 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; providing for an American Indian child welfare advisory council; amending Minnesota Statutes 1990, section 257.3579; Minnesota Statutes 1991 Supplement, section 299A.23, subdivision 2.

Was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 51 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kelly	Metzen	Samuelson
Beckman	Finn	Knaak	Moe, R.D.	Solon
Belanger	Flynn	Kroening	Mondale	Spear
Benson, J.E.	Frank	Laidig	Morse	Stumpf
Berg	Frederickson, D.J.	Langseth	Novak	Terwilliger
Berglin	Hottinger	Larson	Pariseau	Traub
Bernhagen	Hughes	Lessard	Piper	Vickerman
Bertram	Johnson, D.E.	Luther	Price	
Chmielewski	Johnson, D.J.	Marty	Renneke	
Cohen	Johnson, J.B.	McGowan	Riveness	
Day	Johnston	Mehrkens	Sams	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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.

Senate File No. 1993 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 15, 1992

Ms. Flynn moved that the Senate do not concur in the amendments by the House to S.F. No. 1993, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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.

Senate File No. 2199 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 15, 1992

Mr. Moe, R.D., for Mr. Merriam, moved that the Senate do not concur in the amendments by the House to S.F. No. 2199, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

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.

There has been appointed as such committee on the part of the House:

Pugh, Hasskamp and Bishop.

Senate File No. 1691 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 15, 1992

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2030:

H.F. No. 2030: A bill for an act relating to motor carriers; making all persons who transport passengers for hire in intrastate commerce subject to rules of the commissioner of transportation on insurance and driver hours of service; amending Minnesota Statutes 1990, sections 221.031, by adding a subdivision; and 221.141, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 221.025.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Rice, Lieder and Brown have been appointed as such committee on the part of the House.

House File No. 2030 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 15, 1992

Mr. Chmielewski moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2030, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2280:

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 the Chisago county.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Rukavina; Johnson, R. and Boo have been appointed as such committee on the part of the House.

House File No. 2280 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 15, 1992

Mr. Dicklich moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2280, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1681:

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 House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Skoglund, Winter and Knickerbocker have been appointed as such committee on the part of the House.

House File No. 1681 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 15, 1992

Mr. Solon moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1681, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File 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 House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Reding, Knickerbocker and Kahn have been appointed as such committee on the part of the House.

House File No. 2848 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 15, 1992

Mr. Waldorf moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2848, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

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

H.F. No. 2717 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2717	2102				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2717 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2717 and insert the language after the enacting clause of S.F. No. 2102, the third engrossment; further, delete the title of H.F. No. 2717 and insert the title of S.F. No. 2102, the third engrossment.

And when so amended H.F. No. 2717 will be identical to S.F. No. 2102, and further recommends that H.F. No. 2717 be given its second reading and substituted for S.F. No. 2102, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 2649 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2649	2384				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2649 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2649 and insert the language after the enacting clause of S.F. No. 2384, the first engrossment; further, delete the title of H.F. No. 2649 and insert the title of S.F. No. 2384, the first engrossment.

And when so amended H.F. No. 2649 will be identical to S.F. No. 2384, and further recommends that H.F. No. 2649 be given its second reading and substituted for S.F. No. 2384, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 1453 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1453	1292				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1453 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1453 and insert the language after the enacting clause of S.F. No. 1292, the second engrossment; further, delete the title of H.F. No. 1453 and insert the title of S.F. No. 1292, the second engrossment.

And when so amended H.F. No. 1453 will be identical to S.F. No. 1292, and further recommends that H.F. No. 1453 be given its second reading and substituted for S.F. No. 1292, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 2368 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2368	2665				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2368 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2368 and insert the language after the enacting clause of S.F. No. 2665, the second engrossment; further, delete the title of H.F. No. 2368 and insert the title of S.F. No. 2665, the second engrossment.

And when so amended H.F. No. 2368 will be identical to S.F. No. 2665, and further recommends that H.F. No. 2368 be given its second reading and substituted for S.F. No. 2665, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 2134 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2134	2030				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2134 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2134 and insert the language after the enacting clause of S.F. No. 2030, the second engrossment; further, delete the title of H.F. No. 2134 and insert the title of S.F. No. 2030, the second engrossment.

And when so amended H.F. No. 2134 will be identical to S.F. No. 2030, and further recommends that H.F. No. 2134 be given its second reading and substituted for S.F. No. 2030, and that the Senate File be indefinitely postponed.

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

SECOND READING OF HOUSE BILLS

H.F. Nos. 2717, 2649, 1453, 2368 and 2134 were read the second time.

MOTIONS AND RESOLUTIONS

Ms. Olson moved that the names of Mr. Dicklich and Mrs. Benson, J.E. be added as co-authors to S.F. No. 2556. The motion prevailed.

Mr. Berg moved that the names of Messrs. Frederickson, D.R.; Morse and Ms. Olson be added as co-authors to S.F. No. 2376. The motion prevailed.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2113, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2113 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 15, 1992

CONFERENCE COMMITTEE REPORT ON 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.

April 14, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 2113, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 2113 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 169.441, subdivision 3, is amended to read:

Subd. 3. [SIGN ON BUS; APPLICATION OF OTHER LAW.] Sections 169.442, subdivisions 2 and 3; 169.443, subdivision 2; and 169.444, subdivisions 1, 4, and 5, apply only if the school bus bears on its front and rear a plainly visible sign containing the words "school bus" in letters at least eight inches in height.

Except as provided in section 169.443, subdivision 8, the sign must be removed or covered when the vehicle is being used as other than a school bus.

Sec. 2. Minnesota Statutes 1991 Supplement, section 169.443, subdivision 3, is amended to read:

Subd. 3. [WHEN SIGNALS NOT USED.] School bus drivers shall not activate the prewarning flashing amber signals or flashing red signals:

(1) in special school bus loading areas where the bus is entirely off the traveled portion of the roadway and where no other motor vehicle traffic is moving or is likely to be moving within 20 feet of the bus;

(2) in residential or business districts of home rule or statutory cities when directed not to do so by the local school administrator;

(3) when a school bus is being used on a street or highway for purposes other than the actual transportation of school children to or from school or a school-approved activity, *except as provided in subdivision 8*;

(4) at railroad grade crossings; and

(5) when loading and unloading people while the bus is completely off the traveled portion of a separated, one-way roadway that has adequate shoulders. The driver shall drive the bus completely off the traveled portion of this roadway before loading or unloading people.

Sec. 3. Minnesota Statutes 1991 Supplement, section 169.443, is amended by adding a subdivision to read:

Subd. 8. [SCHOOL BUSES USED FOR RECREATIONAL AND EDUCATIONAL ACTIVITY.] *A school bus that transports over regular routes and on regular schedules persons age 18 or under to and from a regularly scheduled recreational or educational activity must comply with subdivisions 1 and 7. Notwithstanding section 169.441, subdivision 3, a school bus may provide such transportation only if (1) the "school bus" sign required by section 169.443, subdivision 3, is plainly visible; (2) the school bus has a valid certificate of inspection under section 169.451; (3) the driver of the school bus possesses a driver's license with a valid school bus endorsement under section 171.10; and (4) the entity that organizes the recreational or educational activity, or the contractor who provides the school buses to the entity, consults with the superintendent of the school district in which the activity is located or the superintendent's designee on the safety of the regular routes used.*

Sec. 4. Laws 1988, chapter 573, section 1, is amended to read:

Section 1. [DULUTH TRANSIT BUSES ARE NOT SCHOOL BUSES.]

Notwithstanding Minnesota Statutes, section 169.01, subdivision 6, and 171.01, subdivision 21, the Duluth transit authority may transport secondary students to or from a school, or to or from school-related activities within the city of Duluth, on fixed routes and schedules or under an agreement with independent school district No. 709, in a publicly owned transit bus. *For the purposes of this section, secondary students include students in grade six who attend a school serving grades six through eight.*

Sec. 5. [EFFECTIVE DATE.]

Section 4 is effective the day after the school board in section 4 complies with Minnesota Statutes, section 645.021, subdivision 3."

Delete the title and insert:

"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; requiring school bus sign on school bus providing such transportation; amending Minnesota Statutes 1991 Supplement, sections 169.441, subdivision 3; and 169.443, subdivision 3, and by adding a subdivision; Laws 1988, chapter 573, section 1."

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

House Conferees: (Signed) Howard Orenstein, Alice M. Johnson, Arthur W. Seaberg

Senate Conferees: (Signed) Richard J. Cohen, Sam G. Solon, Lyle G. Mehrkens

Mr. Cohen moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2113 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2113 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Adkins	Day	Johnson, D.E.	Mehrkens	Sams
Beckman	DeCramer	Johnson, D.J.	Metzen	Samuelson
Belanger	Dicklich	Johnson, J.B.	Moe, R.D.	Solon
Benson, D.D.	Finn	Johnston	Mondale	Spear
Benson, J.E.	Flynn	Kelly	Morse	Stumpf
Berg	Frank	Knaak	Novak	Terwilliger
Berglin	Frederickson, D.J.	Langseth	Pappas	Traub
Bernhagen	Frederickson, D.R.	Larson	Pariseau	Vickerman
Bertram	Gustafson	Lessard	Piper	Waldorf
Chmielewski	Halberg	Luther	Price	
Cohen	Hottinger	Marty	Renneke	
Davis	Hughes	McGowan	Riveness	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1619 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON 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.

April 15, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1619, 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. 1619 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. 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 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. *Whoever violates the provisions of subdivision 1 against a family or household member as defined in section 518B.01, subdivision 2, within five years of a previous conviction under subdivision 1 or sections 609.221 to 609.2231 against a family or household member, 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.*

(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. 2. Minnesota Statutes 1990, section 609.224, is amended by adding a subdivision to read:

Subd. 3. [DOMESTIC ASSAULTS; FIREARMS.] *(a) When a person is convicted of a violation of this section, the court shall determine and make written findings on the record as to whether:*

(1) the assault was a family or household member, as defined in section 518B.01, subdivision 2;

(2) the defendant owns or possesses a firearm; and

(3) the firearm was used in any way during the commission of the assault.

(b) If the court determines that the assault was of a family or household member, and that the offender owns or possesses a firearm and used it in any way during the commission of the assault, it shall order the defendant to relinquish possession of the firearm and give it to the local law enforcement agency. Notwithstanding section 609.531, subdivision 1, paragraph (f), clause (1), the court shall determine whether the firearm shall be forfeited under section 609.5316, subdivision 3, or retained by the local law enforcement agency for a period of three years. If the owner has not been convicted of any crime of violence as defined in section 624.712, subdivision 5, or 609.224 against a family or household member within that period, the law enforcement agency shall return the firearm.

(c) When a person is convicted of a violation of this section and the court determines that the victim was a family or household member, the court shall inform the defendant that the defendant is prohibited from possessing a pistol for a period of three years from the date of conviction and that it is a gross misdemeanor offense to violate this prohibition. The failure of the court to provide this information to a defendant does not affect the applicability of the pistol possession prohibition or the gross misdemeanor penalty to that defendant.

(d) A person is not entitled to possess a pistol if:

(1) the person has been convicted after August 1, 1992 of assault in the fifth degree if the offense was committed within three years of a previous conviction under sections 609.221 to 609.224; or

(2) the person has been convicted after August 1, 1992 of assault in the fifth degree under section 609.224 and the assault victim was a family or household member as defined in section 518B.01, subdivision 2, unless three years have elapsed from the date of conviction and, during that time, the person has not been convicted of any other violation of section 609.224. Property rights may not be abated but access may be restricted by the courts. A person who possesses a pistol in violation of this subdivision is guilty of a gross misdemeanor.

Sec. 3. Minnesota Statutes 1990, section 624.713, is amended by adding a subdivision to read:

Subd. 3. [NOTICE TO CONVICTED PERSONS.] *When a person is convicted of a crime of violence as defined in section 624.712, subdivision 5, the court shall inform the defendant that the defendant is prohibited from*

possessing a pistol for a period of ten years after the person was restored to civil rights or since the sentence has expired, whichever occurs first, and that it is a felony offense to violate this prohibition. The failure of the court to provide this information to a defendant does not affect the applicability of the pistol possession prohibition or the felony penalty to that defendant.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective August 1, 1992, and apply to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to crimes; enhancing penalties for an assault against a family or household member; requiring courts to take possession of any firearm used in the commission of such an assault; disqualifying persons convicted of fifth degree domestic assault from possessing a pistol under certain circumstances; requiring persons convicted of crimes of violence to be notified that they are prohibited from possessing pistols for ten years after restored to civil rights; amending Minnesota Statutes 1990, sections 609.224, subdivision 2, and by adding a subdivision; and 624.713, by adding a subdivision."

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

Senate Conferees: (Signed) John Marty, Allan H. Spear, Fritz Knaak

House Conferees: (Signed) Dave Bishop, Kathleen Vellenga, Loren A. Solberg

Mr. Marty moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1619 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1619 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Moe, R.D.	Samuelson
Beckman	DeCramer	Johnston	Mondale	Solon
Belanger	Finn	Kelly	Morse	Spear
Benson, D.D.	Flynn	Knaak	Novak	Stumpf
Benson, J.E.	Frank	Kroening	Pappas	Terwilliger
Berg	Frederickson, D.R.	Langseth	Pariseau	Traub
Berglin	Gustafson	Larson	Piper	Vickerman
Bernhagen	Halberg	Lessard	Price	Waldorf
Bertram	Hottinger	Luther	Reichgott	
Chmielewski	Hughes	Marty	Renneke	
Cohen	Johnson, D.E.	McGowan	Riveness	
Davis	Johnson, D.J.	Metzen	Sams	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1910, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1910 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 15, 1992

CONFERENCE COMMITTEE REPORT ON 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.

April 14, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 1910, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 1910 be further amended as follows:

Pages 1 and 2, delete section 1, and insert:

"Section 1. Minnesota Statutes 1990, section 211B.15, subdivision 1, is amended to read:

Subdivision 1. [~~DEFINITION~~ *DEFINITIONS.*] *(a) For purposes of this section, the following terms have the meanings given them.*

(b) "Corporation" ~~for purposes of this section~~ means a corporation organized for profit that does business in Minnesota.

(c) "Limited liability company" means a limited liability company formed under chapter 322B, or under similar laws of another state, that does business in Minnesota.

Sec. 2. Minnesota Statutes 1990, section 211B.15, subdivision 2, is amended to read:

Subd. 2. [PROHIBITED CONTRIBUTIONS.] A corporation *or limited liability company* may not make a contribution or offer or agree to make a contribution, directly or indirectly, of any money, property, free service of its officers or employees, or thing of monetary value to a major political party, organization, committee, or individual to promote or defeat the candidacy of an individual for nomination, election, or appointment to a political office. For the purpose of this subdivision, "contribution" includes an expenditure to promote or defeat the election or nomination of a candidate to a political office that is made with the authorization or expressed or implied consent of, or in cooperation or in concert with, or at the request or suggestion of, a candidate or committee established to support or oppose a candidate.

Sec. 3. Minnesota Statutes 1990, section 211B.15, subdivision 3, is amended to read:

Subd. 3. [INDEPENDENT EXPENDITURES.] A corporation *or limited liability company* may not make an independent expenditure or offer or agree to make an independent expenditure to promote or defeat the candidacy of an individual for nomination, election, or appointment to a political office. For the purpose of this subdivision, "independent expenditure" means an expenditure that is not made with the authorization or expressed or implied consent of, or in cooperation or concert with, or at the request or suggestion of, a candidate or committee established to support or oppose a candidate.

Sec. 4. Minnesota Statutes 1990, section 211B.15, subdivision 4, is amended to read:

Subd. 4. [BALLOT QUESTION.] A corporation *or limited liability company* may make contributions or expenditures to promote or defeat a ballot question, to qualify a question for placement on the ballot unless otherwise prohibited by law, or to express its views on issues of public concern. A corporation *or limited liability company* may not make a contribution to a candidate for nomination, election, or appointment to a political office or to a committee organized wholly or partly to promote or defeat a candidate.

Sec. 5. Minnesota Statutes 1990, section 211B.15, subdivision 6, is amended to read:

Subd. 6. [PENALTY FOR INDIVIDUALS.] An officer, *manager*, stockholder, *member*, agent, employee, attorney, or other representative of a corporation *or limited liability company* acting in behalf of the corporation *or limited liability company* who violates this section may be fined not more than $20,000 or be imprisoned for not more than five years, or both.

Sec. 6. Minnesota Statutes 1990, section 211B.15, subdivision 7, is amended to read:

Subd. 7. [PENALTY FOR CORPORATIONS *OR LIMITED LIABILITY COMPANIES*.] A corporation *or limited liability company* convicted of violating this section is subject to a fine not greater than $40,000. A convicted domestic corporation *or limited liability company* may be dissolved as well as fined. If a foreign or nonresident corporation *or limited liability company* is convicted, in addition to being fined, its right to do business in this state may be declared forfeited.

Sec. 7. Minnesota Statutes 1990, section 211B.15, subdivision 9, is amended to read:

Subd. 9. [MEDIA PROJECTS.] It is not a violation of this section for a corporation *or limited liability company* to contribute to or conduct public media projects to encourage individuals to attend precinct caucuses, register, or vote if the projects are not controlled by or operated for the advantage of a candidate, political party, or committee.

Sec. 8. Minnesota Statutes 1990, section 211B.15, subdivision 10, is amended to read:

Subd. 10. [MEETING FACILITIES.] It is not a violation of this section for a corporation *or limited liability company* to provide meeting facilities to a committee, political party, or candidate on a nondiscriminatory and nonpreferential basis.

Sec. 9. Minnesota Statutes 1990, section 211B.15, subdivision 11, is amended to read:

Subd. 11. [MESSAGES ON ~~CORPORATE~~ PREMISES.] It is not a violation of this section for a corporation *or limited liability company* selling products or services to the public to post on its public premises messages that promote participation in precinct caucuses, voter registration, or elections if the messages are not controlled by or operated for the advantage of a candidate, political party, or committee."

Renumber the sections of article 1 in sequence

Correct internal references

Amend the title as follows:

Page 1, line 20, delete "subdivision 1" and insert "subdivisions 1, 2, 3, 4, 6, 7, 9, 10, and 11"

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

House Conferees: (Signed) Ann H. Rest, Ron Abrams, Kris Hasskamp

Senate Conferees: (Signed) Ember D. Reichgott, Lawrence J. Pogemiller, William V. Belanger, Jr.

Ms. Reichgott moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1910 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

So the recommendations and Conference Committee Report were adopted.

H.F. No. 1910 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Metzen	Sams
Beckman	Finn	Johnston	Moe, R.D.	Samuelson
Belanger	Flynn	Kelly	Mondale	Solon
Benson, D.D.	Frank	Knaak	Morse	Spear
Benson, J.E.	Frederickson, D.J.	Kroening	Novak	Stumpf
Berg	Frederickson, D.R.	Langseth	Pappas	Terwilliger
Berglin	Gustafson	Larson	Pariseau	Traub
Bernhagen	Halberg	Lessard	Piper	Vickerman
Bertram	Hottinger	Luther	Price	Waldorf
Chmielewski	Hughes	Marty	Reichgott	
Cohen	Johnson, D.E.	McGowan	Renneke	
Davis	Johnson, D.J.	Mehrkens	Riveness	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 81 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 81

A bill for an act relating to towns; clarifying certain provisions for the terms of town supervisor; providing for the compensation of certain town officers and employees; amending Minnesota Statutes 1990, sections 367.03, subdivision 1; and 367.05, subdivision 1.

April 15, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 81, 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. 81 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 180.03, is amended by adding a subdivision to read:

Subd. 5. Upon written notice to the county mine inspector, a person, firm, or corporation that is actively and exclusively engaged in the business of cold water aquaculture shall be exempt from the requirements of subdivision 3. The exemption shall only apply to those portions of idle or abandoned open pit mines that are actively being used for aquaculture operations and

that are owned by the person, firm, or corporation. A landowner exempted assumes all responsibility for inspection and safety measures pertaining to the affected parcels of land and the county mine inspector is relieved of inspection requirements. The notice provided to the county mine inspector pursuant to this subdivision shall be annual and shall be filed with the county mine inspector's office by January 15 of each year. The notice shall describe the affected parcels of land and shall provide a sworn affidavit by the landowner that the subject property will be actively and exclusively used for aquaculture purposes during the calendar year. Failure to comply with the notice requirement of this subdivision makes the idle or abandoned open pit mines subject to the provisions of subdivision 3.

Sec. 2. Minnesota Statutes 1990, section 272.46, subdivision 1, is amended to read:

Subdivision 1. [CERTIFICATION OF TAX LIENS.] The county auditor, upon written application of any person, shall make search of the records of the auditor's office, and ascertain the existence of all tax liens and tax sales as to any lands described in the application, and certify the result of such search under the auditor's hand and official seal, giving the description of the land and all tax liens and tax sales shown by such records, and the amount thereof, the year of tax covered by such lien, the date of tax sale, and the name of the purchaser at such tax sale.

For such service the county auditor shall charge a fee ~~not to exceed $5~~ for each lot or tract of land described in the certificate. The amount of the fee will be established by the county board on or before July 1 of each year. Any number of contiguous tracts of land not exceeding one section, assessed as broad acres, or adjoining lots in the same block, in the city, shall be considered as one lot or parcel within the meaning of this section. The provisions of this section shall not apply to counties having a population of more than 225,000.

Sec. 3. Minnesota Statutes 1990, section 272.47, is amended to read:

272.47 [COUNTY TREASURER, CERTIFICATE OF CURRENT TAXES; FEE.]

The county treasurer, upon written application of any person, shall make search of the tax duplicates and records of the treasurer's office and ascertain the amount of current tax against any lot or parcel of land described in the application, and shall certify the result of such search under the treasurer's hand and official seal, giving the description of land, year of tax and amount, if any, and for such certificate the treasurer shall be entitled to charge the applicant a fee ~~not to exceed $5~~. The amount of the fee will be established by the county board on or before July 1 of each year. The definition of "lot or parcel," for the purposes of this section, shall be the same as set forth in section 272.46.

This section shall not authorize such treasurer to charge any amount for certifying to taxes on a deed to be recorded or for information with reference to the current tax on any subdivision of land in the county, where no certificate thereof is necessary or required. The provisions of this section shall not apply to counties having a population of more than 200,000.

Sec. 4. Minnesota Statutes 1990, section 279.09, is amended to read:

279.09 [PUBLICATION OF NOTICE AND LIST.]

The county auditor shall cause the notice and list of delinquent real

property to be published ~~once in each of two consecutive weeks~~ *twice* in the newspaper designated~~.~~. The first publication ~~of which~~ shall be made on or before March 20 immediately following the filing of such list with the court administrator of the district court. *The second publication shall occur during the fourth week following the first publication. The first publication may include a notice stating that if taxes for a parcel are paid in full not less than one week before the second publication, that parcel and information relating to it will not appear in the second publication. The county auditor shall act in accordance with the notice. Publication charges for the second publication may not exceed the publication charges for the first publication.* The auditor shall deliver such list to the publisher of the newspaper designated, at least 20 days before the date upon which the list shall be published for the first time.

Sec. 5. Minnesota Statutes 1990, section 281.13, is amended to read:

281.13 [NOTICE OF EXPIRATION OF REDEMPTION.]

Every person holding a tax certificate after expiration of three years after the date of the tax sale under which the same was issued, may present such certificate to the county auditor; and thereupon the auditor shall prepare, under the auditor's hand and official seal, a notice, directed to the person or persons in whose name such lands are assessed, specifying the description thereof, the amount for which the same was sold, the amount required to redeem the same, exclusive of the costs to accrue upon such notice, and the time when the redemption period will expire. If, at the time when any tax certificate is so presented, such lands are assessed in the name of the holder of the certificate, such notice shall be directed also to the person or persons in whose name title in fee of such land appears of record in the office of the county recorder. The auditor shall deliver such notice to the party applying therefor, who shall deliver it to the sheriff of the proper county for service. Within 20 days after receiving it, the sheriff shall serve such notice upon the persons to whom it is directed, if to be found in the sheriff's county, in the manner prescribed for serving a summons in a civil action; if not so found, then upon the person in possession of the land, and make return thereof to the auditor. In the case of land held in joint tenancy the notice shall be served upon each joint tenant. If one or more of the persons to whom the notice is directed cannot be found in the county, and there is no one in possession of the land, of each of which facts the return of the sheriff so specifying shall be prima facie evidence, service shall be made upon those persons that can be found and service shall also be made by ~~three~~ *two* weeks' published notice, proof of which publication shall be filed with the auditor.

When the records in the office of the county recorder show that any lot or tract of land is encumbered by an unsatisfied mortgage or other lien, and show the post office address of the mortgagee or lienee, or if the same has been assigned, the post office address of the assignee, the person holding such tax certificate shall serve a copy of such notice upon such mortgagee, lienee, or assignee by certified mail addressed to such mortgagee, lienee, or assignee at the post office address of the mortgagee, lienee, or assignee as disclosed by the records in the office of the county recorder, at least 60 days prior to the time when the redemption period will expire.

The notice herein provided for shall be sufficient if substantially in the following form:

"NOTICE OF EXPIRATION OF REDEMPTION

Office of the County Auditor

County of . . . . . , State of Minnesota.

To . . . . . .

You are hereby notified that the following described piece or parcel of land, situated in the county of . . . . . and State of Minnesota, and known and described as follows: . . . . . , is now assessed in your name; that on the . . . . . day of May, ... , at the sale of land pursuant to the real estate tax judgment, duly given and made in and by the district court in and for said county of . . . . . on the . . . . . day of March, ... in proceedings to enforce the payment of taxes delinquent upon real estate for the year . . . . . for said county of . . . . . the above described piece or parcel of land was sold for the sum of $ . . . . . , and the amount required to redeem such piece or parcel of land from such sale, exclusive of the cost to accrue upon this notice, is the sum of $ . . . . . , and interest at the rate of . . . . . percent per annum from said . . . . . day of . . . . . , ... to the day such redemption is made, and that the tax certificate has been presented to me by the holder thereof, and the time for redemption of such piece or parcel of land from such sale will expire 60 days after the service of this notice and proof thereof has been filed in my office.

Witness my hand and official seal this . . . . . day of . . . . . .

. . . . . .

(OFFICIAL SEAL)

County Auditor of

. . . . . County, Minnesota."

Sec. 6. Minnesota Statutes 1990, section 281.23, subdivision 3, is amended to read:

Subd. 3. [PUBLICATION.] As soon as practicable after the posting of the notice prescribed in subdivision 2, the county auditor shall cause to be published for ~~three~~ *two* successive weeks in the official newspaper of the county, the notice prescribed by subdivision 2.

Sec. 7. Minnesota Statutes 1990, section 367.03, subdivision 1, is amended to read:

Subdivision 1. [OFFICERS, TERMS.] Except in towns operating under option A, three supervisors shall be elected in each town as provided in this section. When a new town is organized and supervisors are elected at a town meeting prior to the annual town election, they shall serve only until the next annual town election. At that election three supervisors shall be elected, one for three years, one for two years, and one for one year, so that the term of one shall expire each year. The number of years for which each is elected shall be indicated on the ballot. When two supervisors are to be elected for three-year terms under option A, a candidate shall indicate on the affidavit of candidacy which of the two offices the candidate is filing for. At following annual town elections one supervisor shall be elected for three years to succeed the one

whose term expires at that time *and shall serve until a successor is elected and qualified*. Except in towns operating under option B or option D, or both, at the annual town election in even-numbered years one town clerk and at the annual town election in odd-numbered years one town treasurer shall be elected. The clerk and treasurer each shall serve for two years and until their successors are elected and qualified.

Sec. 8. Minnesota Statutes 1990, section 367.05, subdivision 1, is amended to read:

Subdivision 1. The town board shall set the compensation of supervisors, town assessors, the treasurer, clerk, deputy clerk, if one is employed, ~~the road overseer~~ *deputy treasurer, if one is employed*, and other employees of the town. In addition, supervisors, assessors, treasurers, clerks, deputy clerks, ~~road overseers~~ *deputy treasurers*, and other employees of the town shall be entitled to mileage for the use of their own automobile at a rate to be determined by the town board for necessary travel on official town business. The town board may fix the hours of employment for town employees, and reimburse a town assessor for expenses.

Sec. 9. Minnesota Statutes 1990, section 375.17, is amended to read:

375.17 [PUBLICATION OF FINANCIAL STATEMENTS.]

Annually, not later than the first Tuesday after the first Monday in March, the county board shall make a full and accurate statement of the receipts and expenditures of the preceding year, which shall contain a statement of the assets and liabilities, a summary of receipts, disbursements, and balances of all county funds together with a detailed statement of each fund account, under the form and style prescribed by and on file with the state auditor. The prescribed form and any changes or modifications of it shall so far as practical be uniform for all counties and be approved by the attorney general and the state printer. Before June 1 the board shall publish the statement *or a summary of the statement in a form as prescribed by the state auditor*, for one issue in a duly qualified legal newspaper in the county. ~~The board may refrain from publishing an itemized account of amounts paid out, to whom and for what purpose to the extent that the published proceedings of the county board contain the information, if all disbursements aggregating $5,000 or more to any person are set forth in a schedule of major disbursements showing amounts paid out, to whom and for what purpose and are made a part of, and published with, the financial statement. The county board may refrain from publishing the names and amounts of salaries and expenses paid to employees but shall publish the totals of disbursements for salaries and expenses. The county board may refrain from publishing the names of persons receiving poor relief or direct relief and the amounts paid to each, but the totals of the disbursements for those purposes must be published.~~ In addition to the publication in the newspaper designated by the board as the official newspaper for publication of the financial statement, the statement *or summary* shall be published in one other newspaper, if one of general circulation is located in a different municipality in the county than the official newspaper. The county board shall call for separate bids for each publication. *If the county board elects to publish the full statement, the county board may:*

(1) refrain from publishing an itemized account of amounts paid out, to whom and for what purpose to the extent that the published proceedings or the financial statement of the county board contain the information, if all disbursements aggregating $100 or more to any person are set forth in a schedule of major disbursements showing amounts paid out, to whom and for what

purpose and are made part of, and published with the financial statement;

(2) refrain from publishing the names and amounts of salaries and expenses paid to employees but shall publish the totals of disbursements for salaries and expenses; and

(3) refrain from publishing the names of persons receiving poor relief or direct relief and the amounts paid to each, but the totals of disbursements for those purposes must be published. If a provision of this section is inconsistent with section 393.07, the provisions of that section shall prevail. *The financial statement must be filed with the county auditor for public inspection.*

Sec. 10. Minnesota Statutes 1990, section 375B.03, is amended to read:

375B.03 [ESTABLISHMENT OF SERVICE DISTRICTS.]

Notwithstanding any provision of law requiring uniform property tax rates on real or personal property within the county, any county in this state, except a metropolitan county as defined in section 473.121, subdivision 4, ~~and any other county containing a city of the first class.~~ may establish subordinate service districts to provide and finance any governmental service or function which it is otherwise authorized to undertake. A function or service to be provided shall not include a function or service which the county generally provides throughout the county unless an increase in the level of the service is to be supplied in the service district.

Sec. 11. Minnesota Statutes 1990, section 375B.04, is amended to read:

375B.04 [CREATION BY COUNTY BOARD.]

The county board of commissioners of any county, except a metropolitan county as defined in section 473.121, subdivision 4, ~~and any other county containing a city of the first class.~~ may establish a subordinate service district in a portion of the county by adoption of an appropriate resolution. Before the adoption of the resolution, the county board shall hold a public hearing on the question of whether or not a subordinate service district shall be established. The resolution shall specify the service or services to be provided within the subordinate service district and shall specify the territorial boundaries of the district.

Sec. 12. Minnesota Statutes 1990, section 465.79, subdivision 2, is amended to read:

Subd. 2. [DUTIES OF BOUNDARY COMMISSION.] The boundary commission shall review ~~metes and bounds~~ *property* descriptions within the city. Upon notice to all known parties in interest, the commission shall attempt to establish agreements between adjoining landowners as to the location of common boundaries *as delineated by a certified land survey*. If agreement cannot be reached, the commission shall make a recommendation as to the location of the common boundary. The commission shall prepare a plan designating all agreed and recommended boundary lines and report to the city council.

Sec. 13. Minnesota Statutes 1990, section 465.79, subdivision 4, is amended to read:

Subd. 4. [JUDICIAL REVIEW.] Following hearing, the council may petition the district court for judicial approval of the proposed plan. *If any affected parcel is land registered under chapter 508 or 508A, the petition must be referred to the examiner of titles for a report.* The council shall provide sufficient information to identify all parties in interest and shall give

notice to parties in interest as the court may order. The court shall determine the location of any contested, disputed, or unagreed boundary and shall determine adverse claims to each parcel as provided in chapter 559. After hearing and determining all disputes, the court shall issue its judgment in the form of a plat complying with chapter 505 and *an order* designating the owners and encumbrancers of each lot. *Real property taxes need not be paid or current as a condition of filing the plat, notwithstanding the requirements of section 505.04.*

Sec. 14. Minnesota Statutes 1990, section 471.562, subdivision 3, is amended to read:

Subd. 3. [MUNICIPALITY.] "Municipality" means any city, however organized, *a county*, a housing and redevelopment authority created pursuant to, or exercising the powers contained in, chapter 462, or a port authority created pursuant to, or exercising the powers contained in, chapter 458.

Sec. 15. Minnesota Statutes 1990, section 471.563, is amended to read:

471.563 [USES OF LOAN REPAYMENTS.]

Subject to any restrictions imposed on their use by any related federal or state grant, economic development loan repayments and the proceeds of any bonds issued pursuant to section 471.564 may be applied by a municipality to any of the following purposes:

(1) to finance or otherwise pay the costs of a project;

(2) to pay principal and interest on any bonds issued pursuant to section 469.178, with respect to a project, certification of which is requested before August 1, 1987, or pursuant to chapter 474, 458, 462, or section 471.564, to purchase insurance or other credit enhancement for any of those obligations or to create or maintain reserves therefor; ~~or~~

(3) *to establish and maintain a revolving loan fund for economic development; or*

(4) for any other purpose authorized by law.

If economic development loan repayments are used to pay principal or interest on any such obligations, the municipality may be reimbursed for the amount so applied with interest not exceeding the rate of interest on the obligations from subsequent collections of taxes or other revenues that had been designated as the primary source of payment of the obligations.

Sec. 16. [473.140] [LEGISLATIVE MEMBERS OF METROPOLITAN AGENCIES.]

Subdivision 1. [APPLICATION.] *This section applies to the following agencies or their successor agencies: the metropolitan council; the regional transit board; the metropolitan transit commission; the metropolitan waste control commission; the metropolitan sports facilities commission; the metropolitan airports commission; and the metropolitan mosquito control commission.*

Subd. 2. [LEGISLATIVE MEMBERSHIP.] *One member of the house of representatives and one member of the senate, appointed by the customary appointing authority of each house, serve as nonvoting members of the agency. The legislative members of the regional transit board shall also serve as members of the advisory committee created in section 473.3991.*

Subd. 2a. [EXCLUSION.] *Agency provisions relating to member qualifications, terms of office, removal by the council for cause, vacancies, and compensation do not apply to legislative members of the agency.*

Sec. 17. Minnesota Statutes 1990, section 473.303, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] *(a)* The commission shall consist of ~~eight~~ *ten* members, plus a chair appointed as provided in subdivision 3.

(b) The metropolitan council shall appoint ~~the~~ eight members in accordance with the provisions of section 473.141.

(c) Two members are legislators, one member of the house of representatives and one member of the senate, appointed by the customary appointing authority of each house. The provisions of subdivisions 4, 4a, 5, and 6 do not apply to the legislative members of the commission.

Sec. 18. Minnesota Statutes 1990, section 473.303, subdivision 3, is amended to read:

Subd. 3. [CHAIR.] The chair of the commission shall be appointed by the council and shall be the ~~ninth~~ *11th* member of the commission and shall meet all qualifications established for members, except the chair need only reside within the metropolitan area. The chair shall preside at all meetings of the commission, if present, and shall perform all other duties and functions assigned by the commission or by law. The commission may appoint from among its members a vice-chair to act for the chair during temporary absence or disability.

Sec. 19. Minnesota Statutes 1990, section 473.3991, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] The committee consists of:

(1) two members of the governing board of each regional railroad authority that applies for and receives state funding for preliminary engineering of light rail transit facilities;

(2) one member, in addition to those under clause (1), of the governing board of the Hennepin county regional railroad authority;

(3) one member of the governing board of each regional railroad authority not represented under clause (1) that applies for and receives state funding for planning of light rail transit facilities;

(4) two members of the metropolitan transit commission; ~~and~~

(5) the commissioner of transportation or an employee of the department designated by the commissioner; *and*

(6) two legislators, one member of the house of representatives and one member of the senate, appointed to the transit board under section 16.

Appointments under clauses (1) to (3) are made by the respective authorities, and appointments under clause (4) are made by the commission. The regional transit board shall make the appointment for any appointing authority that fails to make the required appointments. Members serve at the pleasure of the agency making the appointment.

Sec. 20. Minnesota Statutes 1990, section 473.3991, subdivision 4, is amended to read:

Subd. 4. [ADMINISTRATION.] The regional transit board shall provide staff and administrative services for the committee. The organizations represented on the committee, *other than the legislature*, shall provide information, staff, and technical assistance for the committee as needed.

Sec. 21. Minnesota Statutes 1990, section 473.553, subdivision 3, is amended to read:

Subd. 3. [CHAIR.] The chair shall be appointed by the governor *with the advice and consent of the senate* as the seventh voting member and shall meet all of the qualifications of a member, except the chair need only reside outside the metropolitan area. The chair shall preside at all meetings of the commission, if present, and shall perform all other duties and functions assigned by the commission or by law. The commission may appoint from among its members a vice-chair to act for the chair during temporary absence or disability.

Sec. 22. Minnesota Statutes 1990, section 473.604, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] The commission consists of:

(1) the mayor of each of the cities, or a qualified voter appointed by the mayor, for the term of office as mayor;

(2) a number of members appointed from precincts equal or nearest to but not exceeding half the number of districts which are provided by law for the selection of members of the metropolitan council in section 473.123. Each member shall be a resident of the precinct represented. The members shall be appointed by the governor as follows: a number as near as possible to one-fourth, for a term of one year; a similar number for a term of two years; a similar number for a term of three years; and a similar number for a term of four years, all of which terms shall commence on July 1, 1981. The successors of each member shall be appointed for four-year terms commencing in July of each fourth year after the expiration of the original term. Before making an appointment, the governor shall consult with each member of the legislature from the precinct for which the member is to be appointed, to solicit the legislator's recommendation on the appointment;

(3) four members appointed from outside of the metropolitan area to reflect fairly the various regions and interests throughout the state that are affected by the operation of the commission's major airport and airport system. Two of these members must be residents of statutory or home rule charter cities, towns, or counties containing an airport designated by the commissioner of transportation as a key airport. The other two must be residents of statutory or home rule charter cities, towns, or counties containing an airport designated by the commissioner of transportation as an intermediate airport. The members must be appointed by the governor as follows: one for a term of one year, one for a term of two years, one for a term of three years, and one for a term of four years. All of the terms start on July 1, 1989. The successors of each member must be appointed to four-year terms commencing on July 1 of each fourth year after the expiration of the original term. Before making an appointment, the governor shall consult each member of the legislature representing the municipality or county from which the member is to be appointed, to solicit the legislator's recommendation on the appointment; and

(4) a chair appointed by the governor for a term of four years, *with the advice and consent of the senate as provided in section 15.066*. The chair

may be removed at the pleasure of the governor.

Sec. 23. Minnesota Statutes 1990, section 505.02, subdivision 1, is amended to read:

Subdivision 1. The land shall be surveyed and a plat made setting forth and naming all thoroughfares, showing all public grounds, and giving the dimensions of all lots, thoroughfares and public grounds. All in-lots shall be numbered by beginning the numbering with number one and numbering each lot progressively, through the block in which they are situated, all blocks shall be numbered progressively, by beginning the numbering with the number one and numbering each block progressively through each plat. Consecutive lot or block numbering shall not be continued from one plat into another. All outlots shall be designated by alphabetical order beginning with outlot "A" in each plat. Durable iron monuments shall be set at all angle and curve points on the outside boundary lines of the plat and also at all block and lot corners and at all intermediate points on the block and lot lines indicating changes of direction in the lines and witness corners. The plat shall indicate that all monuments have been set *or will be set within one year after recording, or sooner as specified by the approving local governmental unit. A financial guarantee may be required for the placement of monuments*. There shall be shown on the plat all survey and mathematical information and data necessary to locate all monuments and to locate and retrace any and all interior and exterior boundary lines appearing thereon. The outside boundary lines of the plat shall be correctly designated on the plat and shall show bearings on all straight lines, or angles at all angle points, and central angle and radii and arc length for all curves. All distances shall be shown between all monuments as measured to the nearest hundredth of a foot. All lot distances shall be shown on the plat to the nearest hundredth of a foot and all curved lines within the plat shall show central angles, radii and arc distances. If a curved line constitutes the line of more than one lot in any block of a plat, the central angle for that part of each lot on the curved line shall be shown. The width of all thoroughfares shall be shown on the plat. Ditto marks shall not be used on the plat for any purpose. In any instance where a river, stream, creek, lake or pond constitutes a boundary line within or of the plat, a survey line shall be shown with bearings or angles and distances between all angle points and their relation to a water line, and all distances measured on the survey line between lot lines shall be shown, and the survey line shall be shown as a dashed line. The outside boundary lines of the plat shall close by latitude and departure with an error not to exceed one foot in 7,500 feet. All rivers, streams, creeks, lakes, ponds, swamps, and all public highways and thoroughfares laid out, opened, or traveled (existing before the platting) shall be correctly located and plainly shown and designated on the plat. The name and adjacent boundary lines of any adjoining platted lands shall be dotted on the plat.

Sec. 24. Minnesota Statutes 1990, section 505.03, subdivision 1, is amended to read:

Subdivision 1. On the plat shall be written an instrument of dedication, which shall be signed and acknowledged by the owner of the land. All signatures on the plat shall be written with black ink (not ball point). The instrument shall contain a full and accurate description of the land platted and set forth what part of the land is dedicated, and also to whom, and for what purpose these parts are dedicated. The surveyor shall certify on the plat that the plat is a correct representation of the survey, that all distances are correctly shown on the plat, that all monuments have been *or will be* correctly placed

in the ground as shown *or stated, and* that the outside boundary lines are correctly designated on the plat. If there are no wet lands or public highways to be designated in accordance with section 505.02, the surveyor shall so state. The certificate shall be sworn to before any officer authorized to administer an oath. The plat shall, except in cities whose charters provide for official supervision of plats by municipal officers or bodies, together with an abstract and certificate of title, be presented for approval to the council of the city or town board of towns wherein there reside over 5,000 people in which the land is located; and, if the land is located outside the limits of any city, or such town, then to the board of county commissioners of the county in which the land is located.

Sec. 25. [GRANULAR CARBON.]

The cities of New Brighton, St. Anthony, and St. Louis Park may contract for the procurement, installation, removal, and treatment of granular activated carbon to be used in a water treatment facility for the treatment of contaminated water for potable consumption without complying with Minnesota Statutes, section 574.26, if the city first determines by resolution that requiring a performance bond will result in no bids or economically disadvantageous bids.

Sec. 26. [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 26 to 39, 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 26 to 39. 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 26 to 39 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. 27. [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 30, 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 a 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 the 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 30, 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. 28. [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 30, 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. 29. [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. 30. [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 city of Benson and county of Swift. All taxable property in the district 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 26 to 39 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 26 to 39;

(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 this section 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 26 to 39 and other applicable laws.*

Sec. 31. [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 26 to 39, 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. 32. [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. 33. [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. 34. [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. 35. [MISCELLANEOUS PROVISIONS.]

Bonds issued under sections 26 to 39 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 34, 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. 36. [LEASE OF FACILITIES TO NONPROFIT OR PUBLIC CORPORATION.]

Subject to section 30, 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. 37. [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 26 to 39.

Sec. 38. [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 26 to 39 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. 39. [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 26 to 39 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. 40. [POWERS SUPPLEMENTARY.]

The powers granted by sections 26 to 39 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.

Sec. 41. [APPLICATION.]

Sections 16 to 22 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 42. [REPEALER.]

Minnesota Statutes 1990, sections 383C.33; 383C.331; 383C.332; 383C.333; 383C.334; 383C.335; 383C.336; 383C.337; 383C.338; 383C.34, are repealed.

Sec. 43. [EFFECTIVE DATE.]

Sections 7 and 8 are effective the day after final enactment. Section 25 is effective for the city of New Brighton the day after its governing body complies with section 645.021, subdivision 3. Section 25 is effective for the city of St. Anthony the day after its governing body complies with section 645.021, subdivision 3. Section 25 is effective for the city of St. Louis Park the day after its governing body complies with section 645.021, subdivision 3. Sections 26 to 39 are effective the day after the county board of Swift county and the governing body of the city of Benson comply with section 645.021, subdivision 3. Section 42 is effective the day after the county board of St. Louis county complies with section 645.021, subdivision 3."

Delete the title and insert:

"A bill for an act relating to local government; setting fees; providing for certain publications and notices; setting conditions for town officers; requiring boundary information; permitting certain accounts; providing for senate approval of certain members of metropolitan bodies; providing for legislator members of metropolitan bodies; providing certain county and city powers; regulating county inspections; permitting certain subordinate service districts; amending Minnesota Statutes 1990, sections 180.03, by adding a subdivision; 272.46, subdivision 1; 272.47; 279.09; 281.13; 281.23, subdivision 3; 367.03, subdivision 1; 367.05, subdivision 1; 375.17; 375B.03; 375B.04; 465.79, subdivisions 2 and 4; 471.562, subdivision 3; 471.563; 473.303, subdivisions 2 and 3; 473.3991, subdivisions 2 and 4; 473.553, subdivision 3; 473.604, subdivision 1; 505.02, subdivision 1; and 505.03, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 1990, sections 383C.33; 383C.331; 383C.332; 383C.333; 383C.334; 383C.335; 383C.336; 383C.337; 383C.338; and 383C.34."

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

Senate Conferees: (Signed) John C. Hottinger, Betty A. Adkins, Dick Day

House Conferees: (Signed) Jerry Janezich, Irv Anderson, Dick Pellow

Mr. Hottinger moved that the foregoing recommendations and Conference Committee Report on S.F. No. 81 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Mr. Frank moved that the recommendations and Conference Committee Report on S.F. No. 81 be rejected, the Conference Committee discharged, and that a new Conference Committee be appointed by the Subcommittee on Committees to act with a like Conference Committee appointed on the part of the House.

The question was taken on the adoption of the motion of Mr. Frank.

The roll was called, and there were yeas 30 and nays 30, as follows:

Those who voted in the affirmative were:

Belanger	Flynn	Johnston	McGowan	Reichgott
Benson, D.D.	Frank	Kelly	Mehrkens	Riveness
Benson, J.E.	Frederickson, D.R.	Knaak	Pappas	Spear
Berg	Halberg	Kroening	Pariseau	Terwilliger
Berglin	Hughes	Luther	Piper	Traub
Cohen	Johnson, D.E.	Marty	Price	Waldorf

Those who voted in the negative were:

Adkins	Day	Hottinger	Lessard	Renneke
Beckman	DeCramer	Johnson, D.J.	Metzen	Sams
Bernhagen	Dicklich	Johnson, J.B.	Mondale	Samuelson
Bertram	Finn	Laidig	Morse	Solon
Chmielewski	Frederickson, D.J.	Langseth	Novak	Stumpf
Davis	Gustafson	Larson	Pogemiller	Vickerman

The motion did not prevail.

RECONSIDERATION

Having voted on the prevailing side, Mr. Pogemiller moved that the vote whereby the Frank motion to reject the Conference Committee report on S.F. No. 81 failed on April 16, 1992, be now reconsidered. The motion prevailed.

The question recurred on the motion of Mr. Frank. The motion prevailed.

SUSPENSION OF RULES

Mr. Moe, R.D. moved that the Joint Rule 2.06 time requirement for copies of Conference Committee Reports placed on members' desks, be suspended for the remainder of the 1992 Session. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar. The motion prevailed.

CALENDAR

H.F. No. 2001: A bill for an act relating to retirement; requiring the metropolitan airports commission to apply for certain state aid; providing an optional method for calculating annuities of certain members of the Minneapolis employees retirement fund; amending Minnesota Statutes 1990, sections 69.011, by adding a subdivision; 69.031, subdivision 5; and

422A.01, by adding subdivisions; Minnesota Statutes 1991 Supplement, section 69.011, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 422A.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, J.B.	Mehrkens	Ranum
Beckman	Finn	Johnston	Metzen	Reichgott
Belanger	Flynn	Kelly	Moe, R.D.	Renneke
Benson, J.E.	Frank	Knaak	Mondale	Riveness
Berg	Frederickson, D.J.	Kroening	Morse	Sams
Berglin	Frederickson, D.R.	Laidig	Neuville	Samuelson
Bernhagen	Gustafson	Langseth	Novak	Solon
Bertram	Halberg	Larson	Pappas	Stumpf
Chmielewski	Hottinger	Lessard	Pariseau	Terwilliger
Cohen	Hughes	Luther	Piper	Traub
Davis	Johnson, D.E.	Marty	Pogemiller	Vickerman
Day	Johnson, D.J.	McGowan	Price	Waldorf

So the bill passed and its title was agreed to.

S.F. No. 1015: A bill for an act relating to transportation; designating a natural preservation route within the lower St. Croix wild and scenic river district in Washington county; establishing a pilot program of paved bikeways along an interstate route; providing for and regulating bicycles to be operated on bikeways along or between the divided lanes of certain interstate highways and other highways and roads; providing for and regulating recreational vehicle combinations; providing for highway planning and rules for bikeways; amending Minnesota Statutes 1990, sections 103F.351, by adding a subdivision; 161.174; 161.20, subdivision 2; 161.202, subdivision 2; 161.21, subdivision 1; 161.32, subdivision 4; 161.38, subdivision 7; 161.39, subdivision 1; 164.151; 167.50, subdivision 1; 169.01, by adding a subdivision; 169.18, subdivision 7; 169.19, subdivision 1; 169.222, subdivision 10; and 169.86, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 169.86, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 160.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Finn	Kelly	Moe, R.D.	Riveness
Beckman	Flynn	Knaak	Mondale	Sams
Belanger	Frank	Kroening	Morse	Samuelson
Benson, J.E.	Frederickson, D.J.	Laidig	Neuville	Solon
Berg	Frederickson, D.R.	Langseth	Novak	Spear
Berglin	Gustafson	Larson	Pappas	Stumpf
Bernhagen	Halberg	Lessard	Pariseau	Terwilliger
Bertram	Hottinger	Luther	Piper	Traub
Chmielewski	Hughes	Marty	Pogemiller	Vickerman
Cohen	Johnson, D.E.	McGowan	Price	Waldorf
Davis	Johnson, D.J.	Mehrkens	Ranum	
Day	Johnson, J.B.	Merriam	Reichgott	
DeCramer	Johnston	Metzen	Renneke	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 2025 a Special Order to be heard immediately.

SPECIAL ORDER

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.

Mr. Waldorf moved to amend H.F. No. 2025, as amended pursuant to Rule 49, adopted by the Senate April 13, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 1916.)

Page 6, line 8, delete the new language and insert "*for purchase of prior military service under this section and*"

Page 6, line 9, delete the new language

Page 22, after line 32, 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 Minnesota Statutes, 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 immediately 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. [APPLICABILITY OF CERTAIN PRIOR LAW CHANGES.]

(a) A person with service under Minnesota Statutes, chapter 3A, after June 2, 1989, who did not receive credit for a period of service between January 6, 1981, and June 2, 1989, by virtue of the limitation previously contained in the final paragraph of Minnesota Statutes, section 3A.02, subdivision 1, is entitled to receive credit for any period of uncredited service as a result of the limitation upon payment of the amount specified in paragraph (b).

(b) The additional service credit payment amount is an amount equal to nine percent of the salary of the person with service uncredited under Minnesota Statutes, chapter 3A, during the period of uncredited service, plus interest at an annual rate of six percent, compounded annually, from

the midpoint of the period of uncredited service to the date of payment. Payment must be made by January 1, 1994, or the date of retirement, whichever is earlier.

Sec. 4. [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 must be returned to the council member. The remaining value of the former participant's account, if any, become property of the association.

Sec. 5. [EFFECTIVE DATE.]

Sections 1, 2, and 4 are effective the day following final enactment. Section 3 is effective the day following final enactment and applies to any person described in section 3, paragraph (a), including persons on deferred retirement status.

ARTICLE 5

FIRST CLASS CITY TEACHER RETIREMENT FUND ASSOCIATIONS EMPLOYER CONTRIBUTION RATE INCREASE

Section 1. Minnesota Statutes 1990, section 354A.12, subdivision 2, is amended to read:

Subd. 2. [~~EMPLOYER CONTRIBUTIONS~~ *RETIREMENT CONTRIBUTION LEVY DISALLOWED.*] Notwithstanding any law to the contrary, levies for teachers retirement fund associations in cities of the first class, including levies for any employer social security taxes for teachers covered by the Duluth teachers retirement fund association or the Minneapolis teachers retirement fund association or the St. Paul teachers retirement fund association, are disallowed.

Subd. 2a. [EMPLOYER REGULAR AND ADDITIONAL CONTRIBUTION RATES.] *(a)* The employing units shall make the following employer contributions to teachers retirement fund associations:

~~(a)~~ *(1)* for any coordinated member of a teachers retirement fund association in a city of the first class, the employing unit shall pay the employer social security taxes in accordance with section 355.46, subdivision 3, clause (b);

~~(b)~~ *(2)* for any coordinated member of one of the following teachers retirement fund associations in a city of the first class, the employing unit shall make a *regular employer* contribution to the respective retirement fund association in an amount equal to the designated percentage of the salary of the coordinated member as provided below:

Duluth teachers retirement fund association	~~5.79~~ *4.50* percent
Minneapolis teachers retirement	

fund association	4.50 percent
St. Paul teachers retirement fund association	4.50 percent;

~~(c)~~ *(3)* for any basic member of one of the following teachers retirement fund associations in a city of the first class, the employing unit shall make a *regular employer* contribution to the respective retirement fund in an amount equal to the designated percentage of the salary of the basic member as provided below:

Minneapolis teachers retirement fund association	~~13.35~~ *8.50* percent
St. Paul teachers retirement fund association	~~12.63~~ *8.00* percent

(4) for a basic member of a teachers retirement fund association in a city of the first class, the employing unit shall make an additional employer contribution to the respective fund in an amount equal to the designated percentage of the salary of the basic member, as provided below:

Minneapolis teachers retirement fund association	*4.85 percent*
St. Paul teachers retirement fund association	*4.63 percent*

(5) for a coordinated member of a teachers retirement fund association in a city of the first class, the employing unit shall make an additional employer contribution to the respective fund in an amount equal to the applicable percentage of the coordinated member's salary, as provided below:

Duluth teachers retirement fund association	*1.29 percent*
Minneapolis teachers retirement fund association	
July 1, 1992 - June 30, 1993	*0.00 percent*
July 1, 1993, and thereafter	*1.00 percent*
St. Paul teachers retirement fund association	
July 1, 1992 - June 30, 1993	*0.00 percent*
July 1, 1993, and thereafter	*1.00 percent*

(b) For basic members of the Minneapolis teachers retirement fund association who retire on or after July 1, 1993, the employing unit shall continue to make an additional employer contribution to the retirement fund in an amount equal to the average salary of the employing unit's basic members multiplied by the relevant percentages in paragraph (a), clause (4).

(c) The *regular and additional* employer contributions ~~shall~~ *must* be remitted directly to ~~each~~ *the respective* teachers retirement fund association each month.

(d) Payments *of regular and additional employer contributions* for school district or technical college employees who are paid from normal operating funds~~,~~ ~~shall~~ *must* be made from the appropriate fund of the district or technical college.

Subd. 2b. [REPORT ON CONTRIBUTION INSUFFICIENCIES.] *By January 1 of each year, the executive secretary or director of each first class city teachers retirement fund association shall report to the chair of 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 additional employer contribution rates then in effect and the sufficiency of the total statutory support when compared to the total required contributions determined under Minnesota Statutes, section 356.215.*

Sec. 2. [FIRST CLASS CITY SCHOOL DISTRICTS: REPORT ON ADDITIONAL STATE AID NEEDS.]

(a) By January 1, annually, until January 1, 1997, the superintendents of special school district No. 1 and independent school district No. 625 shall report on their districts' additional educational revenue needs attributable to the increased employer contribution rate requirements set forth in section 1.

(b) The report required in paragraph (a) must be submitted to the chairs of the following committees or divisions:

(1) education committee, house of representatives,

(2) education finance division of the education committee, house of representatives;

(3) education committee, senate; and

(4) education funding division of the education committee, senate.

(c) Following receipt of the report, the divisions and committees specified in paragraph (b) shall review the indicated additional educational revenue needs and shall indicate their recommendations on increased educational revenue to the applicable school districts in the form of appropriate legislation.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective on July 1, 1992.

ARTICLE 6

FIRST CLASS CITY TEACHERS

ADMINISTRATIVE PROVISIONS

Section 1. Minnesota Statutes 1990, section 354A.011, subdivision 4, is amended to read:

Subd. 4. [ALLOWABLE SERVICE.] "Allowable service" means any service rendered by a ~~member~~ *teacher* during a period in which the ~~member~~ *teacher* receives salary from which employee contribution salary deductions are made to and credited by the teachers retirement fund association or any service rendered by a person during any period where assessments or payments in lieu of salary deductions were made if authorized by any law or provision of the association's articles of incorporation or bylaws then in effect or pursuant to section 354A.091, 354A.092, 354A.093, or 354A.094.

Sec. 2. Minnesota Statutes 1990, section 354A.011, subdivision 8, is amended to read:

Subd. 8. [BASIC MEMBER.] "Basic member" means any member of

the teachers retirement fund association who is ~~covered by the basic program of the association due to the fact that the member is~~ not covered by any agreement or modification made between the state and the Secretary of Health, Education and Welfare ~~making the provisions of the federal old age, survivors and disability insurance act applicable to certain teachers covered by the association~~.

Sec. 3. Minnesota Statutes 1990, section 354A.011, subdivision 11, is amended to read:

Subd. 11. [COORDINATED MEMBER.] "Coordinated member" means any member of the teachers retirement fund association who is ~~covered by the coordinated program of the association due to the fact that the member is~~ covered by any agreement or modification made between the state and the Secretary of Health, Education and Welfare making the provisions of the federal old age, survivors and disability insurance act applicable to certain teachers ~~covered by the association:~~ except in the case of a member of the Duluth teachers retirement fund association, in which it means additionally that the member either first became a member prior to July 1, 1981, and elected to be covered by the new law coordinated program of the Duluth teachers retirement fund association or first became a member on or subsequent to July 1, 1981.

Sec. 4. Minnesota Statutes 1990, section 354A.011, subdivision 12, is amended to read:

Subd. 12. [COORDINATED SERVICE.] "Coordinated service" means the *allowable* service credited by the respective teachers retirement fund association for which the member was covered by the coordinated program of the association.

Sec. 5. Minnesota Statutes 1990, section 354A.011, subdivision 13, is amended to read:

Subd. 13. [DESIGNATED BENEFICIARY.] "Designated beneficiary" means the person designated by a member *or retiree* of a teachers retirement fund association ~~to be entitled~~ to receive the ~~balance of the accumulated member contributions to the credit of the member in the event of the member's death. or if no person has been designated by the member or if the designated beneficiary predeceases the member, the estate of the deceased member~~ *benefits to which a beneficiary is entitled under this chapter. A beneficiary designation is valid only if it is made on an appropriate form provided by the executive director and the properly completed form is received by the fund postmarked on or before the date of death of the retiree or member. If a retiree or member does not designate such a person or if the person designated predeceases the retiree or member, beneficiary in such cases means the estate of the deceased retiree or member.*

Sec. 6. Minnesota Statutes 1990, section 354A.011, subdivision 15, is amended to read:

Subd. 15. [MEMBER.] "Member" for purposes of entitlement to annuities or benefits pursuant to sections 354A.31 to 354A.41 and any other applicable provisions of this chapter means every teacher who ~~joins and~~ *is engaged in teaching service and who under section 354A.05* contributes to the respective teachers retirement fund association *and* who has not retired ~~or terminated teaching service~~. "Member" for purposes of determining who may participate in the organization and governance of the teachers retirement fund association, including the eligibility to elect members of and to serve

as a member of the board of trustees, means every teacher who joins and contributes to the respective teachers retirement fund association and any other person designated as a member by the articles of incorporation or the bylaws of the respective teachers retirement fund association.

Sec. 7. Minnesota Statutes 1990, section 354A.011, subdivision 21, is amended to read:

Subd. 21. [RETIREMENT.] "Retirement" means the time after the date of cessation of active teaching service by a teacher who is thereafter entitled to an accrued retirement annuity commencing as designated by the board of trustees and payable pursuant to an application for an annuity filed with the board ~~under~~. The applicable provisions of law, articles of incorporation and bylaws in effect on ~~that date, which shall~~ *the date of cessation of active teaching service* thereafter determine the rights of the person.

Sec. 8. Minnesota Statutes 1990, section 354A.011, subdivision 24, is amended to read:

Subd. 24. [SALARY.] "Salary" or "covered salary" means the entire compensation paid to a ~~member~~ *teacher* excluding any lump sum annual leave or sick leave payments and all forms of severance payments, even if a portion of the compensation is paid from other than public funds.

Sec. 9. Minnesota Statutes 1991 Supplement, section 354A.011, subdivision 26, is amended to read:

Subd. 26. [SPOUSE.] "Spouse" means the person who was legally married to ~~and living with~~ the member immediately prior to the member's death.

Sec. 10. Minnesota Statutes 1990, section 354A.011, subdivision 27, is amended to read:

Subd. 27. [TEACHER.] "Teacher" means any person who renders service in a public school district located in the corporate limits of one of the cities of the first class which was so classified on January 1, 1979, as any of the following:

(a) a full time employee in a position for which a valid license from the state board of education is required;

(b) an employee of the teachers retirement fund association located in the city of the first class unless the employee has exercised the option pursuant to Laws 1955, chapter 10, section 1, to retain membership in the Minneapolis employees retirement fund established pursuant to chapter 422A;

(c) a part time employee in a position for which a valid license from the state board of education is required; *or*

(d) a part-time employee in a position for which a valid license from the state board of education is required who also renders other nonteaching services for the school district unless the board of trustees of the teachers retirement fund association determines that the combined employment is on the whole so substantially dissimilar to teaching service that the service shall not be covered by the association.

The term shall not mean any person who renders service in the school district as any of the following:

(1) an independent contractor or the employee of an independent contractor;

(2) ~~for the Duluth and St. Paul teachers retirement fund associations, and for the Minneapolis teachers retirement fund association, unless the person is designated by the board of education of special school district number 1 pursuant to section 356.451 as a provisional member of the teachers retirement fund association, a person employed in subsidized on-the-job training, work experience or public service employment as an enrollee under the federal Comprehensive Employment and Training Act from and after March 30, 1978, unless the person has as of the later of March 30, 1978, or the date of employment, sufficient service credit in the teachers retirement fund association to meet the minimum vesting requirements for a deferred retirement annuity, or the employer agrees in writing to make the required employer contributions, including any employer additional contributions, on account of that person from revenue sources other than funds provided under the federal Comprehensive Employment and Training Act, or the person agrees in writing to make the required employer contributions, including any employer additional contributions, in addition to the required employee or member contributions;~~

~~(3)~~ an employee who is a full-time teacher covered by another teachers retirement fund association established pursuant to this chapter *or chapter 354*;

~~(4)~~ *(3)* an employee holding a part-time adult supplementary technical college license who renders part-time teaching service in a technical college if (1) the service is incidental to the regular nonteaching occupation of the person; and (2) the applicable technical college stipulates annually in advance that the part-time teaching service will not exceed 300 hours in a fiscal year; and (3) the part-time teaching service actually does not exceed 300 hours in a fiscal year; or

~~(5)~~ *(4)* an employee exempt from licensure pursuant to section 125.031.

Sec. 11. Minnesota Statutes 1990, section 354A.021, subdivision 6, is amended to read:

Subd. 6. [TRUSTEES' FIDUCIARY OBLIGATION.] The trustees or directors of each teachers retirement fund association shall administer each fund in accordance with the applicable portions of this chapter, of the articles of incorporation, of the bylaws, and of ~~chapter~~ *chapters 356 and* 356A. The purpose of this subdivision is to establish each teachers retirement fund association as a trust under the laws of the state of Minnesota for all purposes related to section 401(a) of the Internal Revenue Code of the United States, including all amendments.

Sec. 12. Minnesota Statutes 1990, section 354A.05, is amended to read:

354A.05 [MEMBERSHIP IN A TEACHERS RETIREMENT ASSOCIATION IN A CITY OF THE FIRST CLASS.]

~~Only~~ Teachers contributing to the respective teachers retirement fund association, as provided in this chapter and the articles of incorporation and *the* bylaws of the association, ~~shall be~~ *are* entitled to the benefit of coverage by or entitlement to annuities or benefits from the association. All teachers in a city of the first class in which there exists a teachers retirement fund association ~~shall be entitled to be~~ *are* members of that teachers retirement fund association and ~~to~~ participate in the benefits provided by the special retirement fund.

Sec. 13. Minnesota Statutes 1990, section 354A.08, is amended to read:

354A.08 [AUTHORIZED INVESTMENTS.]

~~Any~~ *A* teachers retirement fund association may receive, hold, and dispose of real estate or personal property acquired by it, whether the acquisition was by ~~gift,~~ purchase, or any other lawful means, as provided in this chapter or in the association's articles of incorporation. In addition to other authorized real estate investments, an association may also invest funds in Minnesota situs nonfarm real estate ownership interests or loans secured by mortgages or deeds of trust.

Sec. 14. Minnesota Statutes 1990, section 354A.096, is amended to read:

354A.096 [MEDICAL LEAVE.]

Any teacher in the coordinated program of either the Minneapolis teachers retirement fund association or the St. Paul teachers retirement fund association or the new law coordinated program of the Duluth teachers retirement fund association who is on an authorized medical leave of absence and subsequently returns to teaching service is entitled to receive allowable service credit, not to exceed one year, for the period of leave, upon making the prescribed payment to the fund. This payment must include the required employee and employer contributions at the rates specified in section 354A.12, subdivisions 1 and 2, as applied to the member's average full-time monthly salary rate on the date ~~of return from~~ the leave of absence *commenced* plus annual interest at the rate of 8.5 percent per year from the ~~midpoint date of~~ *end of the fiscal year during which* the leave ~~until the date of payment~~ *terminates to the end of the month during which payment is made*. The member must pay the total amount required unless the employing unit, at its option, pays the employer contributions. The total amount required must be paid by the end of the fiscal year following the fiscal year in which the leave of absence terminated or before the member retires, whichever is earlier. Payment must be accompanied by a copy of the resolution or action of the employing authority granting the leave and the employing authority, upon granting the leave, must certify the leave to the association in a manner specified by the executive director. A member may not receive more than one year of allowable service credit during any fiscal year by making payment under this section. A member may not receive disability benefits under section 354A.36 and receive allowable service credit under this section for the same period of time.

Sec. 15. Minnesota Statutes 1990, section 354A.31, subdivision 3, is amended to read:

Subd. 3. [RESUMPTION OF TEACHING AFTER COMMENCEMENT OF A RETIREMENT ANNUITY.] Any person who retired and is receiving a coordinated program retirement annuity under the provisions of sections 354A.31 to 354A.41 and who has resumed teaching service for the school district in which the teachers retirement fund association exists is entitled to continue to receive retirement annuity payments, except that annuity payments must be reduced during the calendar year immediately following the calendar year in which the person's income from the teaching service is in an amount greater than the annual maximum earnings allowable for that age for the continued receipt of full benefit amounts monthly under the federal old age, survivors, and disability insurance program as set by the secretary of health and human services under ~~the provisions of~~ United States Code, title 42, section 403. The amount of the reduction must be ~~one-half~~ *one-third* the amount in excess of the applicable reemployment income maximum specified in this subdivision and must be deducted from

the annuity payable for the calendar year immediately following the calendar year in which the excess amount was earned. If the person has not yet reached the minimum age for the receipt of social security benefits, the maximum earnings for the person must be equal to the annual maximum earnings allowable for the minimum age for the receipt of social security benefits.

If the person is retired for only a fractional part of the calendar year during the initial year of retirement, the maximum reemployment income specified in this subdivision must be prorated for that calendar year.

After a person has reached the age of 70, no reemployment income maximum is applicable regardless of the amount of any compensation received for teaching service for the school district in which the teachers retirement fund association exists.

Sec. 16. Minnesota Statutes 1990, section 354A.36, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF DISABILITY BENEFIT.] The coordinated permanent disability benefit ~~shall be~~ *is* an amount equal to the normal coordinated retirement annuity computed ~~pursuant to~~ *under* section 354A.31, subdivision 4, based on allowable service credited to the date of disability but without any reduction for the commencement of the benefit prior to the attainment of normal retirement age or age 62 with at least 30 years of service credit as specified in section 354A.31, subdivision 6. ~~The disabled coordinated member shall not be entitled to elect an optional annuity form pursuant to section 354A.32 prior to attaining normal retirement age as provided in subdivision 10.~~

Sec. 17. Minnesota Statutes 1990, section 354A.38, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF REFUND REPAYMENT AMOUNT.] If the coordinated member elects to repay a refund ~~pursuant to~~ *under* subdivision 2, the repayment to the fund ~~shall~~ *must* be in an amount equal to refunds ~~which~~ the member has accepted plus interest at the rate of ~~six~~ *8-1/2* percent compounded annually from the date that the refund was accepted to the date that the refund is repaid.

Sec. 18. [FIRST CLASS CITY TEACHERS PLANS; RETIREE RESUMING SERVICE.]

In accordance with Minnesota Statutes, section 354A.12, subdivision 4, the Minneapolis teachers retirement fund association, the St. Paul teachers retirement fund association, and the Duluth teachers retirement fund association may amend the articles of incorporation or bylaws of the respective association. This authorization is to provide that any person who is retired and receiving a basic program formula retirement annuity under the articles of incorporation or bylaws of the Minneapolis teachers retirement fund association or the St. Paul teachers retirement fund association, or any person who is retired and receiving an old law coordinated program formula retirement annuity under the articles of incorporation or bylaws of the Duluth retirement fund association, and who has resumed teaching service for the school district covered by that same retirement fund association, is entitled to continue to receive retirement annuity payments. However, the annuity payments must be reduced in accordance with Minnesota Statutes, section 354A.31, subdivision 3, if the person's income from teaching service is an amount greater than the maximum earnings allowable for that age for the

continued receipt of full benefit amounts monthly under the federal old age, survivors, and disability insurance program as set by the Secretary of Health and Human Services under United States Code, title 42, section 403.

Sec. 19. [MINNEAPOLIS RESERVE TEACHERS: EXCLUSION OF PRIOR SERVICE.]

A reserve teacher providing service to special school district No. 1 prior to July 1, 1988, for whom contributions were not made to the Minneapolis teachers retirement fund association is not eligible to receive service credit for the period or periods of omitted contributions, unless service credit has previously been granted for the period or periods. On or after July 1, 1992, reserve teachers meeting the definition of a teacher as defined under Minnesota Statutes, section 354A.011, subdivision 27, and providing service to special school district No. 1 must become members and contributions must be deducted as required by Minnesota Statutes, section 354A.12.

Sec. 20. [OMITTED CONTRIBUTION REIMBURSEMENT; MINNEAPOLIS TEACHERS RETIREMENT FUND ASSOCIATION AND SPECIAL SCHOOL DISTRICT NO. 1.]

Subdivision 1. [REIMBURSEMENT AUTHORIZATION.] *Special school district No. 1 is authorized to be reimbursed for a portion of contributions certified by the executive director of the Minneapolis teachers retirement fund association to the commissioner of finance under Laws 1991, chapter 317, sections 3 and 6, if the omitted contributions occurred during the period of July 1, 1988, to July 1, 1991, and were certified to the commissioner of finance before January 31, 1992.*

Subd. 2. [TEACHER NOTIFICATION.] *The executive director of the Minneapolis teachers retirement fund association and the school board must jointly notify in writing teachers with omitted contributions, identified in subdivision 1, of their option to make payment of omitted employee contributions without interest.*

Subd. 3. [PAYMENT PROCEDURE.] *If an individual notified under subdivision 2 elects to make payment, the full amount must be remitted to the association in a lump sum within 60 days of notification, or the individual may elect to make payment through a payroll deduction. If the individual chooses to make payment through a payroll deduction, that option must be selected within 60 days of notification. The payroll deduction period may not exceed one year. The employing unit must transmit amounts withheld through payroll deductions to the association along with normal payroll contributions.*

Subd. 4. [SCHOOL DISTRICT REIMBURSEMENT.] *On a quarterly basis, the executive director of the association will determine the amounts received by the association under subdivision 3 through direct lump-sum payments and payroll deductions. The employing unit will be notified of these amounts received by the association, and the employing unit may withhold an equivalent amount from subsequent obligations under Minnesota Statutes, section 354A.12, subdivision 2.*

Subd. 5. [EFFECT OF TEACHER NONPAYMENT.] *(a) If a teacher notified under subdivision 2 does not elect to make payments under subdivision 3, or if full payment is not received within the required time limits, the teacher is not entitled to the service credit for the period of omitted contributions identified in subdivision 1, or for any earlier period, and the teacher forfeits any option to purchase that service credit at a later date.*

(b) For individuals identified in paragraph (a), the association must determine an amount equivalent to the omitted employee contribution, without interest, for the period specified in subdivision 1. This amount must be applied by the employer against subsequent obligations under Minnesota Statutes, section 354A.12, subdivision 2.

Sec. 21. [MINNEAPOLIS TEACHERS MODIFICATION OF DISABILITY BENEFITS.]

(a) In accordance with Minnesota Statutes, section 354A.12, subdivision 4, the Minneapolis teachers retirement fund association may amend its articles of incorporation to clarify certain provisions governing disability benefits for members of the basic program and to conform certain administrative provisions to the statutory provisions applicable to disability benefits for coordinated program members, as provided in paragraphs (b) to (g).

(b) Article 5, section 5.11, may be amended to change the definition of "disability" from the "inability to render further satisfactory service as a teacher" to the "inability to engage in any substantial gainful activity" by reason of any medically determinable physical or mental impairment that can be expected to be of long continued and indefinite duration, which may not be less than one year.

(c) Article 21, section 21.3, may be amended to clarify that disability benefits accrue from the later of either 90 days following commencement of the permanent disability or the first day of the month following the date on which the written application for the disability benefit has been filed with the board.

(d) Article 21, section 21.4, may be amended to provide that basic program disability recipients submit to regular medical examinations at least once each year during the first five years of disability and at least once in every subsequent three-year period, in conformity with the requirements applicable to the coordinated program contained in Minnesota Statutes, section 354A.36, subdivision 6.

(e) Article 21, section 21.5, may be amended to provide that if a basic member disability recipient resumes gainful employment, and the earnings from that employment, together with the disability benefit payments, exceed the monthly compensation the member would have received if the member had remained in active teaching service in the position held prior to becoming disabled, the disability benefit must be reduced by the excess.

(f) Article 21 may be amended by adding a subsection to provide that a basic program disability recipient who remains disabled until normal retirement age must be transferred to retirement status. The disability benefit terminates upon the transfer, and the person is subsequently entitled to receive a retirement annuity in accordance with the optional annuity previously elected or, if the person had not elected an optional annuity, then, at the person's option, either a straight life retirement annuity in accordance with the articles of incorporation or a straight life retirement annuity equal to the disability benefit paid prior to the date on which the person attained normal retirement age, whichever is greater, or an optional annuity as provided in the articles of incorporation. If an optional annuity is elected, the election must be made prior to the person's attaining normal retirement age and takes effect on the date of the election.

(g) Paragraphs (b) to (f) apply to a basic member who applies for a

disability benefit after the effective date of the amendments. Paragraphs (c) to (f) also apply to basic program members who made application for disability benefits before the effective date of the amendments and who are currently receiving disability benefits.

Sec. 22. [REPEALER.]

Minnesota Statutes 1990, sections 354A.011, subdivision 2; and 354A.40, subdivisions 2 and 3, are repealed.

Sec. 23. [EFFECTIVE DATE.]

Section 17 is effective May 1, 1994. Sections 1 to 16 and 18 to 22 are effective the day following final enactment.

ARTICLE 7

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 2, delete everything after the semicolon and insert "various

retirement plans;"

Page 1, delete line 3

Page 1, line 4, delete "teachers retirement association;"

Page 1, line 6, after the semicolon, insert "authorizing purchases of prior service credit; increasing the employer contribution rate for certain first class city teacher retirement fund association coordinated programs; 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;"

Page 1, line 12, after "2;" insert "353A.07, subdivision 3, as amended;"

Page 1, line 14, before "and" insert "354A.011, subdivisions 4, 8, 11, 12, 13, 15, 21, 24, and 27; 354A.021, subdivision 6; 354A.05; 354A.08; 354A.096; 354A.12, subdivision 2; 354A.31, subdivision 3; 354A.36, subdivision 3; 354A.38, subdivision 3;"

Page 1, line 17, delete the second "and"

Page 1, line 18, before the period, insert "; and 354A.011, subdivision 26; repealing Minnesota Statutes 1990, sections 354A.011, subdivision 2; and 354A.40, subdivisions 2 and 3"

CALL OF THE SENATE

Mr. Waldorf imposed a call of the Senate for the balance of the proceedings on H.F. No. 2025. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Waldorf then moved to amend the Waldorf amendment to H.F. No. 2025 as follows:

Page 2, after line 1, insert:

"*Subd. 2.* [PURCHASE PAYMENT AMOUNT.] *(a) To purchase credit for prior eligible service under subdivision 1, there must be paid to the public employees retirement association an amount equal to the present value on the date of payment, of the amount of the additional retirement annuity obtained by purchase of the additional service credit.*

(b) Calculation of this amount must be made by the executive director of the public employees retirement association using the applicable preretirement interest rate specified in Minnesota Statutes, section 356.215, subdivision 4d, and the mortality table adopted for the coordinated program of the retirement association. The calculation must assume continuous future service in the association until, and retirement at, the age at which the minimum requirements of the retirement association 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 salary increase rate specified in section 356.215, subdivision 4d.

(c) The eligible person must establish in the records of the association 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 retirement association.

(d) The portion of the total cost of the purchase payable by the eligible person is specified in subdivision 3. The remaining portion of total cost is to be paid by the applicable employing unit as specified in subdivision 4.

Subd. 3. [ELIGIBLE PERSON PAYMENT.] *(a) To receive credit for the period of service credit purchase specified in subdivision 1, paragraph (c), the eligible person specified in subdivision 1, paragraph (b), must pay a member contribution equivalent amount.*

(b) The member contribution equivalent amount is an amount equal to four percent of the person's actual salary rate or rates during the period for service credit purchase, plus six percent annually compounded interest from the date on which a member contribution should have been made if membership during the period of service credit purchase had been properly determined to the date on which payment is made. Payment must be made in a lump sum. Authority to make the member contribution equivalent amount expires on September 1, 1992. If the member contribution equivalent amount was tendered by the eligible person before the effective date of this section, no additional contribution amount or interest is payable by the eligible person.

Subd. 4. [MANDATORY EMPLOYING UNIT PAYMENT.] *(a) Within 30 days of the effective date of this section or 60 days of the receipt by the executive director of the public employees retirement association of the payment from the eligible person under subdivision 3, whichever is later, the governmental unit employing the eligible person described in subdivision 1, paragraph (b), during the period of service credit purchase described in subdivision 1, paragraph (c), shall pay the difference between the amounts specified in subdivisions 2 and 3.*

(b) The mandatory employing unit payment amount is payable by the governmental unit in a lump sum.

Subd. 5. [SERVICE CREDIT GRANT.] *Service credit for the purchase period must be granted to the account of the eligible person upon receipt of the purchase payment amount specified in subdivision 2."*

Page 7, line 16, after "*association*" insert "*and the St. Paul teachers retirement fund association*"

Renumber the subdivisions in sequence and correct the internal references

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

Mr. Pogemiller moved to amend the first Waldorf amendment to H.F. No. 2025 as follows:

Page 7, line 16, delete "*1993*" and insert "*1994*"

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

The question recurred on the first Waldorf amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Ms. Ranum moved that the following members be excused for a Conference Committee on H.F. No. 2181 from 11:00 a.m. to 12:30 p.m.:

Messrs. Merriam, Neuville and Ms. Ranum. The motion prevailed.

H.F. No. 2025 was read the third time, as amended, and placed on its final passage.

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

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

Those who voted in the affirmative were:

Adkins	Day	Johnston	Neuville	Sams
Beckman	DeCramer	Kelly	Novak	Samuelson
Belanger	Dicklich	Knaak	Pappas	Solon
Benson, J.E.	Finn	Kroening	Pariseau	Spear
Berg	Flynn	Laidig	Piper	Stumpf
Berglin	Frank	Larson	Pogemiller	Terwilliger
Bernhagen	Frederickson, D.J.	Lessard	Price	Traub
Bertram	Frederickson, D.R.	Luther	Ranum	Vickerman
Cohen	Halberg	McGowan	Reichgott	Waldorf
Dahl	Johnson, D.J.	Mehrkens	Renneke	
Davis	Johnson, J.B.	Metzen	Riveness	

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

RECESS

Mr. Luther moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 2314: Messrs. Kroening, Pogemiller and Ms. Flynn.

S.F. No. 1993: Ms. Flynn, Messrs. DeCramer and Frank.

S.F. No. 2199: Messrs. Merriam, Morse and Ms. Olson.

H.F. No. 1681: Messrs. Solon, Spear and Belanger.

H.F. No. 2280: Messrs. Dicklich; Johnson, D.J. and Gustafson.

H.F. No. 2030: Messrs. Chmielewski, Kroening and Gustafson.

S.F. No. 81: Messrs. Hottinger, Frank and Knaak.

Mr. Luther moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Chmielewski moved that the name of Mr. Mondale be added as a co-author to S.F. No. 2107. The motion prevailed.

S.F. No. 1722 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON 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.

April 15, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1722, 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. 1722 be further amended as follows:

Page 1, after line 24, insert:

"Sec. 2. [CITY OF MINNEAPOLIS; RESIDENCY REQUIREMENTS.]

Notwithstanding Minnesota Statutes, section 415.16, or any other law, home rule charter, ordinance, resolution, or rule to the contrary, the city of Minneapolis may require residency within the city's territorial limits as a condition of employment by the city. The residency requirement may apply only to persons hired after the date the requirement is imposed.

Sec. 3. [SPECIAL SCHOOL DISTRICT NO. 1; RESIDENCY REQUIREMENTS.]

Special school district No. 1 may require residency within the school district's territorial limits as a condition of employment by the school district. The residency requirement may apply only to persons hired after the date the requirement is imposed.

Sec. 4. [CITY LIBRARY BOARD; RESIDENCY REQUIREMENTS.]

The library board of the city of Minneapolis may require residency within the territorial limits of the city of Minneapolis as a condition of employment by the board. The residency requirement may apply only to persons hired after the date the requirement is imposed.

Sec. 5. [CITY PARK AND RECREATION BOARD; RESIDENCY REQUIREMENTS.]

The park and recreation board of the city of Minneapolis may require residency within the territorial limits of the city of Minneapolis as a condition of employment by the board. The residency requirement may apply only to persons hired after the date the requirement is imposed.

Sec. 6. [LOCAL APPROVAL.]

Section 2 takes effect the day after the governing body of the city of Minneapolis complies with Minnesota Statutes, section 645.021, subdivision 3.

Section 3 takes effect the day after the governing body of special school district No. 1 complies with Minnesota Statutes, section 645.021, subdivision 3.

Section 4 takes effect the day after the governing body of the library

board of the city of Minneapolis complies with Minnesota Statutes, section 645.021, subdivision 3.

Section 5 takes effect the day after the governing body of the park and recreation board of the city of Minneapolis complies with Minnesota Statutes, section 645.021, subdivision 3."

Delete the title and insert:

"A bill for an act relating to local government; providing for the release of a state interest in certain property in the city of Minneapolis; authorizing the city of Minneapolis, special school district No. 1, the Minneapolis library board, and the Minneapolis park and recreation board to impose residency requirements as a condition of employment."

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

Senate Conferees: (Signed) Carl W. Kroening, Jim Gustafson

House Conferees: (Signed) Richard H. Jefferson, John J. Sarna, Ben Boo

Mr. Kroening moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1722 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Ms. Traub moved that the recommendations and Conference Committee Report on S.F. No. 1722 be rejected, the Conference Committee discharged, and that a new Conference Committee be appointed by the Subcommittee on Committees to act with a like Conference Committee appointed on the part of the House.

CALL OF THE SENATE

Mr. Dahl imposed a call of the Senate for the balance of the proceedings on S.F. No. 1722. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the motion of Ms. Traub.

Mr. Moe, R.D. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 37 and nays 22, as follows:

Those who voted in the affirmative were:

Belanger	Finn	Knaak	Metzen	Renneke
Benson, D.D.	Frank	Laidig	Mondale	Riveness
Benson, J.E.	Frederickson, D.R.	Larson	Morse	Sams
Berg	Halberg	Lessard	Neuville	Terwilliger
Bernhagen	Hughes	Luther	Novak	Traub
Bertram	Johnson, D.E.	Marty	Pariseau	
Davis	Johnson, J.B.	McGowan	Price	
Day	Johnston	Mehrkens	Reichgott	

Those who voted in the negative were:

Adkins	DeCramer	Johnson, D.J.	Pappas	Stumpf
Beckman	Dicklich	Kelly	Piper	Vickerman
Berglin	Flynn	Kroening	Ranum	
Cohen	Frederickson, D.J.	Langseth	Samuelson	
Dahl	Gustafson	Moe, R.D.	Spear	

The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Ms. Reichgott moved that the following members be excused for a Conference Committee on S.F. No. 2194 from 11:00 a.m. to 12:30 p.m.:

Messrs. Frederickson, D.R.; Waldorf and Ms. Reichgott. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Merriam moved that the following members be excused for a Conference Committee on S.F. No. 2199 at 11:00 a.m.:

Messrs. Merriam, Morse and Ms. Olson. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1701 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1701: A bill for an act relating to railroads; authorizing expenditure of rail service improvement account money for maintenance of rail lines and rights-of-way in the rail bank; authorizing the commissioner of transportation to acquire abandoned rail lines and rights-of-way by eminent domain; eliminating requirement to offer state rail bank property to adjacent land owners; amending Minnesota Statutes 1990, sections 222.50, subdivision 7; 222.63, subdivisions 2, 2a, and 4; repealing Minnesota Statutes 1990, section 222.63, subdivision 5.

Mr. DeCramer moved to amend H.F. No. 1701, the unofficial engrossment, as follows:

Page 1, after line 12, insert:

"Section 1. Minnesota Statutes 1990, section 169.67, subdivision 1, is amended to read:

Subdivision 1. [MOTOR VEHICLES.] Every motor vehicle, other than a motorcycle, when operated upon a highway, shall be equipped with brakes adequate to control the movement of and to stop and hold such vehicle, including two separate means of applying the brakes, each of which means shall be effective to apply the brakes to at least two wheels. If these two separate means of applying the brakes are connected in any way, they shall be so constructed that failure of any one part of the operating mechanism shall not leave the motor vehicle without brakes on at least two wheels. *The requirement in this subdivision for separate braking systems does not apply to a commercial motor vehicle described in section 169.781, subdivision 5, paragraph (d).*

Sec. 2. Minnesota Statutes 1991 Supplement, section 169.781, subdivision 5, is amended to read:

Subd. 5. [INSPECTION DECALS.] (a) A person inspecting a commercial motor vehicle shall issue an inspection decal for the vehicle if each inspected component of the vehicle complies with federal motor carrier safety regulations. The decal must state that in the month specified on the decal the

vehicle was inspected and each inspected component complied with federal motor carrier safety regulations. The decal is valid for 12 months after the month specified on the decal. The commissioners of public safety and transportation shall make decals available, at a fee of not more than $2 for each decal, to persons certified to perform inspections under subdivision 3, paragraph (b).

(b) Minnesota inspection decals may be affixed only to commercial motor vehicles bearing Minnesota-based license plates.

(c) Notwithstanding paragraph (a), a person inspecting (1) a vehicle of less than 57,000 pounds gross vehicle weight and registered as a farm truck, ~~or~~ (2) a storage semitrailer, *or (3) a building mover vehicle* must issue an inspection decal to the vehicle unless the vehicle has one or more defects that would result in the vehicle being declared out of service under the North American Uniform Driver, Vehicle, and Hazardous Materials Out-of-Service Criteria issued by the federal highway administration and the commercial motor vehicle safety alliance. A decal issued to a vehicle described in clause (1) ~~or~~, (2), *or (3)* is valid for two years from the date of issuance. A decal issued to such a vehicle must clearly indicate that it is valid for two years from the date of issuance.

(d) Notwithstanding paragraph (a), a commercial motor vehicle that (1) is registered as a farm truck, (2) is not operated more than 75 miles from the owner's home post office, and (3) was manufactured before 1979 that has a dual transmission system, is not required to comply with a requirement in an inspection standard that requires that the service brake system and parking brake system be separate systems in the motor vehicle."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. DeCramer then moved to amend H.F. No. 1701, the unofficial engrossment, as follows:

Page 1, after line 12, insert:

"Section 1. Minnesota Statutes 1990, section 171.02, is amended by adding a subdivision to read:

Subd. 2b. [RESTRICTED COMMERCIAL DRIVERS' LICENSES.] *(a) The commissioner may issue restricted commercial drivers' licenses and take the following actions to the extent that the actions are authorized by regulation of the United States Department of Transportation entitled "waiver for farm-related service industries" as published in the Federal Register, April 17, 1992:*

(1) prescribe examination requirements and other qualifications for the license;

(2) prescribe classes of vehicles that may be operated by holders of the license;

(3) specify commercial motor vehicle operation that is authorized by the license, and prohibit other commercial vehicle operation by holders of the license; and

(4) prescribe the period of time during which the license is valid.

(b) Restricted commercial drivers' licenses are subject to sections 171.165 to 171.166 in the same manner as other commercial drivers' licenses.

(c) Actions of the commissioner under this subdivision are not subject to sections 14.05 to 14.47 of the administrative procedure act."

Page 4, after line 1, insert:

"Sec. 7. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Mehrkens moved to amend H.F. No. 1701, the unofficial engrossment, as follows:

Page 1, after line 12, insert:

"Section 1. Minnesota Statutes 1990, section 168.012, subdivision 1, is amended to read:

Subdivision 1. (a) The following vehicles are exempt from the provisions of this chapter requiring payment of tax and registration fees, except as provided in subdivision 1c:

(1) vehicles owned and used solely in the transaction of official business by representatives of foreign powers, by the federal government, the state, or any political subdivision;

(2) vehicles owned and used exclusively by educational institutions and used solely in the transportation of pupils to and from such institutions;

(3) vehicles used solely in driver education programs at nonpublic high schools;

(4) vehicles owned by nonprofit charities and used exclusively to transport disabled persons for educational purposes;

(5) vehicles owned and used by honorary consul or consul general of foreign governments; and

(6) ambulances owned by ambulance services licensed under section 144.802, the general appearance of which is unmistakable.

(b) Vehicles owned by the federal government, municipal fire apparatus, police patrols and ambulances, the general appearance of which is unmistakable, shall not be required to register or display number plates.

(c) Unmarked vehicles used in general police work and arson investigations, and passenger automobiles, pickup trucks, and buses owned or operated by the department of corrections shall be registered and shall display appropriate license number plates which shall be furnished by the registrar at cost. Original and renewal applications for these license plates authorized for use in general police work and for use by the department of corrections must be accompanied by a certification signed by the appropriate chief of police if issued to a police vehicle, the appropriate sheriff if issued to a sheriff's vehicle, the commissioner of corrections if issued to a department of corrections vehicle, or the appropriate officer in charge if issued to a vehicle of any other law enforcement agency. The certification must

be on a form prescribed by the commissioner and state that the vehicle will be used exclusively for a purpose authorized by this section.

(d) Unmarked vehicles used by the department of revenue in conducting seizures or criminal investigations must be registered and must display passenger vehicle classification license number plates which shall be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the commissioner of revenue. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the purposes authorized by this section.

(e) All other motor vehicles shall be registered and display tax-exempt number plates which shall be furnished by the registrar at cost, except as provided in subdivision 1c. All vehicles required to display tax-exempt number plates shall have the name of the state department or political subdivision, or the nonpublic high school operating a driver education program, on the vehicle plainly displayed on both sides thereof in letters not less than 2-1/2 inches high and one-half inch wide; except that each state hospital and institution for the mentally ill and mentally retarded may have one vehicle without the required identification on the sides of the vehicle, *and county social service agencies may have vehicles used for child and vulnerable adult protective services without the required identification on the sides of the vehicle*. Such identification shall be in a color giving contrast with that of the part of the vehicle on which it is placed and shall endure throughout the term of the registration. The identification must not be on a removable plate or placard and shall be kept clean and visible at all times; except that a removable plate or placard may be utilized on vehicles leased or loaned to a political subdivision or to a nonpublic high school driver education program.

Sec. 2. Minnesota Statutes 1990, section 168.012, is amended by adding a subdivision to read:

Subd. 12. [FEES CREDITED TO HIGHWAY USER FUND.] *Administrative fees and fees collected from the sale of license plates under this section must be paid into the state treasury and credited to the highway user tax distribution fund.*

Sec. 3. Minnesota Statutes 1991 Supplement, section 168.041, is amended by adding a subdivision to read:

Subd. 11. [FEES CREDITED TO HIGHWAY USER FUND.] *Fees collected from the sale of license plates under this section must be paid into the state treasury and credited to the highway user tax distribution fund.*

Sec. 4. Minnesota Statutes 1990, section 168.042, is amended by adding a subdivision to read:

Subd. 15. [FEES CREDITED TO HIGHWAY USER FUND.] *Fees collected from the sale of license plates under this section must be paid into the state treasury and credited to the highway user tax distribution fund.*

Sec. 5. Minnesota Statutes 1990, section 168.12, subdivision 2, is amended to read:

Subd. 2. [AMATEUR RADIO STATION LICENSEE; SPECIAL LICENSE PLATES.] Any applicant who is an owner or joint owner of a passenger automobile, van or pickup truck, or a self-propelled recreational vehicle, and a resident of this state, and who holds an official amateur radio

station license, or a citizens radio service class D license, in good standing, issued by the Federal Communications Commission shall upon compliance with all laws of this state relating to registration and the licensing of motor vehicles and drivers, be furnished with license plates for the motor vehicle, as prescribed by law, upon which, in lieu of the numbers required for identification under subdivision 1, shall be inscribed the official amateur call letters of the applicant, as assigned by the Federal Communications Commission. The applicant shall pay in addition to the registration tax required by law, the sum of $10 for the special license plates, and at the time of delivery of the special license plates the applicant shall surrender to the registrar the current license plates issued for the motor vehicle. This provision for the issue of special license plates shall apply only if the applicant's vehicle is already registered in Minnesota so that the applicant has valid regular Minnesota plates issued for that vehicle under which to operate it during the time that it will take to have the necessary special license plates made. If owning or jointly owning more than one motor vehicle of the type specified in this subdivision, the applicant may apply for special plates for each of not more than two vehicles, and, if each application complies with this subdivision, the registrar shall furnish the applicant with the special plates, inscribed with the official amateur call letters and other distinguishing information as the registrar considers necessary, for each of the two vehicles. And the registrar may make reasonable rules governing the use of the special license plates as will assure the full compliance by the owner and holder of the special plates, with all existing laws governing the registration of motor vehicles, the transfer and the use thereof.

Despite any contrary provision of subdivision 1, the special license plates issued under this subdivision may be transferred to another motor vehicle upon the payment of a fee of $5. ~~The fee must be paid into the state treasury and credited to the highway user tax distribution fund.~~ The registrar must be notified of the transfer and may prescribe a form for the notification.

Fees collected under this subdivision must be paid into the state treasury and credited to the highway user tax distribution fund.

Sec. 6. Minnesota Statutes 1990, section 168.12, subdivision 5, is amended to read:

Subd. 5. [ADDITIONAL FEE.] In addition to any fee otherwise authorized or any tax otherwise imposed upon any motor vehicle, the payment of which is required as a condition to the issuance of any number license plate or plates, the commissioner of public safety may impose a fee ~~of $2 for a~~ *that is calculated to cover the cost of manufacturing and issuing the* license plate ~~for a motorcycle, motorized bicycle, or motorized sidecar, and $2 for license~~ *or* plates, ~~other than~~ *except for license plates issued to disabled veterans as defined in section 168.031 and* license plates issued pursuant to section *168.124 or* 168.27, subdivisions 16 and 17, for passenger automobiles. Graphic design license plates shall only be issued for vehicles registered pursuant to section 168.017 and recreational vehicles registered pursuant to section 168.013, subdivision 1g.

Fees collected under this subdivision must be paid into the state treasury and credited to the highway user tax distribution fund.

Sec. 7. Minnesota Statutes 1990, section 168.128, is amended by adding a subdivision to read:

Subd. 4. [FEES CREDITED TO HIGHWAY USER FUND.] *Fees collected*

from the sale of license plates under this section must be paid into the state treasury and credited to the highway user tax distribution fund.

Sec. 8. 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. 9. 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. 10. Minnesota Statutes 1990, section 168.29, is amended to read:

168.29 [~~DUPLICATE~~ *REPLACEMENT* PLATES.]

In the event of the defacement, loss or destruction of any number plates *or validation stickers*, the registrar, upon receiving and filing a sworn statement of the vehicle owner, setting forth the circumstances of the defacement, loss, destruction or theft of the number plates *or validation stickers*, together with any defaced plates *or stickers* and the payment of ~~the~~ *a* fee ~~of $5~~ *calculated to cover the cost of replacement*, shall issue a new set of plates~~, except for duplicate personalized license plates provided for in section 168.12, subdivision 2a. The registrar shall impose a fee to replace personalized plates not to exceed the actual cost of producing the plates~~ *or stickers*.

The registrar shall then note on the registrar's records the issue of ~~such~~ new number plates and shall proceed in such manner as the registrar may deem advisable to cancel and call in the original plates so as to insure against their use on another motor vehicle.

Duplicate registration certificates plainly marked as duplicates may be issued in like cases upon the payment of a $1 fee.

Fees collected under this section must be paid into the state treasury and credited to the highway user tax distribution fund.

Sec. 11. Minnesota Statutes 1991 Supplement, section 171.07, subdivision 3, is amended to read:

Subd. 3. [IDENTIFICATION CARD; FEE.] Upon payment of the required fee, the department shall issue to every applicant therefor a Minnesota identification card. The department may not issue a Minnesota identification card to a person who has a driver's license, other than an instruction permit or a limited license. The card must bear a distinguishing number assigned to the applicant, a colored photograph or an electronically produced image, the full name, date of birth, residence address, a description of the applicant in the manner as the commissioner deems necessary, and a space upon which the applicant shall write the usual signature and the date of

birth of the applicant with pen and ink.

Each Minnesota identification card must be plainly marked "Minnesota identification card - not a driver's license."

The fee for a Minnesota identification card issued to a person who is mentally retarded, as defined in section 252A.02, subdivision 2, *or to a physically disabled person, as defined in section 169.345, subdivision 2,* is 50 cents."

Page 3, after line 34, insert:

"Sec. 16. [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 3, line 36, delete "*section*" and insert "*sections*" and delete ", *is*" and insert "*; and 296.17, subdivision 9a, are*"

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Waldorf moved to amend H.F. No. 1701, the unofficial engrossment, as follows:

Page 1, after line 12, insert:

"Section 1. 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*, *65*, 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."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. DeCramer moved to amend H.F. No. 1701, the unofficial engrossment, as follows:

Page 3, after line 34, insert:

"Sec. 5. [DEFINITIONS.]

Subdivision 1. [SCOPE.] *The terms used in sections 5 to 10 have the meanings given them in this section and Minnesota Statutes, section 160.02.*

Subd. 2. [BOT FACILITY.] *"BOT facility" means a build-operate-transfer toll facility constructed, improved, or rehabilitated and operated by a private operator that holds title to the facility subject to a development agreement that provides that title will be transferred to the road authority on expiration of an agreed term.*

Subd. 3. [BTO FACILITY.] *"BTO facility" means a build-transfer-operate toll facility constructed, improved, or rehabilitated by a private operator who: (1) transfers any interest it may have in the toll facility to the road authority before operation begins; and (2) operates the toll facility for an agreed term under a lease, management, or toll concession agreement.*

Subd. 4. [COMMISSIONER.] *"Commissioner" means the commissioner of transportation.*

Subd. 5. [DEVELOPMENT AGREEMENT.] *"Development agreement" means a written agreement between a road authority and a private operator that provides for the construction, improvement, rehabilitation, ownership, and operation of a toll facility.*

Subd. 6. [PRIVATE OPERATOR.] *"Private operator" means an individual, a corporation, a partnership, a cooperative or unincorporated association, a joint venture, or a consortium that constructs, improves, rehabilitates, owns, leases, operates, or manages a toll facility subject to sections 5 to 10.*

Subd. 7. [ROAD AUTHORITY.] *"Road authority" has the meaning given it in Minnesota Statutes, section 160.02, subdivision 9, and also refers to a joint powers authority formed under section 10.*

Subd. 8. [TOLL FACILITY.] *"Toll facility" means a bridge, causeway, or tunnel, and its approaches; a road, street, or highway; an appurtenant building, structure, or other improvement; land lying within applicable rights-of-way; and other appurtenant rights or hereditaments that together comprise a project for which a private operator is authorized to operate and impose tolls under sections 5 to 10.*

Sec. 6. [AUTHORITY.]

Subdivision 1. [ROAD AUTHORITY.] *A road authority may solicit or accept proposals from and enter into development agreements with private*

operators for constructing, improving, rehabilitating, operating, and managing toll facilities wholly or partly within the road authority's jurisdiction. A road authority soliciting toll facility proposals must publish a notice of solicitation in the State Register.

Subd. 2. [PRIVATE OPERATORS.] *Private operators are authorized to construct, improve, rehabilitate, own, lease, manage, and operate toll facilities subject to the terms of sections 5 to 10. Private operators may mortgage, grant security interests in, and pledge their interests in: (1) toll facilities and their components; (2) development, lease, toll concessions, and other related agreements; and (3) income, profits, and proceeds of the toll facility.*

Subd. 3. [APPROVAL.] *No road authority and private operator may enter into a development agreement without the prior approval of the commissioner and the governing body of each county and municipality through which the facility is to pass. A road authority and private operator in the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, must obtain the council approval required in Minnesota Statutes, section 473.167, subdivision 1.*

Subd. 4. [DEVELOPMENT AGREEMENT.] *(a) A development agreement for toll facilities may provide for any mode of ownership or operation approved by the road authority, including ownership by the private operator without reversion of title, operation of the facilities under leases or management contracts, or BOT or BTO facilities.*

(b) A development agreement may permit the private operator to assemble funds from any available source, including federal, state, and local grants, bond proceeds, contributions, and pledges and to incorporate an existing road or highway, a bridge, and approach structures, and related improvements into the toll facility. The private operator shall pay the road authority the fair market value of any property incorporated into the facility or shall adjust toll charges to the public to reflect the value of the incorporated property.

(c) A development agreement may include grants of title, easements, rights-of-way, and leasehold estates necessary to the toll facility.

(d) A development agreement may authorize the private operator to charge variable rate tolls based on time of day, vehicle characteristics, or other factors approved by the road authority.

(e) A development agreement may include authorization by the road authority to the private operator to exercise powers possessed by the road authority with respect to similar facilities.

Subd. 5. [RIGHT-OF-WAY ACQUISITION.] *A private operator may acquire right-of-way by donation, lease, or purchase. A road authority may acquire right-of-way by eminent domain and may donate, sell, or lease a right-of-way to a private operator.*

Subd. 6. [RESTRICTION.] *No toll facility may be used for any purpose other than the transportation purposes specified in the development agreement for the term of the agreement.*

Subd. 7. [TOLL FACILITY ACQUIRED BY ROAD AUTHORITY.] *A development agreement that requires transfer or reversion of a toll facility to a road authority must provide that the transfer be at no cost to the road authority. The private operator shall establish an escrow account with sufficient funds to ensure that the facility meets applicable construction and*

maintenance standards of the road authority upon reversion.

Subd. 8. [APPLICATION OF OTHER LAW.] *A private operator must obtain all environmental, navigational, design, or safety approvals required if the toll facility were constructed or operated by a road authority.*

Sec. 7. [DEVELOPMENT AGREEMENTS; MANDATORY PROVISIONS.]

A development agreement must include the following provisions:

(a) The toll facility must meet the road authority's standards of design and construction for roads and bridges of the same functional classification and must be constructed by contractors on the department's list of eligible contractors.

(b) The commissioner must review and approve the location and design of a bridge over navigable waters as if the bridge were constructed by a road authority. This does not diminish the private operator's responsibility for bridge safety.

(c) The private operator shall manage and operate the toll facility in cooperation with the road authority and subject to the development agreement.

(d) The toll facility is subject to regular inspections by the road authority and the commissioner.

(e) The road authority shall provide maintenance, snow removal, and police services to the toll facility and the private operator shall pay the road authority the cost of services provided.

Sec. 8. [COST RECOVERY.]

Subdivision 1. [USE OF TOLL REVENUES.] *Toll revenues must be applied to repayment of indebtedness incurred for the toll facility; lease or toll concessions payments; costs of operation, administration, rehabilitation, and maintenance necessary to meet applicable standards of the commissioner; and reasonable reserves for future capital outlays. The enumeration of uses in this subdivision does not state priorities for the use of these revenues.*

Subd. 2. [RESIDUAL TOLL REVENUES.] *Residual toll revenues belong to the private operator, except for payments to a road authority under the development agreement or a related toll concession agreement.*

Subd. 3. [CONTINUATION OF TOLLS.] *After expiration of a lease for a BTO facility, or after title has reverted for a BOT facility, the road authority may continue to charge tolls for the facility.*

Subd. 4. [TOLLS PRESCRIBED.] *A road authority may prescribe tolls on a toll facility only if the road authority reasonably determines that no feasible alternative to the toll facility exists to serve the traffic that uses the facility. Tolls prescribed by a road authority for a facility must permit the operator a reasonable return on both investment and capital.*

Sec. 9. [LAW ENFORCEMENT.]

State and local law enforcement authorities have the same powers and authority on a toll facility within their respective jurisdictions as they have on any other highway, road, or street within their jurisdiction. Law enforcement officers have free access to the toll facility at any time to exercise

such powers as though it were a public right-of-way. State and local traffic and motor vehicle laws apply to persons driving or occupying motor vehicles on the toll facility.

Sec. 10. [JOINT AUTHORITY.]

(a) Two or more road authorities with jurisdiction over a toll facility may enter into a joint powers agreement under Minnesota Statutes, section 471.59, to exercise the powers, duties, and functions of the road authorities related to the toll facility, including negotiation and administration of the development agreement and related lease and toll concession agreements. If all road authorities with jurisdiction over a toll facility concur, title to or authority over the facility may be tendered to the commissioner who may accept the title or authority pursuant to the development agreement and this section.

(b) If a facility is located within the jurisdiction of more than one road authority, a road authority may prescribe tolls only under a joint agreement entered into under paragraph (a). Tolls may be prescribed under a joint agreement only if all road authorities with jurisdiction over the facility are parties to the agreement.

Sec. 11. [TOLL FACILITY REPLACEMENT PROJECTS.]

When a highway project in the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, has been scheduled in the department's six-year work program but is designated as a toll facility, the commissioner shall substitute in the work program a similar highway project in the metropolitan area.

Sec. 12. [EXPIRATION.]

Sections 5 to 11 expire July 1, 1993, unless the commissioner certifies before July 1, 1993, that a private developer and road authority have reached agreement on development of a toll facility."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Terwilliger moved to amend H.F. No. 1701, the unofficial engrossment, as follows:

Page 3, after line 34, insert:

"Sec. 5. Minnesota Statutes 1990, section 270.80, subdivision 1, is amended to read:

Subdivision 1. The following words and phrases when used in Laws 1979, chapter 303, article 7, sections 1 to 13, *and section 6*, unless the context clearly indicates otherwise, shall have the meanings ascribed to them in this section.

Sec. 6. [270.871] [ALTERNATIVE VALUATION.]

Notwithstanding section 270.84, the valuation of railroad operating property located within the metropolitan area, as defined in section 473.121, subdivision 2, shall be determined according to its highest and best use. In calculating a local government's local tax rate under section 275.08, subdivision 1b, the net tax capacity based upon railroad operating property's estimated value as determined under sections 270.84 to 270.86 shall be

used. However, the resulting tax rate after adjustments under section 275.08, subdivisions 1c and 1d, shall be applied against the railroad operating property's net tax capacity as determined by using the estimated market value provided under this section. The difference between (1) the amount of tax that would have been raised if the railroad operating property's estimated market value was determined under section 270.84, and (2) the amount of tax determined under this section shall be segregated by the auditor of each metropolitan county and remitted to the regional transit board at the time of settlement under sections 276.11 and 276.111. One-half of this amount shall be used by the regional transit board for regular transit service within the metropolitan area and one-half shall be used for special transportation services under section 473.386.

Sec. 7. [REVENUE ADDITIONAL TO APPROPRIATION LIMITATION.]

Revenue derived from the method of taxation required under section 6 is in addition to any other appropriation to the regional transit board to be used to provide special transportation services, and is not subject to the limitation provided in Laws 1991, chapter 233, section 3."

Page 4, after line 1, insert:

"Sec. 9. [EFFECTIVE DATE.]

Section 6 is effective for taxes levied in 1992, payable in 1993 and thereafter."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 51 and nays 0, as follows:

Those who voted in the affirmative were:

Beckman	Davis	Johnson, D.J.	Mehrkens	Riveness
Belanger	Day	Johnson, J.B.	Metzen	Sams
Benson, D.D.	DeCramer	Johnston	Moe, R.D.	Spear
Benson, J.E.	Finn	Knaak	Neuville	Terwilliger
Berg	Flynn	Laidig	Novak	Traub
Berglin	Frank	Langseth	Pariseau	Vickerman
Bernhagen	Frederickson, D.J.	Larson	Piper	Waldorf
Bertram	Frederickson, D.R.	Lessard	Price	
Chmielewski	Gustafson	Luther	Ranum	
Cohen	Halberg	Marty	Reichgott	
Dahl	Hottinger	McGowan	Renneke	

The motion prevailed. So the amendment was adopted.

Mr. Metzen moved to amend H.F. No. 1701, the unofficial engrossment, as follows:

Page 3, after line 34, insert:

"Sec. 5. [DAKOTA COUNTY; TRANSPORTATION PLANNING.]

The Dakota county regional railroad authority may transfer any available money of the authority generated by local property tax levies and state grants, including money in capital accounts, to Dakota county to be expended to meet other transportation purposes. The commissioner of transportation shall amend any contract with Dakota county providing funds for

light rail transit purposes under Laws 1989, chapter 269, section 2, subdivision 3, to allow the county to use the funds for purposes consistent with this section."

Page 4, after line 1, insert:

"Sec. 7. [EFFECTIVE DATE.]

Section 5 takes effect the day following final enactment."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 1701 was read the third time, as amended, and placed on its final passage.

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

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

Those who voted in the affirmative were:

Beckman	Davis	Johnson, D.J.	McGowan	Reichgott
Belanger	DeCramer	Johnson, J.B.	Mehrkens	Renneke
Benson, D.D.	Dicklich	Johnston	Metzen	Riveness
Benson, J.E.	Finn	Knaak	Moe, R.D.	Sams
Berg	Flynn	Kroening	Mondale	Spear
Berglin	Frank	Laidig	Neuville	Terwilliger
Bernhagen	Frederickson, D.J.	Langseth	Pappas	Traub
Bertram	Frederickson, D.R.	Larson	Pariseau	Vickerman
Chmielewski	Gustafson	Lessard	Piper	Waldorf
Cohen	Halberg	Luther	Price	
Dahl	Hottinger	Marty	Ranum	

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

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 2368 and that the rules of the Senate be so far suspended as to give H.F. No. 2368, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

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; increasing registration fees for vehicles of motor carriers; assessing penalties; appropriating money; amending Minnesota Statutes 1990, sections 221.011, subdivisions 7, 8, 9, 14, and by adding subdivisions; 221.036, subdivisions 1 and 3; 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.

Mr. Mehrkens moved to amend H.F. No. 2368, as amended pursuant to Rule 49, adopted by the Senate April 15, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2665.)

Page 2, line 18, delete "*at*"

Page 2, line 19, delete everything before the comma

Page 2, line 21, before "*place*" insert "*single*" and delete "*under the consignee's control*"

Page 3, line 31, after "*(3)*" insert "*section 221.081; (4) section 221.151; (5)*" and delete "*(4)*" and insert "*(6)*"

Page 3, after line 35, insert:

"Sec. 13. Minnesota Statutes 1990, section 221.036, subdivision 3, is amended to read:

Subd. 3. [AMOUNT OF PENALTY; CONSIDERATIONS.] (a) *The commissioner may issue an order assessing a penalty of up to $5,000 for all violations of section 221.021; 221.041, subdivision 3; 221.081; or 221.171, identified during a single inspection, audit, or investigation.*

(b) The commissioner may issue an order assessing a penalty up to a maximum of $10,000 for all violations *of section 221.035* identified during a single inspection or audit.

~~(b)~~ *(c)* In determining the amount of a penalty, the commissioner shall consider:

(1) the willfulness of the violation;

(2) the gravity of the violation, including damage to humans, animals, air, water, land, or other natural resources of the state;

(3) the history of past violations, including the similarity of the most recent violation and the violation to be penalized, the time elapsed since the last violation, the number of previous violations, and the response of the person to the most recent violation identified;

(4) the economic benefit gained by the person by allowing or committing the violation; and

(5) other factors as justice may require, if the commissioner specifically identifies the additional factors in the commissioner's order."

Pages 8 and 9, delete section 18

Page 13, line 22, after the period, insert "*Evidence of need may consist of a letter from a consignor attesting to need for the proposed service and intent to use the proposed service.*"

Page 13, line 23, delete the second "*the*"

Page 13, line 24, before "*application*" insert "*an approved*"

Page 13, line 25, delete "*the date of*" and insert "*receipt of the application from the commissioner*"

Page 13, line 26, delete everything before "*constitutes*"

Pages 15 to 17, delete section 30

Pages 19 and 20, delete section 34

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Mehrkens then moved to amend H.F. No. 2368, as amended pursuant to Rule 49, adopted by the Senate April 15, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2665.)

Page 19, after line 25, insert:

"*(e) A permit holder that received its permit less than 24 months prior to the effective date of this act shall be authorized by the board to operate for a period of up to 24 months or December 31, 1993, whichever occurs first. Prior to January 1, 1994, the permit holder shall follow the procedures for conversion of permits contained in section 32. The board shall extend the permit up to June 30, 1994, as required to convert the permit.*"

The motion prevailed. So the amendment was adopted.

Mr. Moe, R.D. moved to amend H.F. No. 2368, as amended pursuant to Rule 49, adopted by the Senate April 15, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2665.)

Page 12, line 20, after the period, insert "*Clause (1) does not apply to a class II permit holder who on March 1, 1992, utilized a local cartage carrier and maintained its terminal in Minnesota more than 150 miles from the cities of Minneapolis and St. Paul.*"

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

H.F. No. 2368 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 48 and nays 10, as follows:

Those who voted in the affirmative were:

Beckman	DeCramer	Kroening	Neuville	Sams
Belanger	Flynn	Langseth	Pappas	Samuelson
Benson, D.D.	Frederickson, D.J.	Larson	Pariseau	Solon
Benson, J.E.	Frederickson, D.R.	Lessard	Piper	Spear
Berg	Halberg	Luther	Pogemiller	Terwilliger
Berglin	Hottinger	Marty	Price	Traub
Bernhagen	Johnson, D.E.	McGowan	Ranum	Vickerman
Bertram	Johnson, D.J.	Mehrkens	Reichgott	Waldorf
Chmielewski	Johnson, J.B.	Metzen	Renneke	
Davis	Kelly	Mondale	Riveness	

Those who voted in the negative were:

Cohen	Day	Finn	Johnston	Moe, R.D.
Dahl	Dicklich	Frank	Knaak	Novak

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

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect

to H.F. No. 2134 and that the rules of the Senate be so far suspended as to give H.F. No. 2134, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

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 liquefied petroleum gas; appropriating money to energy and conservation account for programs to improve energy efficiency of residential oil-fired and liquefied petroleum gas heating plants in low-income households; amending Minnesota Statutes 1990, section 115C.08, subdivision 3; Minnesota Statutes 1991 Supplement, sections 16B.61, subdivision 3; 239.78; and 299F.011, subdivision 4c; proposing coding for new law in Minnesota Statutes, chapters 116; and 239.

Mr. Novak moved that the amendment made to H.F. No. 2134 by the Committee on Rules and Administration in the report adopted April 16, 1992, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

Mr. Novak then moved to amend H.F. No. 2134 as follows:

Page 5, line 30, delete "*$296,000*" and insert "*$496,000*"

The motion prevailed. So the amendment was adopted.

Ms. Piper moved to amend H.F. No. 2134 as follows:

Page 5, after line 17, insert:

"Sec. 6. [268.371] [EMERGENCY ENERGY ASSISTANCE; FUEL FUNDS.]

Subdivision 1. [DEFINITIONS.] *The definitions in this section apply to this section.*

(a) "Commissioner" means the commissioner of the department of jobs and training.

(b) "Energy provider" means a person who provides heating fuel, including natural gas, electricity, fuel oil, propane, wood, or other form of heating fuel, to residences at retail.

(c) "Fuel fund" means a fund established by an energy provider, the state, or any other entity that collects and distributes money for low-income emergency energy assistance and meets the minimum criteria, including income eligibility criteria, for receiving money from the federal Low-Income Home Energy Assistance Program and the program's Incentive Fund for Leveraging Non-Federal Resources.

Subd. 2. [ENERGY PROVIDERS; REQUIREMENT.] *Each energy provider may solicit contributions from its energy customers for deposit in a fuel fund established by the energy provider, a fuel fund established by another energy provider or other entity, or the statewide fuel account established in subdivision 3, for the purpose of providing emergency energy assistance to low-income households that qualify under the federal eligibility criteria of the federal Low-Income Home Energy Assistance Program. Solicitation of contributions from customers may be made at least annually and may provide each customer an opportunity to contribute as part of payment of bills for provision of service or provide an alternate, convenient way for*

customers to contribute.

Subd. 3. [STATEWIDE FUEL ACCOUNT; APPROPRIATION.] *The commissioner shall establish a statewide fuel account. The commissioner may develop and implement a program to solicit contributions, manage the receipts, and distribute emergency energy assistance to low-income households, as defined in the federal Low-Income Home Energy Assistance Program, on a statewide basis. All money remitted to the commissioner for deposit in the statewide fuel account is appropriated to the commissioner for the purpose of developing and implementing the program. No more than ten percent of the money received in the first two years of the program may be used for the administrative expenses of the commissioner to implement the program and no more than five percent of the money received in any subsequent year may be used for administration of the program.*

Subd. 4. [EMERGENCY ENERGY ASSISTANCE ADVISORY COUNCIL.] *The commissioner shall appoint an advisory council to advise the commissioner on implementation of this section. At least one-third of the advisory council must be composed of persons from households that are eligible for emergency energy assistance under the federal Low-Income Home Energy Assistance Program. The remaining two-thirds of the advisory council must be composed of persons representing energy providers, customers, local energy assistance providers, existing fuel fund delivery agencies, and community action agencies. Members of the advisory council may receive expenses, but no other compensation, as provided in section 15.059, subdivision 3. Appointment and removal of members is governed by section 15.059."*

Page 5, after line 28, insert:

"Sec. 8. 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."*

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Johnson, J.B. moved to amend H.F. No. 2134 as follows:

Page 4, after line 29, insert:

"Sec. 4. Minnesota Statutes 1990, section 216C.19, subdivision 1, is amended to read:

Subdivision 1. After consultation with the commissioner and the commissioner of public safety, the commissioner of transportation shall~~, pursuant to~~ *adopt rules under* chapter 14~~, promulgate rules~~ establishing ~~maximum~~

minimum energy ~~use~~ *efficiency* standards for street, highway, and parking lot lighting. The standards ~~shall~~ *must* be consistent with overall protection of the public health, safety and welfare. No new highway, street or parking lot lighting ~~shall~~ *may* be installed in violation of these rules ~~and~~. Existing ~~lighting levels shall be reduced consistent with the rules as soon as feasible and practical, consistent with overall energy conservation~~ *lighting equipment, excluding roadway sign lighting, with lamps with initial efficiencies less than 70 lumens per watt must be replaced when worn out with light sources using lamps with initial efficiencies of at least 70 lumens per watt.*

Sec. 5. Minnesota Statutes 1990, section 216C.19, subdivision 13, is amended to read:

Subd. 13. No new room air conditioner ~~or room air conditioner heat pump~~ shall be sold or installed or transported for resale into Minnesota unless it has an energy efficiency ratio ~~of 7.0 or higher. Beginning January 1, 1987, the energy efficiency ratio for room air conditioners with a 6,000 Btu per hour rating or higher must be 7.8 or higher. For purposes of this subdivision, "energy efficiency ratio" means the ratio of the cooling capacity of the air conditioner in British thermal units per hour to the electrical input in watts. The cooling capacity, electrical input, and energy efficiency ratio of room air conditioners and room air conditioning heat pumps is determined by using the standard for room air conditioners, approved by the American National Standards Institute on April 20, 1982, known as ANSI/AHAM RAC-1, with ASHRAE 58-74 used in lieu of ASHRAE 58-65. The method of sampling of room air conditioners shall be that required by the Department of Energy and found in 44 Federal Register 22410-22418 (April 13, 1979). A new room air conditioner having dual voltage ratings shall conform to the energy efficiency ratio requirements at each rating~~ *equal to or greater than the values adopted under subdivision 8.*

Sec. 6. Minnesota Statutes 1990, section 216C.19, is amended by adding a subdivision to read:

Subd. 16. [LAMPS.] *The commissioner shall adopt rules under chapter 14 setting minimum efficiency standards for specific incandescent lamps. The rules must establish minimum efficiency standards for incandescent lamps of specific lamp type and wattage where an energy-saving substitute lamp is currently produced by at least two lamp manufacturers. The rules must include, but not be limited to, the following lamps: 40-watt A17 and A19 lamps, 60-watt A17 and A19 lamps, 75-watt A17 and A19 lamps, 100-watt A17 and A19 lamps, and 150-watt A21 lamps, where each is a general-purpose incandescent lamp with rated voltage between 114 and 131 volts with diffuse coating. The minimum efficiency standard must be set to exceed the efficiency of the original lamp. For incandescent lamps for which minimum standards have been established, no lamp may be sold in Minnesota unless it meets or exceeds the minimum efficiency standards adopted under this section.*

Sec. 7. Minnesota Statutes 1990, section 216C.19, is amended by adding a subdivision to read:

Subd. 17. [MOTORS.] *No motor covered by this subdivision, excluding those sold as part of an appliance, may be sold in Minnesota unless its nominal efficiency meets or exceeds the values adopted under subdivision 8.*

Sec. 8. Minnesota Statutes 1990, section 216C.19, is amended by adding

a subdivision to read:

Subd. 18. [COMMERCIAL HEATING, AIR CONDITIONING, AND VENTILATING EQUIPMENT.] *(a) This subdivision applies to electrically operated unitary and packaged terminal air conditioners and heat pumps, electrically operated water-chilling packages, gas- and oil-fired boilers, and warm air furnaces and combination warm air furnaces and air conditioning units installed in buildings housing commercial or industrial operations.*

(b) No commercial heating, air conditioning, or ventilating equipment covered by this subdivision may be sold or installed in Minnesota unless it meets or exceeds the minimum performance standards established by ASHRAE standard 90.1.

Sec. 9. Minnesota Statutes 1990, section 216C.19, is amended by adding a subdivision to read:

Subd. 19. [SHOWERHEADS; FAUCETS.] *(a) No showerhead, other than a safety shower showerhead, may be sold or installed in Minnesota if it permits a maximum water use in excess of 2.5 gallons per minute when measured at a flowing water pressure of 80 pounds per square inch.*

(b) No kitchen faucet or kitchen replacement aerator may be sold or installed in Minnesota if it permits a maximum water use in excess of 2.5 gallons per minute when measured at a flowing water pressure of 80 pounds per square inch.

(c) No lavatory faucet or lavatory replacement aerator may be sold or installed in Minnesota if it permits a maximum water use in excess of two gallons per minute when measured at a flowing water pressure of 80 pounds per square inch.

Sec. 10. Minnesota Statutes 1990, section 216C.19, is amended by adding a subdivision to read:

Subd. 20. [RULES.] *The commissioner shall adopt rules to implement subdivisions 13 and 16 to 19, including rules governing testing of products covered by those sections. The rules must make allowance for wholesalers, distributors, or retailers who have inventory or stock which was acquired prior to July 1, 1993. The rules must consider appropriate efficiency requirements for motors used infrequently in agricultural and other applications."*

Page 5, after line 28, insert:

"Sec. 14. Minnesota Statutes 1991 Supplement, section 326.87, subdivision 1, is amended to read:

Subdivision 1. [STANDARDS.] The commissioner, in consultation with the council, may adopt standards for continuing education requirements and course approval. *The standards must include requirements for continuing education in the implementation of energy codes applicable to buildings and other building codes designed to conserve energy.* Except for the course content, the standards must be consistent with the standards established for real estate agents and other professions licensed by the department of commerce.

Sec. 15. [DEADLINE FOR RULEMAKING.]

The rules required by section 10 must be in effect by the effective date of sections 5 to 9."

Page 6, after line 11, insert:

"Sec. 18. [EFFECTIVE DATE.]

Sections 5 to 9 are effective July 1, 1993."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Gustafson moved to amend H.F. No. 2134 as follows:

Page 5, after line 17, insert:

"Sec. 6. Minnesota Statutes 1990, section 273.11, is amended by adding a subdivision to read:

Subd. 6a. [RESIDENTIAL FIRE-SAFETY SPRINKLER SYSTEMS.] *For purposes of property taxation, the market value of automatic fire-safety sprinkler systems meeting the standards of the Minnesota fire code shall be excluded from the market value of (1) existing multifamily 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 and (2) existing real estate containing four or more contiguous residential units for use by customers of the owner, such as hotels, motels, and lodging houses.*

Sec. 7. Minnesota Statutes 1990, section 297A.25, is amended by adding a subdivision to read:

Subd. 47. [AUTOMATIC FIRE-SAFETY SPRINKLER SYSTEMS.] *The gross receipts from the sale of automatic fire-safety sprinkler systems described in section 273.11, subdivision 6a, are exempt.*"

Page 6, after line 11, insert:

"Sec. 11. [EFFECTIVE DATE.]

Section 6 is effective for taxes levied in 1992, payable in 1993, and thereafter. Section 7 is effective for sales after June 30, 1992."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 2134 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, J.B.	Metzen	Renneke
Beckman	Day	Johnston	Moe, R.D.	Riveness
Belanger	Flynn	Kelly	Mondale	Sams
Benson, D.D.	Frank	Knaak	Neuville	Samuelson
Benson, J.E.	Frederickson, D.R.	Kroening	Novak	Solon
Berg	Gustafson	Laidig	Pappas	Spear
Berglin	Halberg	Langseth	Piper	Stumpf
Bernhagen	Hottinger	Larson	Pogemiller	Terwilliger
Bertram	Hughes	Lessard	Price	Traub
Chmielewski	Johnson, D.E.	Luther	Ranum	Waldorf
Cohen	Johnson, D.J.	Marty	Reichgott	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 2749 a Special Order to be heard immediately.

SPECIAL ORDER

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 members; amending Minnesota Statutes 1990, sections 237.51, subdivision 3; and 237.52, subdivision 5.

Mr. Marty moved that the amendment made to H.F. No. 2749 by the Committee on Rules and Administration in the report adopted April 15, 1992, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 2749 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 49 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, D.J.	Metzen	Renneke
Beckman	Finn	Johnson, J.B.	Moe, R.D.	Riveness
Belanger	Flynn	Johnston	Mondale	Sams
Benson, D.D.	Frank	Knaak	Neuville	Samuelson
Benson, J.E.	Frederickson, D.R.	Laidig	Novak	Solon
Bernhagen	Gustafson	Langseth	Pappas	Spear
Bertram	Halberg	Larson	Piper	Stumpf
Cohen	Hottinger	Lessard	Pogemiller	Terwilliger
Dahl	Hughes	Marty	Price	Traub
Davis	Johnson, D.E.	McGowan	Reichgott	

So the bill passed and its title was agreed to.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 2848: Mr. Waldorf, Ms. Flynn and Mrs. Brataas.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 2804 a Special Order to be heard immediately.

SPECIAL ORDER

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.

Mr. Lessard moved that the amendment made to H.F. No. 2804 by the Committee on Rules and Administration in the report adopted April 15, 1992, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 2804 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Mondale	Sams
Beckman	Finn	Johnston	Morse	Samuelson
Belanger	Flynn	Knaak	Neuville	Solon
Benson, D.D.	Frank	Kroening	Novak	Spear
Benson, J.E.	Frederickson, D.J.	Laidig	Pappas	Stumpf
Berg	Frederickson, D.R.	Langseth	Pariseau	Terwilliger
Berglin	Gustafson	Larson	Piper	Traub
Bernhagen	Halberg	Lessard	Pogemiller	Vickerman
Bertram	Hottinger	Marty	Price	
Cohen	Hughes	McGowan	Ranum	
Dahl	Johnson, D.E.	Metzen	Renneke	
Davis	Johnson, D.J.	Moe, R.D.	Riveness	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 1453 and that the rules of the Senate be so far suspended as to give H.F. No. 1453, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

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; requiring a metropolitan disposal system rate structure study; regulating the fully developed area study; amending Minnesota Statutes 1990, sections 115.03, subdivision 1; 115.20, subdivisions 1, 3, 4, 5, and 6; Laws 1991, chapter 183, section 1; proposing coding for new law in Minnesota Statutes, chapters 116; and 446A.

Mr. Morse moved to amend H.F. No. 1453, as amended pursuant to Rule 49, adopted by the Senate April 16, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 1292.)

Page 1, after line 15, insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 103G.271, subdivision 6, is amended to read:

Subd. 6. [WATER USE PERMIT PROCESSING FEE.] (a) Except as described in paragraphs (b) to (f), a water use permit processing fee must be prescribed by the commissioner in accordance with the following schedule of fees for each water use permit in force at any time during the year:

(1) 0.05 cents per 1,000 gallons for the first 50,000,000 gallons per year;

(2) 0.10 cents per 1,000 gallons for amounts greater than 50,000,000 gallons but less than 100,000,000 gallons per year;

(3) 0.15 cents per 1,000 gallons for amounts greater than 100,000,000 gallons but less than 150,000,000 gallons per year; and

(4) 0.20 cents per 1,000 gallons for amounts greater than 150,000,000 gallons but less than 200,000,000 gallons per year;

(5) 0.25 cents per 1,000 gallons for amounts greater than 200,000,000 gallons but less than 250,000,000 gallons per year;

(6) 0.30 cents per 1,000 gallons for amounts greater than 250,000,000 gallons but less than 300,000,000 gallons per year;

(7) 0.35 cents per 1,000 gallons for amounts greater than 300,000,000 gallons but less than 350,000,000 gallons per year;

(8) 0.40 cents per 1,000 gallons for amounts greater than 350,000,000 gallons but less than 400,000,000 gallons per year; and

(9) 0.45 cents per 1,000 gallons for amounts greater than 400,000,000 gallons per year.

(b) For once-through cooling systems, a water use processing fee must be prescribed by the commissioner in accordance with the following schedule of fees for each water use permit in force at any time during the year:

(1) for nonprofit corporations and school districts:

(i) 5.0 cents per 1,000 gallons until December 31, 1991;

(ii) 10.0 cents per 1,000 gallons from January 1, 1992, until December 31, 1996; and

(iii) 15.0 cents per 1,000 gallons after January 1, 1997; and

(2) for all other users, 20 cents per 1,000 gallons.

(c) The fee is payable based on the amount of water appropriated during the year and, except as provided in paragraph (f), the minimum fee is $50.

(d) For water use processing fees other than once-through cooling systems:

(1) the fee for a city of the first class may not exceed $175,000 per year;

(2) the fee for other entities for any permitted use may not exceed:

(i) $35,000 per year for an entity holding three or fewer permits;

(ii) $50,000 per year for an entity holding four or five permits;

(iii) $175,000 per year for an entity holding more than five permits;

(3) the fee for agricultural irrigation may not exceed $750 per year; and

(4) the fee for a municipality that furnishes electric service and cogenerates steam for home heating may not exceed $10,000 for its permit for water use related to the cogeneration of electricity and steam.

(e) Failure to pay the fee is sufficient cause for revoking a permit. A penalty of two percent per month calculated from the original due date must be imposed on the unpaid balance of fees remaining 30 days after the sending of a second notice of fees due. A fee may not be imposed on an agency, as defined in section 16B.01, subdivision 2, or federal governmental agency holding a water appropriation permit.

(f) The minimum water use processing fee for a permit issued for irrigation of agricultural land is $10 for years in which:

(1) there is no appropriation of water under the permit; or

(2) the permit is suspended for more than seven consecutive days between May 1 and October 1.

(g) For once-through systems fees payable after July 1, 1993, ~~at least 50~~ *75* percent of the ~~fee deposited in the general fund shall be used for grants, loans, or other financial assistance as appropriated by the legislature to assist in financing retrofitting of permitted once-through systems until December 31, 1999. The commissioner shall adopt rules for determining eligibility and criteria for the issuance of grants, loans, or other financial assistance for retrofitting according to chapter 14. by July 1, 1993~~ *fees must be credited to a special account and are appropriated to the Minnesota public facilities authority for loans under section 446A.21.*"

Page 12, after line 28, insert:

"Sec. 7. [446A.21] [ONCE-THROUGH COOLING CONVERSION LOANS.]

Subdivision 1. [BONDS AND NOTES.] *(a) The authority shall provide loans, including no interest loans, to public and private entities for the capital costs incurred for the replacement of once-through cooling systems with environmentally acceptable cooling systems.*

(b) The authority may issue its bonds and notes in the manner provided under sections 446A.12 to 446A.20 to provide money needed for the purposes of this section over and above the amount appropriated to it for these purposes. The principal amount of bonds and notes issued and outstanding under this section may not exceed $40,000,000 at any time. The bonds and notes issued to make loans under this section are not general obligation bonds. Section 446A.15, subdivision 6, does not apply to the bonds and notes. The bonding authority authorized under this section is in addition to the bonding authority authorized under section 446A.12, subdivision 1, and the limitation on the amount of bonding authority imposed under section 446A.12, subdivision 1, does not apply to the bonds issued under this section. The legislature intends not to appropriate money from the general fund to pay for these bonds.

(c) Money appropriated to the authority and money provided under section 446A.04, subdivision 3, for once-through cooling conversion may be used

by the authority for debt service on bonds and notes, purchasing insurance, subsidizing below market interest rates, and providing loans under this section.

Subd. 2. [ADMINISTRATION.] *(a) An entity may apply to the authority for a loan. Within ten days of receipt, the authority shall submit the application to the commissioner of public service to determine whether the proposed cooling system meets the energy efficiency criteria of the department. The commissioner of public service shall certify to the authority whether the project meets the applicable energy efficiency criteria. The commissioner of public service shall adopt rules establishing energy efficiency criteria for replacement cooling systems.*

(b) Within the limitation of available funds, the authority may award a loan to a certified entity if the authority determines that the entity has demonstrated the ability to repay the loan under the terms negotiated under subdivision 3.

(c) The authority shall give priority to nonprofit organizations and school districts in making loans.

Subd. 3. [LOAN CONDITIONS.] *A loan made under this section may be made for up to 100 percent of the cost of once-through cooling system replacement for which the entity is liable. A loan may be made at or below market interest rates and at a term not to exceed 20 years.*

Subd. 4. [LOAN PAYMENTS.] *Loan repayments of principal and interest received by the authority are appropriated to the authority to make new loans."*

Page 15, after line 1, insert:

"*Sections 1 and 7 are effective July 1, 1992.*"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Johnson, J.B. moved to amend H.F. No. 1453, as amended pursuant to Rule 49, adopted by the Senate April 16, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 1292.)

Page 7, after line 10, insert:

"Sec. 2. Minnesota Statutes 1990, section 115.19, is amended to read:

115.19 [CREATION; PURPOSE; EXCEPTIONS.]

A sanitary district may be created under the provisions of sections 115.18 to 115.37 for any territory embracing an area or a group of two or more adjacent areas, whether contiguous or separate, but not situated entirely within the limits of a single municipality, for the purpose of promoting the public health and welfare by providing an adequate and efficient system and means of collecting, conveying, pumping, treating and disposing of domestic sewage and garbage and industrial wastes within the district, in any case where the agency finds that there is need throughout ~~such~~ *the* territory for the accomplishment of ~~such~~ *these* purposes, ~~that such purposes cannot be effectively accomplished throughout such territory by any existing public agency or agencies,~~ that ~~such~~ *these* purposes can be effectively accomplished ~~therein~~ on an equitable basis by a district if created, and that the

creation and maintenance of such a district will be administratively feasible and in furtherance of the public health, safety, and welfare; but subject to the following exceptions:

No ~~such~~ district shall be created within 25 miles of the boundary of any city of the first class without the approval of the governing body thereof and the approval of the governing body of each and every municipality in ~~such~~ *the* proposed district by resolution filed with the agency.

Sec. 3. Minnesota Statutes 1990, section 115.20, subdivision 1, is amended to read:

Subdivision 1. *(a)* A proceeding for the creation of a district may be initiated by a petition to the agency, filed with its secretary, containing the following:

(1) A request for creation of the proposed district;

(2) The name proposed for the district, to include the words "sanitary district";

(3) A description of the territory of the proposed district;

(4) A statement showing the existence in such territory of the conditions requisite for creation of a district as prescribed in section 115.19;

(5) A statement of the territorial units represented by and the qualifications of the respective signers;

(6) The post office address of each signer, given under the signer's signature. A petition may consist of separate writings of like effect, each signed by one or more qualified persons, and all such writings, when filed, shall be considered together as a single petition.

(b) A public meeting must be held to inform citizens of the proposed creation of the district. At the meeting, information must be provided, including a description of the district's proposed structure, bylaws, territory, ordinances, budget, and charges. Notice of the meeting must be published for two successive weeks in a qualified newspaper published within the territory of the proposed district or, if there is no qualified newspaper published within the territory, in a qualified newspaper of general circulation in the territory, and by posting for two weeks in each territorial unit of the proposed district. A record of the meeting must be submitted to the agency with the petition.

Sec. 4. Minnesota Statutes 1990, section 115.20, subdivision 2, is amended to read:

Subd. 2. Every ~~such~~ petition shall be signed as follows:

(1) For each municipality wherein there is a territorial unit of the proposed district, by an authorized officer or officers pursuant to a resolution of the municipal governing body;

(2) For each organized town wherein there is a territorial unit of the proposed district, by an authorized officer or officers pursuant to a resolution of the town board;

(3) For each county wherein there is a territorial unit of the proposed district consisting of an unorganized area, by an authorized officer or officers pursuant to a resolution of the county board, or by at least 20 percent of the voters residing and owning land within ~~such~~ *the* unit.

Each ~~such~~ resolution shall be published in the official newspaper of the governing body adopting it and shall become effective 40 days after ~~such~~ publication, unless within said period there shall be filed with the governing body a petition signed by qualified electors of a territorial unit of the proposed district, equal in number to five percent of the number of such electors voting at the last preceding election of ~~such~~ *the* governing body, requesting a referendum on the resolution, in which case ~~the same shall~~ *the resolution may* not become effective until approved by a majority of ~~such~~ *the* qualified electors voting ~~thereon~~ at a regular election or special election which the governing body may call ~~for such purpose~~. The notice of any ~~such~~ election and the ballot to be used ~~thereat~~ shall contain the text of the resolution followed by the question: "Shall the above resolution be approved?"

If any signer is alleged to be a landowner in a territorial unit, a statement as to the signer's *landowner* status ~~as such~~ as shown by the county auditor's tax assessment records, certified by the auditor, shall be attached to or endorsed upon the petition.

Sec. 5. Minnesota Statutes 1990, section 115.20, subdivision 3, is amended to read:

Subd. 3. ~~The agency or its agent holding the hearing on a petition may, at any time before the reception of evidence begins, permit the addition of signatures to the petition or may permit amendment of the petition~~ *At any time before publication of the public notice required in subdivision 4, or before the public hearing, if required under subdivision 4, additional signatures may be added to the petition or amendments of the petition may be made* to correct or remedy any error or defect in signature or otherwise except a material error or defect in the description of the territory of the proposed district. No proceeding shall be invalidated on account of any error or defect in the petition unless questioned by an interested party before the reception of evidence begins at the hearing except a material error or defect in the description of the territory of the proposed district. If the qualifications of any signer of a petition are challenged ~~at the hearing thereon~~, the agency or its agent ~~holding the hearing~~ shall determine the challenge forthwith on the allegations of the petition, the county auditor's certificate of land ownership, and such other evidence as may be received.

Sec. 6. Minnesota Statutes 1990, section 115.20, subdivision 4, is amended to read:

Subd. 4. *(a)* Upon receipt of a petition *and the record of the public meeting required under subdivision 1*, the agency shall ~~cause a hearing to be held thereon, subject to the provisions of sections 14.02, 14.04 to 14.36, 14.38, 14.44 to 14.45, and 14.57 to 14.62 and other laws not inconsistent therewith now or hereafter in force relating to hearings held under authority of the agency, so far as applicable, except as otherwise provided. Notice of the hearing, stating that a petition for creation of the proposed district has been filed and describing the territory thereof, shall be given by the secretary of the agency by publication for two successive weeks in a qualified newspaper published within such territory, or, if there is no such newspaper, by publication in a qualified newspaper of general circulation in such territory, also by posting for two weeks in each territorial unit of the proposed district, and by mailing a copy of the notice to each signer of the petition at the signer's address as given therein. Registration of mailed copies of the notice shall not be required. Proof of the giving of the notice shall be filed in the office of~~

~~the secretary.~~ *publish a notice in the State Register and mail a copy to each property owner in the affected territory at the owner's address as given by the county auditor. The mailed copy must state the date that the notice will appear in the State Register. Copies need not be sent by registered mail. The notice must:*

(1) describe the petition for creation of the district;

(2) describe the territory affected by the petition;

(3) allow 30 days for submission of written comments on the petition;

(4) state that a person who objects to the petition may submit a written request for hearing to the agency within 30 days of the publication of the notice in the State Register; and

(5) state that if a timely request for hearing is not received, the agency may make a decision on the petition at a future meeting of the agency.

(b) If 25 or more timely requests for hearing are received, the agency must hold a hearing on the petition in accordance with the contested case provisions of chapter 14.

Sec. 7. Minnesota Statutes 1990, section 115.20, subdivision 5, is amended to read:

Subd. 5. After the *public notice period or the public* hearing, *if required under subdivision 4*, and ~~upon the evidence received thereat~~ *based on the petition, any public comments received, and, if a hearing was held, the hearing record,* the agency shall make findings of fact and conclusions determining whether or not the conditions requisite for the creation of a district exist in the territory described in the petition. If the agency finds that ~~such~~ conditions exist, it may make an order creating a district for the territory described in the petition under the name proposed in the petition or such other name, including the words "sanitary district," as the agency deems appropriate.

Sec. 8. Minnesota Statutes 1990, section 115.20, subdivision 6, is amended to read:

Subd. 6. If the agency, after *the conclusion of the public notice period or the holding of* a hearing, *if required,* determines that the creation of a district in the territory described in the petition is not warranted, it shall make an order denying the petition. The secretary of the agency shall give notice of such denial by mail to each signer of the petition. No petition for the creation of a district consisting of the same territory shall be entertained within a year after the date of ~~such~~ an order, but this shall not preclude action on a petition for the creation of a district embracing part of ~~such~~ *the* territory with or without other territory."

Page 8, line 15, after "*impact*" insert ", *and scenic and wild river standards*"

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 2, delete everything before "requiring" and insert "relating to the environment; modifying procedures for creating sanitary districts;"

Page 1, line 11, after "1;" insert "115.19; 115.20, subdivisions 1 to 6;"

The motion prevailed. So the amendment was adopted.

Mr. Chmielewski moved to amend H.F. No. 1453, as amended pursuant to Rule 49, adopted by the Senate April 16, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 1292.)

Page 14, after line 21, insert:

"Sec. 8. [CLOQUET; BONDS.]

The city of Cloquet may issue general obligation bonds in an amount not greater than $2,200,000 for the acquisition and betterment of a water line extension to the Fond du Lac Community College. The bonds may be issued without election and are not subject to the limits on debt provided by Minnesota Statutes, chapter 475, or other law. Except as provided by this section, the bonds shall be issued as provided by Minnesota Statutes, chapter 475. The bonds must be issued before July 1, 1993."

Page 15, after line 5, insert:

"*Section 8 is effective the day following the date of compliance by the governing body of the city of Cloquet with Minnesota Statutes, section 645.021, subdivision 3.*"

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 9, after the first semicolon, insert "authorizing bonds for the city of Cloquet for a water line extension;"

The motion prevailed. So the amendment was adopted.

H.F. No. 1453 was read the third time, as amended, and placed on its final passage.

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

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

Those who voted in the affirmative were:

Adkins	Day	Johnson, D.J.	Metzen	Renneke
Beckman	DeCramer	Johnson, J.B.	Moe, R.D.	Riveness
Belanger	Dicklich	Johnston	Mondale	Sams
Benson, D.D.	Finn	Kelly	Morse	Spear
Benson, J.E.	Flynn	Knaak	Neuville	Stumpf
Berg	Frank	Laidig	Novak	Terwilliger
Berglin	Frederickson, D.J.	Langseth	Pappas	Traub
Bernhagen	Frederickson, D.R.	Larson	Pariseau	Vickerman
Bertram	Gustafson	Lessard	Piper	Waldorf
Chmielewski	Hottinger	Luther	Price	
Cohen	Hughes	McGowan	Ranum	
Davis	Johnson, D.E.	Mehrkens	Reichgott	

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

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 2717 and that the rules of the Senate be so far suspended as to give H.F. No. 2717, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

H.F. No. 2717: A bill for an act relating to water; providing that well setback rules may be waived for dairy farmers; 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; amending Minnesota Statutes 1990, sections 32.394, by adding subdivisions; 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.

Mr. Morse moved to amend H.F. No. 2717, as amended pursuant to Rule 49, adopted by the Senate April 16, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2102.)

Page 1, after line 20, insert:

"Sec. 2. Minnesota Statutes 1990, section 32.394, is amended by adding a subdivision to read:

Subd. 11. [WAIVER OF RULES; WATER WELL DISTANCE REQUIREMENT.] *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 rules adopted by the commissioner of health requiring a minimum distance between a water well and a 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 rules of the commissioner of health other than the minimum distance requirement; and

(3) water from the well must be tested at least once every 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, shall establish guidelines for the testing required under section 2, clause (3). The guidelines are not subject to chapter 14.*"

Page 2, after line 2, insert:

"Sec. 5. Minnesota Statutes 1990, section 103I.115, is amended to read:

103I.115 [COMPLIANCE WITH THIS CHAPTER REQUIRED.]

(a) Except as provided in paragraph (b), a person may not construct, repair, or seal a well or boring, except as provided under the provisions of this chapter.

(b) Until June 30, 1994, this chapter does not apply to dewatering wells 45 feet or less in depth."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

H.F. No. 2717 was read the third time, as amended, and placed on its

final passage.

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

The roll was called, and there were yeas 51 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, D.J.	Metzen	Renneke
Beckman	Dicklich	Johnson, J.B.	Moe, R.D.	Riveness
Belanger	Finn	Johnston	Mondale	Sams
Benson, D.D.	Flynn	Knaak	Morse	Spear
Benson, J.E.	Frank	Laidig	Neuville	Stumpf
Berg	Frederickson, D.J.	Langseth	Novak	Traub
Berglin	Gustafson	Larson	Pappas	Waldorf
Bernhagen	Halberg	Luther	Pariseau	
Bertram	Hottinger	Marty	Piper	
Davis	Hughes	McGowan	Price	
Day	Johnson, D.E.	Mehrkens	Ranum	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Mehrkens moved that S.F. No. 1986, No. 29 on General Orders, be stricken and returned to its author. The motion prevailed.

Mr. Mehrkens then moved that S.F. No. 2520, No. 32 on General Orders, be stricken and returned to its author. The motion prevailed.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 2437 a Special Order to be heard immediately.

SPECIAL ORDER

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, sections 116.61, subdivision 1; and 116.70, subdivision 3; Minnesota Statutes 1991 Supplement, section 116.07, subdivision 4d; proposing coding for new law in Minnesota Statutes, chapter 116.

Mr. Morse moved to amend H.F. No. 2437, as amended pursuant to Rule 49, adopted by the Senate April 15, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2095.)

Pages 1 and 2, delete sections 1 to 5

Page 11, delete lines 25 to 30 and insert:

"Sec. 8. [REPORT ON ROLE OF POLLUTION CONTROL AGENCY BOARD.]

(a) The pollution control agency board shall study and develop recommendations on what the board's role should be in formulating, implementing, and enforcing environmental policy in the state. In developing the recommendations, the board shall consider:

(1) the comments of the legislative auditor on the board's role, as contained in the auditor's report dated January, 1991; and

(2) any other relevant factors not addressed in the auditor's report.

(b) By January 15, 1993, the board shall report the results of the study to the legislative policy committees having jurisdiction over environmental and natural resource issues and the environment and natural resource divisions of the senate finance and house appropriations committees. In addition to the board's recommendations, the report must include:

(1) specific discussion of each of the legislative auditor's recommendations on the board's role; and

(2) a plan for implementing the board's recommendations, including proposed legislation."

Page 11, delete line 33

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, delete line 3

Page 1, line 4, delete everything before "conforming"

Page 1, line 13, after "report" insert "on the role of the pollution control agency board"

Page 1, line 14, delete "sections 116.02,"

Page 1, delete line 15

Page 1, line 16, delete "and" and insert "section"

The motion prevailed. So the amendment was adopted.

Mr. Morse then moved to amend H.F. No. 2437, as amended pursuant to Rule 49, adopted by the Senate April 15, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2095.)

Page 6, delete lines 4 to 6

Page 6, line 16, delete "*111 or 112*" and insert "*7411 or 7412*"

Page 6, lines 26 and 27, delete "*titles I and III*" and insert "*section 7661*"

Renumber the subdivisions in sequence

Page 7, line 2, delete "*507*" and insert "*7661f*" and delete "*amendments*"

The motion prevailed. So the amendment was adopted.

CALL OF THE SENATE

Mr. Morse imposed a call of the Senate for the balance of the proceedings on H.F. No. 2437. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Morse then moved to amend H.F. No. 2437, as amended pursuant to Rule 49, adopted by the Senate April 15, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2095.)

Page 1, after line 19, insert:

"Section 1. Minnesota Statutes 1990, section 115D.12, subdivision 2, is amended to read:

Subd. 2. [FEES.] (a) Persons required by United States Code, title 42, section 11023, to submit a toxic chemical release form to the commission shall pay a pollution prevention fee of $150 for each toxic pollutant reported released plus a fee based on the total pounds of toxic pollutants reported as released from each facility. Facilities reporting less than 25,000 pounds annually of toxic pollutants released per facility shall be assessed a fee of $500. Facilities reporting annual releases of toxic pollutants in excess of 25,000 pounds shall be assessed a graduated fee at the rate of two cents per pound of toxic pollutants reported~~, not to exceed a total of $30,000 per facility~~.

(b) Persons who generate more than 1,000 kilograms of hazardous waste per month but who are not subject to the fee under paragraph (a) must pay a pollution prevention fee of $500 per facility. Hazardous waste as used in this paragraph has the meaning given it in section 116.06, subdivision 13, and Minnesota Rules, chapter 7045.

(c) Fees required under this subdivision must be paid to the director by January 1 of each year. The fees shall be deposited in the state treasury and credited to the environmental fund."

Page 5, after line 14, insert:

"Sec. 8. [116.454] [MONITORING PROGRAM.]

By July 1, 1993, the agency shall establish a statewide monitoring program for, and inventory of probable sources of, releases into the air, ambient concentrations in the air, and deposition from the air of toxic substances."

Page 11, after line 30, insert:

"Sec. 16. [FUNDING FOR MONITORING PROGRAM.]

The monitoring program established under section 8 must be implemented to the extent allowed by the additional revenues generated by section 1."

Page 11, line 33, delete "*1 to 5*" and insert "*2 to 6*" and after the period, insert "*Section 1 is effective for fees collected in fiscal year 1994 and thereafter.*"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

Mr. Moe, R.D. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 38 and nays 25, as follows:

Those who voted in the affirmative were:

Beckman	Frederickson, D.J.	Kelly	Neuville	Ranum
Benson, J.E.	Frederickson, D.R.	Knaak	Novak	Reichgott
Berglin	Hottinger	Luther	Olson	Riveness
Cohen	Hughes	Marty	Pappas	Sams
DeCramer	Johnson, D.E.	McGowan	Pariseau	Spear
Dicklich	Johnson, D.J.	Merriam	Piper	Traub
Finn	Johnson, J.B.	Mondale	Pogemiller	
Frank	Johnston	Morse	Price	

Those who voted in the negative were:

Adkins	Bertram	Gustafson	Lessard	Samuelson
Belanger	Chmielewski	Halberg	Mehrkens	Solon
Benson, D.D.	Dahl	Kroening	Metzen	Stumpf
Berg	Davis	Langseth	Moe, R.D.	Terwilliger
Bernhagen	Day	Larson	Renneke	Vickerman

The motion prevailed. So the amendment was adopted.

Mr. Dahl moved to amend H.F. No. 2437, as amended pursuant to Rule 49, adopted by the Senate April 15, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2095.)

Page 11, after line 30, insert:

"Sec. 14. [REPORT ON RULEMAKING ACTIVITIES.]

By January 1, 1993, the commissioner of the pollution control agency shall submit to the legislative commission to review administrative rules and legislative committees having jurisdiction over environmental and natural resource issues a report describing the ongoing rulemaking activities of the agency as of that date and any additional rulemaking activities the agency plans to begin before July 1, 1993."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Mondale moved to amend H.F. No. 2437, as amended pursuant to Rule 49, adopted by the Senate April 15, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2095.)

Page 11, after line 30, insert:

"Sec. 14. [VIDEO DISPLAY TERMINAL OPERATOR HEALTH STUDY.]

The commissioner of labor and industry shall review and identify the occupational health problems associated with the operation of video display terminals. The commissioner shall review existing literature on the subject and may conduct additional research. The commissioner shall recommend solutions to any health problems that are identified.

The commissioner shall study the potential savings and benefits to employers in reduced days lost off work due to providing ergonomically correct work stations, antiglare screens, and other features and programs, including amount of time in front of video display terminals, also education and training, designed to prevent injury or illness to video display terminal operators. The commissioner shall also study the effects of implementation of other state, county, and city laws, regulations, and ordinances regulating video display terminal operators and the ability of employers to comply with those laws, regulations, and ordinances.

The commissioner shall report the results of the study and make recommendations to the legislature by February 15, 1993."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 2437 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnston	Merriam	Reichgott
Belanger	Finn	Kelly	Metzen	Renneke
Benson, D.D.	Flynn	Knaak	Moe, R.D.	Riveness
Benson, J.E.	Frank	Kroening	Mondale	Sams
Bernhagen	Frederickson, D.J.	Langseth	Morse	Samuelson
Bertram	Frederickson, D.R.	Larson	Neuville	Solon
Brataas	Gustafson	Lessard	Novak	Spear
Chmielewski	Hottinger	Luther	Olson	Stumpf
Cohen	Hughes	Marty	Pariseau	Traub
Dahl	Johnson, D.E.	McGowan	Pogemiller	Vickerman
Day	Johnson, J.B.	Mehrkens	Ranum	Waldorf

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Waldorf moved that the following members be excused for a Conference Committee on H.F. No. 2848 at 4:00 p.m.:

Mrs. Brataas, Ms. Flynn and Mr. Waldorf. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 2649 and that the rules of the Senate be so far suspended as to give H.F. No. 2649, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

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.

Mr. Spear moved that the amendment made to H.F. No. 2649 by the Committee on Rules and Administration in the report adopted April 16, 1992, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 2649 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 44 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, J.B.	Luther	Renneke
Belanger	Finn	Johnston	McGowan	Riveness
Benson, J.E.	Flynn	Kelly	Mehrkens	Sams
Berg	Frank	Knaak	Moe, R.D.	Spear
Bernhagen	Frederickson, D.J.	Kroening	Morse	Stumpf
Bertram	Frederickson, D.R.	Laidig	Neuville	Terwilliger
Brataas	Gustafson	Langseth	Novak	Traub
Chmielewski	Hottinger	Larson	Pappas	Waldorf
Day	Hughes	Lessard	Ranum	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 2000 a Special Order to be heard immediately.

SPECIAL ORDER

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 50 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Hughes	McGowan	Reichgott
Beckman	DeCramer	Johnson, D.E.	Mehrkens	Renneke
Belanger	Finn	Johnson, J.B.	Merriam	Riveness
Benson, D.D.	Flynn	Johnston	Moe, R.D.	Sams
Benson, J.E.	Frank	Knaak	Mondale	Solon
Bernhagen	Frederickson, D.J.	Kroening	Morse	Spear
Bertram	Frederickson, D.R.	Laidig	Neuville	Stumpf
Chmielewski	Gustafson	Larson	Novak	Terwilliger
Cohen	Halberg	Lessard	Pappas	Traub
Dahl	Hottinger	Luther	Ranum	Waldorf

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1880 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1880: A bill for an act relating to workers' compensation; regulating benefits and coverage; providing penalties; amending Minnesota Statutes 1990, sections 176.011, subdivisions 3, 11a, and 18; 176.101,

subdivisions 1, 2, and 3f; 176.102, subdivision 11; 176.111, subdivision 18; and 176.645, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 176.

Mr. Chmielewski moved to amend S.F. No. 1880 as follows:

Delete everything after the enacting clause and insert:

"Section 1. [APPROPRIATION; DEPARTMENT OF LABOR AND INDUSTRY.]

(a) Total Appropriation $ 2,300,000

This appropriation is from the workers' compensation special compensation fund to the commissioner of labor and industry for the biennium ending June 30, 1993. This appropriation is for the purpose of carrying out the additional duties imposed on the commissioner by S.F. No. 2107 as enacted by the 1992 legislature. This section is of no effect if S.F. No. 2107 is vetoed.

(b) $141,000 of this appropriation is for the purpose of setting standards of treatment required by S.F. No. 2107, article 4, section 21.

(c) $415,000 of this appropriation is for the purpose of carrying out duties with respect to managed care plans required by S.F. No. 2107, article 4, section 13.

(d) $68,000 is for adopting the relative value fee schedule as required by S.F. No. 2107, article 4, section 15.

(e) $500,000 is for the duties under S.F. No. 2107, article 4, not provided for in paragraph (b), (c), or (d).

(f) $350,000 is for the fraud unit created by S.F. No. 2107, article 3, section 30.

(g) $170,000 is for the duties created under S.F. No. 2107, article 3, section 29.

(h) $656,000 is to carry out other duties assigned to the commissioner.

(i) The complement of the department of labor and industry is increased by ten positions.

(j) In addition to the increases in paragraph (i), the complement of the department of labor and industry is increased by 15 positions until June 30, 1994."

Delete the title and insert:

"A bill for an act relating to workers' compensation; funding various activities of the department of labor and industry; appropriating money."

The motion prevailed. So the amendment was adopted.

S.F. No. 1880 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	Mehrkens	Piper
Beckman	Day	Johnson, J.B.	Merriam	Pogemiller
Belanger	DeCramer	Johnston	Metzen	Price
Benson, J.E.	Dicklich	Kelly	Moe, R.D.	Ranum
Berg	Flynn	Knaak	Mondale	Renneke
Berglin	Frank	Laidig	Morse	Solon
Bernhagen	Frederickson, D.R.	Langseth	Neuville	Spear
Bertram	Gustafson	Larson	Novak	Terwilliger
Brataas	Halberg	Lessard	Olson	Traub
Chmielewski	Hottinger	Luther	Pappas	Vickerman
Cohen	Hughes	McGowan	Pariseau	Waldorf

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

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 6:20 p.m. The motion prevailed.

The hour of 6:20 p.m. having arrived, the President called the Senate to order.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

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.

There has been appointed as such committee on the part of the House:

Johnson, A.; Seaberg and Mariani.

Senate File No. 1993 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

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.

There has been appointed as such committee on the part of the House:

Wagenius, Rukavina and Pauly.

Senate File No. 2199 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to

the following Senate File:

S.F. No. 2314: A bill for an act relating to the city of Minneapolis; requiring an equitable participation by planning districts in neighborhood revitalization programs; amending Minnesota Statutes 1990, section 469.1831, by adding a subdivision.

There has been appointed as such committee on the part of the House:

Rice, Sarna and Kahn.

Senate File No. 2314 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1619, and repassed said bill in accordance with the report of the Committee, so adopted.

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.

Senate File No. 1619 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1938, and repassed said bill in accordance with the report of the Committee, so 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.

Senate File No. 1938 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2111, and repassed said bill in accordance with the report of the Committee, so adopted.

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.

Senate File No. 2111 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2499, and repassed said bill in accordance with the report of the Committee, so adopted.

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.

Senate File No. 2499 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2257, and repassed said bill in accordance with the report of the Committee, so 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.

Senate File No. 2257 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2514, and repassed said bill in accordance with the report of the Committee, so 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.

Senate File No. 2514 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2800, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2800 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

CONFERENCE COMMITTEE REPORT ON 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.

April 15, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 2800, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 2800 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

COST CONTAINMENT

Section 1. [62J.01] [PURPOSE.]

The legislature finds that the staggering growth in health care costs is having a devastating effect on the health and cost of living of Minnesota residents. The legislature further finds that the number of uninsured and underinsured residents is growing each year and that the cost of health care coverage for our insured residents is increasing annually at a rate that far exceeds the state's overall rate of inflation.

The legislature further finds that it must enact immediate and intensive cost containment measures to limit the growth of health care expenditures, reform insurance practices, and finance a plan that offers access to affordable health care for our permanent residents by capturing dollars now lost to inefficiencies in Minnesota's health care system.

The legislature further finds that controlling costs is essential to the maintenance of the many factors contributing to the quality of life in Minnesota: our environment, education system, safe communities, affordable housing, provision of food, economic vitality, purchasing power, and stable population.

It is, therefore, the intent of the legislature to lay a new foundation for the delivery and financing of health care in Minnesota and to call this new foundation The Minnesota Health Right Act.

Sec. 2. [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. [CLINICALLY EFFECTIVE.] *"Clinically effective" 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.*

Subd. 3. [COMMISSION.] *"Commission" or "state commission" means the Minnesota health care commission established in section 62J.05.*

Subd. 4. [COMMISSIONER.] *"Commissioner" means the commissioner of health.*

Subd. 5. [COST EFFECTIVE.] *"Cost effective" 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.*

Subd. 6. [GROUP PURCHASER.] *"Group purchaser" means a person or organization that purchases health care services on behalf of an identified group of persons, regardless of whether the cost of coverage or services is paid for by the purchaser or by the persons receiving coverage or services, as further defined in rules adopted by the commissioner. "Group purchaser" includes, but is not limited to, 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. 7. [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.*

Subd. 8. [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. 3. [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 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. Professional licensing boards and state agencies responsible for licensing, registering, or regulating providers shall cooperate fully with the commissioner in achieving compliance with the reporting requirements. Intentional failure to provide reports requested under this section is grounds for revocation of a license or other disciplinary or regulatory action against a regulated provider. The commissioner may assess a fine against a provider who refuses to provide information required by the commissioner under this section. If a provider refuses to provide a report*

or information required under this section, the commissioner may obtain a court order requiring the provider to produce documents and allowing the commissioner to inspect the records of the provider for purposes of obtaining the information required under this section. 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) establish statewide and regional limits on growth in total health care spending under this section, monitor regional and statewide compliance with the spending limits, and take action to achieve compliance to the extent authorized by the legislature;

(2) divide the state into no fewer than four regions, with one of those regions being the Minneapolis/St. Paul metropolitan statistical area, for purposes of fostering the development of regional health planning and coordination of health care delivery among regional health care systems and working to achieve spending limits;

(3) provide technical assistance to regional coordinating boards;

(4) monitor the quality of health care throughout the state, conduct consumer satisfaction surveys, and take action as necessary to ensure an appropriate level of quality;

(5) develop 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 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, including appeals of decisions by the Minnesota health care commission and the regional coordinating boards.*

Subd. 7. [PLAN FOR CONTROLLING GROWTH IN SPENDING.] *(a) By January 15, 1993, the Minnesota health care commission shall submit to the legislature and the governor for approval a plan, with as much detail as possible, for slowing the growth in health care spending to the growth rate identified by the commission, beginning July 1, 1993. The goal of the plan shall be to reduce the growth rate of health care spending, adjusted for population changes, so that it declines by at least ten percent per year for each of the next five years. The commission shall use the rate of spending growth in 1991 as the base year for developing its plan. The plan may include tentative targets for reducing the growth in spending for consideration by the legislature.*

(b) In developing the plan, the commission shall consider the advisability and feasibility of the following options, but is not obligated to incorporate them into the plan:

(1) data and methods that could be used to calculate regional and statewide spending limits and the various options for expressing spending limits, such as maximum percentage growth rates or actuarially adjusted average per capita rates that reflect the demographics of the state or a region of the state;

(2) methods of adjusting spending limits to account for patients who are not Minnesota residents, to reflect care provided to a person outside the person's region, and to adjust for demographic changes over time;

(3) methods that could be used to monitor compliance with the limits;

(4) criteria for exempting spending on research and experimentation on new technologies and medical practices when setting or enforcing spending limits;

(5) methods that could be used to help providers, purchasers, consumers, and communities control spending growth;

(6) methods of identifying activities of consumers, providers, or purchasers that contribute to excessive growth in spending;

(7) methods of encouraging voluntary activities that will help keep spending within the limits;

(8) methods of consulting providers and obtaining their assistance and cooperation and safeguards that are necessary to protect providers from abrupt changes in revenues or practice requirements;

(9) methods of avoiding, preventing, or recovering spending in excess of the rate of growth identified by the commission;

(10) methods of depriving those who benefit financially from overspending of the benefit of overspending, including the option of recovering the amount of the excess spending from the greater provider community or from individual providers or groups of providers through targeted assessments;

(11) methods of reallocating health care resources among provider groups to correct existing inequities, reward desirable provider activities, discourage undesirable activities, or improve the quality, affordability, and accessibility of health care services;

(12) methods of imposing mandatory requirements relating to the delivery of health care, such as practice parameters, hospital admission protocols, 24-hour emergency care screening systems, or designated specialty providers;

(13) methods of preventing unfair health care practices that give a provider or group purchaser an unfair advantage or financial benefit or that significantly circumvent, subvert, or obstruct the goals of this chapter;

(14) methods of providing incentives through special spending allowances or other means to encourage and reward special projects to improve outcomes or quality of care; and

(15) the advisability or feasibility of a system of permanent, regional coordinating boards to ensure community involvement in activities to improve affordability, accessibility, and quality of health care in each region.

Sec. 4. [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 25 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. 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.

(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 one member appointed by the Minnesota Hospital Association, one member appointed by the Minnesota Medical Association, one member appointed by the Minnesota Nurses' Association, one rural physician appointed by the governor, 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 (1) two members appointed by the Minnesota Chamber of Commerce, including one self-insured employer and one small employer; and (2) two members appointed by the governor.*

(e) [CONSUMERS.] *The commission includes five consumer members, including three members appointed by the governor, one of whom must represent persons over age 65; 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. [FINANCIAL INTERESTS OF MEMBERS.] *A member representing employers, consumers, or employee unions must not have any personal financial interest in the health care system except as an individual consumer of health care services. An employee who participates in the management of a health benefit plan may serve as a member representing employers or unions.*

Subd. 4. [CONFLICTS OF INTEREST.] *No member may participate or vote in commission proceedings involving an individual provider, purchaser, or patient, or a specific activity or transaction, if the member has a direct financial interest in the outcome of the commission's proceedings other than as an individual consumer of health care services.*

Subd. 5. [IMMUNITY FROM LIABILITY.] *No member of the commission shall be held civilly or criminally liable for an act or omission by that person if the act or omission was in good faith and within the scope of the member's responsibilities under this chapter.*

Subd. 6. [TERMS; COMPENSATION; REMOVAL; AND VACANCIES.] *The commission is governed by section 15.0575.*

Subd. 7. [ADMINISTRATION.] *The commissioner of health shall provide office space, equipment and supplies, and technical support to the commission.*

Subd. 8. [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. 5. [62J.07] [LEGISLATIVE OVERSIGHT COMMISSION.]

Subdivision 1. [LEGISLATIVE OVERSIGHT.] *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.*

Subd. 2. [MEMBERSHIP.] *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.*

Subd. 3. [REPORTS TO THE COMMISSION.] *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. The commissioners of health, commerce, and human services shall provide periodic reports to the legislative commission on the progress of rulemaking that is authorized or required under this act and shall notify members of the commission when a draft of a proposed rule has been completed and scheduled for publication in the State Register. At the request of a member of the commission, a commissioner shall provide a description and a copy of a proposed rule.*

Subd. 4. [REPORT ON REVENUE SOURCES.] *The legislative commission on health care access shall study the long-term integrity and stability of the revenue sources created in this act as the funding mechanism for the health right program and related health care initiatives. The study must include:*

(1) an analysis of the impact of the provider taxes on the health care system and the relationship between the taxes and other initiatives related to health care access, affordability, and quality;

(2) the adequacy of the revenues generated in relation to the costs of a fully implemented and appropriately designed health right program;

(3) the extent to which provider taxes are passed on to individual and group purchasers and the ability of individual providers and groups of provider to absorb all or part of the tax burden;

(4) alternative funding sources and financing methods; and

(5) other appropriate issues relating to the financing of the health right program and related initiatives.

The commission shall provide a preliminary report and recommendations to the legislature by January 15, 1993, and a final report and recommendations by January 15, 1994. The commissioners of revenue, human services, and health shall provide assistance to the commission.

Sec. 6. [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 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. 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. 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. [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 of health and the Minnesota health care commission during the planning process.*

Subd. 4. [FINANCIAL INTERESTS OF MEMBERS.] *A member representing employers, consumers, or employee unions must not have any personal financial interest in the health care system except as an individual consumer of health care services. An employee who participates in the management of a health benefit plan may serve as a member representing employers or unions.*

Subd. 5. [CONFLICTS OF INTEREST.] *No member may participate or vote in commission proceedings involving an individual provider, purchaser, or patient, or a specific activity or transaction, if the member has a direct financial interest in the outcome of the commission's proceedings other than as an individual consumer of health care services.*

Subd. 6. [TECHNICAL ASSISTANCE.] *The state health care commission shall provide technical assistance to regional boards.*

Subd. 7. [TERMS; COMPENSATION; REMOVAL; AND VACANCIES.] *Regional coordinating boards are governed by section 15.0575, except that members do not receive per diem payments.*

Subd. 8. [REPEALER.] *This section is repealed effective July 1, 1993.*

Sec. 7. [62J.15] [HEALTH PLANNING.]

Subdivision 1. [HEALTH PLANNING ADVISORY COMMITTEE.] *The Minnesota health care commission shall convene an advisory committee to make recommendations regarding the use and distribution of new and existing health care technologies and procedures and major capital expenditures by providers. The advisory committee may include members of the state commission and other persons appointed by the commission. The advisory committee must include at least one person representing physicians, at least one person representing hospitals, and at least one person representing the health care technology industry. Health care technologies and procedures include high-cost pharmaceuticals, organ and other high-cost transplants, high-cost health care procedures and devices excluding United States Food and Drug Administration approved implantable or wearable medical 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) make recommendations on the types of high-cost technologies, procedures, and capital expenditures for which a plan on statewide use and distribution should be made;

(2) develop criteria for evaluating new high-cost health care technology and procedures and major capital expenditures that take into consideration the clinical effectiveness, cost effectiveness, and health outcome;

(3) recommend to the commissioner of health and the regional coordinating organizations statewide and regional goals and targets for the distribution and use of new and existing high-cost health care technologies and procedures and major capital expenditures;

(4) make recommendations to the commissioner regarding the designation of centers of excellence for transplants and other specialized medical procedures; and

(5) make recommendations to the commissioner regarding minimum volume requirements for the performance of certain procedures by hospitals and other health care facilities or providers.

Sec. 8. [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 believed to contribute to escalating costs may be the purchase of costly new medical equipment, major capital expenditures, and the addition of new specialized services. After spending limits 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, excluding

implantable and wearable devices.

(f) [PROVIDER.] *"Provider" means an individual, corporation, association, firm, partnership, or other entity that is regularly engaged in providing health care services in Minnesota.*

Subd. 3. [HOSPITAL AND NURSING HOME MORATORIA PRESERVED; NURSING HOMES EXEMPT.] *Nothing in this section supersedes or limits the applicability of section 144.551 or 144A.071. This section does not apply to major spending commitments made by nursing homes or intermediate care facilities that are related to the provision of long-term care services to residents.*

Subd. 4. [EXPENDITURE REPORTING.] *Any provider making a capital expenditure establishing a health care service or new specialized 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 use, purchase, or perform health care technologies and procedures that are not clinically effective and cost effective and do not improve health outcomes based on the results of medical research; or in the event providers have failed to pursue collaborative arrangements; the commissioner shall 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)* [REQUIREMENT.] *The commissioner shall prohibit those health care providers subject to retrospective review 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) [EXCEPTIONS.] *This subdivision does not apply to:*

(1) a major spending commitment to replace existing equipment with

comparable equipment, if the old equipment will no longer be used in the state;

(2) a major spending commitment made by a research and teaching institution for purposes of conducting medical education, medical research supported or sponsored by a medical school, or by a federal or foundation grant, or clinical trials;

(3) a major spending commitment to repair, remodel, or replace existing buildings or fixtures if, in the judgment of the commissioner, the project does not involve a substantial expansion of service capacity or a substantial change in the nature of health care services provided; and

(4) mergers, acquisitions, and other changes in ownership or control that, in the judgment of the commissioner, do not involve a substantial expansion of service capacity or a substantial change in the nature of health care services provided.

(c) [APPEALS.] *A provider may appeal a decision of the commissioner under this section through a contested case proceeding under chapter 14.*

(d) [PENALTIES AND REMEDIES.] *The commissioner of health shall have the authority to issue fines, seek injunctions, and pursue other remedies as provided by law.*

Sec. 9. [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. 10. [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.

Sec. 11. [62J.22] [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. 12. [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. 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. [INTERIM RESTRICTIONS.] *From July 1, 1992, until rules are adopted by the commissioner under this section, 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 health care program. The commissioner shall approve a transition plan submitted to the commissioner by January 1, 1993, by a provider who is in violation of this section 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 section.*

Subd. 3. [PENALTY.] *The commissioner may assess a fine against a provider who violates this section. The amount of the fine is $1,000 or 110 percent of the estimated financial benefit that the provider realized as a result of the prohibited financial arrangement or payment relationship, whichever is greater. A provider who is in compliance with a transition plan approved by the commissioner under subdivision 2, or who is making a good faith effort to obtain the commissioner's approval of a transition plan, is not in violation of this section.*

Sec. 13. [62J.25] [MANDATORY MEDICARE ASSIGNMENT.]

(a) 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 115 percent of the Medicare-approved amount for any Medicare-covered service provided.

(b) Effective January 1, 1994, 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 110 percent of the Medicare-approved amount for any Medicare-covered service provided.

(c) Effective January 1, 1995, 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 105 percent of the Medicare-approved amount for any Medicare-covered service provided.

(d) Effective January 1, 1996, 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.

(e) This section does not apply to ambulance services as defined in section 144.801, subdivision 4.

Sec. 14. [62J.29] [ANTITRUST EXCEPTIONS.]

Subdivision 1. [PURPOSE.] *The legislature finds that the goals of controlling health care costs and improving the quality of and access to health care services will be significantly enhanced by some cooperative arrangements involving providers or purchasers that would be prohibited by state and federal antitrust laws if undertaken without governmental involvement. The purpose of this section is to create an opportunity for the state to review proposed arrangements and to substitute regulation for competition when an arrangement is likely to result in lower costs, or greater access or quality, than would otherwise occur in the competitive marketplace. The legislature intends that approval of relationships be accompanied by appropriate conditions, supervision, and regulation to protect against private abuses of economic power.*

Subd. 2. [REVIEW AND APPROVAL.] *The commissioner shall establish criteria and procedures to review and authorize contracts, business or financial arrangements, or other activities, practices, or arrangements 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 and further the policies and goals of this chapter. The commissioner shall not approve any application unless the commissioner finds that the proposed arrangement is likely to result in lower health care costs, or greater access to or quality of health care, than would occur in the competitive marketplace. The commissioner may condition approval of a proposed arrangement on a modification of all or part of the arrangement to eliminate any restriction on competition that is not reasonably related to the goals of controlling costs or improving access or quality. The commissioner may also establish conditions for approval that are reasonably necessary to protect against any abuses of private economic power and to ensure that the arrangement is appropriately supervised and regulated by the state. The commissioner shall actively monitor and regulate arrangements approved under this section to ensure that the arrangements remain in compliance with the conditions of approval. The commissioner may revoke an approval upon a finding that the arrangement is not in substantial compliance with the terms of the application or the conditions of approval.*

Subd. 3. [APPLICATIONS.] *Applications for approval under this section*

must be filed with the commissioner. An application for approval must describe the proposed arrangement in detail. The application must include at least: the identities of all parties, the intent of the arrangement, the expected effects of the arrangement, an explanation of how the arrangement will control costs or improve access or quality, and financial statements showing how the efficiencies of operation will be passed along to patients and purchasers of health care. The commissioner may ask the attorney general to comment on an application, but the application and any information obtained by the commissioner under this section is not admissible in any proceeding brought by the attorney general based on antitrust.

Subd. 4. [STATE ANTITRUST LAW.] *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, practices, or arrangements involving providers or purchasers that are approved by the commissioner under this section 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 state commission is an absolute defense against any action under state antitrust laws.*

Subd. 5. [RULEMAKING.] *The commissioner shall by January 1, 1994, adopt permanent rules to implement this section. The commissioner is exempt from rulemaking until January 1, 1994.*

Sec. 15. [HOSPITAL PLANNING TASK FORCE.]

The legislative commission on health care access shall convene a hospital health planning task force to undertake preliminary planning relating to cost containment, accessibility of health care services, and quality of care, and to develop options and recommendations to be presented to the legislative commission and to the Minnesota health care commission. The task force consists of interested representatives of Minnesota hospitals, the commissioner of health or the commissioner's representatives, and the members of the legislative commission or their representatives. The task force shall submit reports to the Minnesota health care commission by August 1, 1992, and July 1, 1993. The task force expires on August 1, 1993. The expenses and compensation of members is the responsibility of the institutions, organizations, or agencies they represent.

Sec. 16. [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.

Sec. 17. [STUDY OF HEALTH CARE MANAGEMENT COMPANIES.]

The commissioner of commerce and the commissioner of health shall study and make recommendations to the legislature regarding the regulation of health care management companies. The recommendations shall include, but are not limited to:

(1) the definition of a for-profit, and nonprofit health care management company;

(2) the scope and appropriateness of regulation of for-profit health care management companies, and of nonprofit health care management companies;

(3) the extent to which cost containment and expenditure targets can be attained or realized through regulation of health care management companies; and

(4) the relationship between health care management companies and health care providers, health care plans, health care technology entities, and other components of the health care system.

The commissioners of commerce and health shall present a joint report to the legislature on or before January 15, 1993.

Sec. 18. [STUDY OF HEALTH MAINTENANCE ORGANIZATION REGULATION.]

The commissioners of health and commerce shall jointly study the regulation of health maintenance organizations. The commissioners shall examine the level and type of regulation that is appropriate for the department of health and for the department of commerce and shall report to the legislature by January 15, 1993. The report must contain a consensus plan to transfer authority over the financial aspects of health maintenance organizations to the commissioner of commerce, while allowing the commissioner of health to retain authority over the health care quality aspects of health maintenance organizations.

Sec. 19. [STUDY OF MEDICARE ASSIGNMENT FOR HOME MEDICAL EQUIPMENT.]

The commissioner of health, in consultation with representatives of the home medical equipment industry, shall study the financial impact of the phase-in of mandatory Medicare assignment on the home medical equipment suppliers. The study must include an examination of charges for medical equipment, physician documentation of medical need for medical equipment, the appropriateness of federal guidelines regarding the treatment of assignment, and other factors related to Medicare assignment that may be unique to the home medical equipment industry. The commissioner shall present recommendations to the legislature by January 15, 1993.

Sec. 20. [EFFECTIVE DATE.]

Sections 1 to 11; 12, subdivisions 1 and 2; and 13 to 19 are effective the day following final enactment. Section 12, subdivision 3, is effective July 1, 1993.

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 or charges for which an alternate health carrier is liable under the coordination of benefit provisions of the health benefit plan.*

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. [MEDICAL NECESSITY.] *"Medical necessity" means the appropriate and necessary medical and hospital services eligible for payment under a health benefit plan as determined by a health carrier.*

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. 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.

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; or

(2) with respect to an employee, when the employee does not work or reside within the health maintenance organization's approved service areas.

(b) 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, 1994, with respect to employees of a small employer who had been issued individual coverage prior to July 1, 1993, administered by the health carrier on a group basis. Notwithstanding any other law to the contrary, the health carrier shall terminate any individual coverage for employees of small employers who satisfy the small employer participation requirements specified in section 62L.03 and offer to replace it with a health benefit plan. If the employer elects not to purchase a health benefit plan, the health carrier must offer all covered employees and dependents the option of maintaining their current coverage, administered on an individual basis, or replacement individual coverage. Small employer and replacement individual coverage provided under this subdivision must be without application of underwriting restrictions, provided continuous coverage is maintained.

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.*

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 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.

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 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 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.*

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 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 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. The commissioner of health has, with respect to carriers under that commissioner's jurisdiction, all of the powers of the commissioner of commerce under that section.*

Subd. 5. [TRANSITIONAL PRACTICES.] *The commissioner 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. Each health carrier shall report to the commissioner, within 30 days and on a form prescribed by the commissioner, each cancellation, nonrenewal, or other termination of coverage of a small employer between the date of final enactment of this act and June 30, 1993. The health carrier shall provide any related information requested by the commissioner within the time specified in the request. Any health carrier that engages in a practice of terminating or inducing termination of coverage of small employers in order to evade the effects of this act, is guilty of an unfair method of competition and an unfair or deceptive act or practice in the business of insurance and is subject to the remedies provided in sections 72A.17 to 72A.32.*

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.*

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's policy forms, contracts, and premium rates are deemed approved if not disapproved by the commissioner of commerce within 60 days after the date of filing them with the commissioner of commerce. The association's assessments are deemed approved if not disapproved by the commissioner of commerce within 15 business days after filing them with 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 approval 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's vote is a weighted vote and is based on each member's total insurance premiums, subscriber contract charges, health maintenance contract payments, or other health benefit plan revenue derived from, or on behalf of, small employers during the preceding calendar year, as determined by the board and approved by the commissioner, based on annual statements and other reports considered necessary by the board of directors.*

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. [ADMINISTRATOR.] *The association shall contract with a qualified entity to operate and administer the association. If there is no available qualified entity, or in the event of a termination under subdivision 2, the association may directly operate and administer the reinsurance program. The administrator 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 administrator. The administrator must be selected by the board of directors, subject to approval by the commissioner.*

Subd. 2. [TERM.] *The administrator shall serve for a period of three years, unless the administrator 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 ADMINISTRATOR.] *The association shall enter into a written contract with the administrator to carry out its duties and responsibilities. The administrator 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 entities. Methods of compensation of the administrator must be a part of the bid process. The administrator 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 administrator.*

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 administrator 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 February 1993. The commissioner shall make the determination and notify the carrier no later than April 15, 1993.

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. The commissioner of health has, with respect to carriers under that commissioner's jurisdiction, all of the powers of the commissioner of commerce under that section.

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, 1995, 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, 1996, a reduction in the bands referenced in the preceding clause to 15 percent and 7.5 percent respectively; and

(iii) 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, 1994.

Sec. 25. [EFFECTIVE DATES.]

Sections 1 to 12 and 23 are effective July 1, 1993, except that section 10, subdivision 5, is effective the day following final enactment. Sections 13 to 22 are effective the day following final enactment.

ARTICLE 3

INSURANCE REFORM: INDIVIDUAL MARKET AND MISCELLANEOUS

Section 1. [43A.317] [PRIVATE 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 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 private employers insurance program created by this section.*

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 or the commissioner gives notice to the employer of the discontinuance of the program. 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 must require as a condition of employer eligibility that at least 75 percent of its eligible employees who have not waived coverage participate in the program. The participation level of eligible employees must be determined at the initial offering of coverage and at the renewal date of coverage. For purposes of this section, waiver of coverage includes only waivers due to coverage under another group health benefit plan.*

(g) [EMPLOYER CONTRIBUTION.] *The commissioner must require as a condition of employer eligibility that the employer contribute at least 50 percent toward the cost of the premium of the employee and may require that the 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 dental coverage through the program. Employers with health coverage may choose to offer dental coverage according to the terms established by the commissioner.*

(c) [OPEN ENROLLMENT.] *The program must meet all underwriting requirements of chapter 62L and 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 five 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.*

(c) [TAXES AND ASSESSMENTS.] *To the extent that the program operates as a self-insured group, the premiums paid to the program are not subject to the premium taxes imposed by sections 60A.15 and 60A.198, but the program is subject to a Minnesota comprehensive health association assessment under section 62E.11.*

Subd. 9. [PRIVATE EMPLOYERS INSURANCE TRUST FUND.] *(a)* [CONTENTS.] *The private 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 private employers insurance program is a state program to provide the advantages of a large pool to small employers for purchasing health coverage, other coverages, and related services from insurance companies, health maintenance organizations, and other organizations. The program is not an insurance company. Coverage under this program shall be considered a certificate of insurance or similar evidence of coverage and is subject to all applicable requirements of chapters 60A, 62A, 62C, 62E, 62H, 62L, and 72A, and is subject to regulation by the commissioner of commerce to the extent applicable. Coverage is subject to 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. The report must provide a detailed summary of all direct and indirect administrative costs associated with the program, and must include an analysis of whether the program (1) is providing coverage to persons who would otherwise be unable to purchase coverage in the private sector; (2) will provide coverage at lower premium costs without ongoing state subsidy; (3) will provide coverage to persons in geographic areas of the state where coverage options would otherwise be limited; and (4) will fulfill the intent of the legislature.*

Sec. 2. [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. 3. 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. 4. 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. 5. 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. 6. 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. 7. 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. 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. Assessments by the reinsurance association created in chapter 62L and any types of taxes, surcharges, or assessments created by this act or created on or after the date of final enactment of this act are included in the calculation of incurred claims experience or incurred health care expenses. The applicable percentage for policy forms and certificate forms issued in the small employer market, as defined in section 62L.02, increases by one percentage point on July 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.*

Notwithstanding section 645.26, any act enacted at this session that amends or repeals section 62A.135 or that otherwise changes the loss ratios provided in that section is void.

All filings of rates and rating schedules shall demonstrate that actual expected claims in relation to premiums comply with the requirements of this section when combined with actual experience to date. Filings of rate revisions shall also demonstrate that the anticipated loss ratio over the entire future period for which the revised rates are computed to provide coverage can be expected to meet the appropriate loss ratio standards, and aggregate loss ratio from inception of the policy form or certificate form shall equal or exceed the appropriate loss ratio standards.

A health carrier that issues health care policies and certificates to individuals or to small employers, as defined in section 62L.02, in this state

shall file annually its rates, rating schedule, and supporting documentation including ratios of incurred losses to earned premiums by policy form or certificate form duration for approval by the commissioner according to the filing requirements and procedures prescribed by the commissioner. The supporting documentation shall also demonstrate in accordance with actuarial standards of practice using reasonable assumptions that the appropriate loss ratio standards can be expected to be met over the entire period for which rates are computed. The demonstration shall exclude active life reserves. An expected third-year loss ratio which is greater than or equal to the applicable percentage shall be demonstrated for policy forms or certificate forms in force less than three years. If the data submitted does not confirm that the health carrier has satisfied the loss ratio requirements of this section, the commissioner shall notify the health carrier in writing of the deficiency. The health carrier shall have 30 days from the date of the commissioner's notice to file amended rates that comply with this section. If the health carrier fails to file amended rates within the prescribed time, the commissioner shall order that the health carrier's filed rates for the nonconforming policy form or certificate form be reduced to an amount that would have resulted in a loss ratio that complied with this section had it been in effect for the reporting period of the supplement. The health carrier's failure to file amended rates within the specified time or the issuance of the commissioner's order amending the rates does not preclude the health carrier from filing an amendment of its rates at a later time. The commissioner shall annually make the submitted data available to the public at a cost not to exceed the cost of copying. The data must be compiled in a form useful for consumers who wish to compare premium charges and loss ratios.

Each sale of a policy or certificate that does not comply with the loss ratio requirements of this section is an unfair or deceptive act or practice in the business of insurance and is subject to the penalties in sections 72A.17 to 72A.32.

For purposes of this section, health care policies issued as a result of solicitations of individuals through the mail or mass media advertising, including both print and broadcast advertising, shall be treated as individual policies.

For purposes of this section, (1) "health care policy" or "health care certificate" is a health plan as defined in section 62A.011; and (2) "health carrier" has the meaning given in section 62A.011 and includes all health carriers delivering or issuing for delivery health care policies or certificates in this state or offering these policies or certificates to residents of this state.

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.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. 10. [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. 11. 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.

Sec. 12. [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. 13. 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; *the private employers insurance program established in section 43A.317, effective July 1, 1993; 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. 14. 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; the private employers insurance program established in section 43A.317, effective July 1, 1993;* 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. 15. 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. 16. 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 or the commissioner of health, as appropriate, shall require contributing members to prove compliance with this rate adjustment requirement.*

Sec. 17. [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. 18. 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 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. 19. [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 requesting 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. 20. [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. 21. [REVIEW OF STANDARDIZED POLICY FORMS.]

The commissioner of commerce shall review the health care policies currently in use in the state, other than specialized and limited scope products such as dental insurance and hospital indemnity products, and make

recommendations to the legislature by February 1, 1993, relating to standardized health care policy forms to be used by all insurers, health service plans, or other entities regulated under Minnesota Statutes, chapter 62A, 62C, 62E, or 62H.

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 Minnesota Statutes, 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, are repealed.

Sec. 24. [EFFECTIVE DATE.]

Section 11 is effective July 30, 1992. Sections 1 to 10, 12, 15, 16, 17, 18, and 23 are effective July 1, 1993, except that section 1, subdivision 9, is effective the day following final enactment. Sections 19, 20, 21, and 22 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. 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 begin.*

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~~ *for the remainder of the current fiscal year and for the following two fiscal years*. ~~Based on this assessment the commissioner~~

~~may limit enrollments and target former aid to families with dependent children recipients. 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 estimated expenditure shall be compared to an estimate of the revenues that will be deposited in the health care access fund. 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, stop enrollment of single adults and households without children; second, upon 45 days' notice, stop coverage of single adults and households without children already enrolled in the health right plan; third, upon 90 days' notice, decrease the premium subsidy amounts by ten percent for families with gross annual income above 200 percent of the federal poverty guidelines; fourth, upon 90 days' notice, decrease the premium subsidy amounts by ten percent for families with gross annual income at or below 200 percent; and fifth, 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.*

If the commissioner determines that, despite adjustments made as authorized under this subdivision, estimated costs will exceed the forecasted amount of available revenues other than the reserve, the commissioner may, with the approval of the commissioner of finance, use all or part of the reserve to cover the costs of the program.

The commissioner may 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 adult enrollee and $2,500 per child enrollee per 12-month eligibility period, and chemical dependency services. Outpatient mental health services covered under the health right plan are limited to diagnostic assessments, psychological testing, explanation of findings, and individual, family, and group psychotherapy. Medication management by a physician is not subject to the $1,000 and $2,500 limitations on outpatient mental health services. Covered health services shall be expanded as provided in this subdivision.*

(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 dependency 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 those limitations necessary to coordinate the provision of these services with eligibility under the medical assistance spenddown. The inpatient hospital benefit for adult enrollees not eligible for medical assistance is subject to an annual benefit limit of $10,000. The commissioner shall provide enrollees with at least 60 days' notice of coverage for inpatient hospital services and any premium increase associated with the inclusion of this benefit.*

(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 COINSURANCE.] *The health right benefit plan shall include the following copayments and coinsurance requirements:*

(1) ten percent for inpatient hospital services for adult enrollees not eligible for medical assistance, subject to an annual out-of-pocket maximum of $2,000 per individual and $3,000 per family;

(2) 50 percent for adult dental services, except for preventive services;

(3) $3 per prescription for adult enrollees; and

(4) $25 for eyeglasses for adult enrollees.

Enrollees who would be eligible for medical assistance with a spenddown must pay the coinsurance amount up to the spenddown limit or the coinsurance amount, whichever is less, in order to become eligible for the medical assistance program.

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 within Minnesota, or the presence or absence of children in the same household, as long as all other eligibility requirements are met and continuous enrollment in the health right plan or medical assistance is maintained.*

(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 or medical assistance 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 income is greater than the limits established under subdivision 4b may not enroll in the health right plan. 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 or medical assistance 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 income is greater than the limits established under subdivision 4b may not enroll in the health right plan.*

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 eligible 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 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 already enrolled in the health right plan as of September 30, 1992, are eligible for subsidized premium payments without meeting these requirements, as long as they maintain continuous coverage in the health right plan or medical assistance.*

Families and individuals who initially enrolled in the health right plan under subdivision 2b, and whose income increases above the limits established in subdivision 4b, may continue enrollment and pay the full cost of coverage.

(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 an employer for the 18 months prior to application for subsidized coverage under the health right plan. The requirement that the family or individual must not have had access to employer-subsidized coverage during the previous 18 months does not apply if employer-subsidized coverage was lost for reasons that would not disqualify the individual for unemployment benefits under section 268.09 and the family or individual has not had access to employer-subsidized coverage since the layoff. 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 are eligible for employer-subsidized coverage through either parent, including the noncustodial parent. 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) [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: 1.8, 2.3, 3.1, 3.8, 4.8, 5.9, 7.4, and 8.8. 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 the plan.

(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 1990, section 256.936, is amended by adding a subdivision to read:

Subd. 4c. [RESIDENCY.] *(a) The legislature finds that the enactment of a comprehensive health plan for uninsured Minnesotans creates a risk that persons needing medical care will migrate to the state for the primary purpose of obtaining medical care subsidized by the state. The risk of migration undermines the state's ability to provide to legitimate state residents a valuable and necessary health care program which is an important component of the state's comprehensive cost containment and health care system reform plan. Intent-based residency requirements, which are expressly authorized under decisions of the United States Supreme Court, are an unenforceable and ineffective method of denying benefits to those persons the Supreme Court has stated may legitimately be denied eligibility for state programs. If the state is unable to limit eligibility to legitimate permanent residents of the state, the state faces a significant risk that it*

will be forced to reduce the eligibility and benefits it would otherwise provide to Minnesotans. The legislature finds that a durational residence requirement is a legitimate, objective, enforceable standard for determining whether a person is a permanent resident of the state. The legislature also finds low-income persons who have not lived in the state for the required time period will have access to necessary health care services through the general assistance medical care program, the medical assistance program, and public and private charity care programs.

(b) To be eligible for health coverage under the health right program, families and individuals must be permanent residents of Minnesota.

(c) For purposes of this subdivision, a permanent Minnesota resident is a person who has demonstrated, through persuasive and objective evidence, that the person is domiciled in the state and intends to live in the state permanently.

(d) To be eligible, all applicants must demonstrate the requisite intent to live in the state permanently by:

(1) showing that the applicant maintains a residence at a verified address other than a place of public accommodation, through the use of evidence of residence described in section 256D.02, subdivision 12a, clause (1);

(2) demonstrating that the applicant has been continuously domiciled in the state for no less than 180 days immediately before the application; and

(3) signing an affidavit declaring that (A) the applicant currently resides in the state and intends to reside in the state permanently; and (B) the applicant did not come to the state for the primary purpose of obtaining medical coverage or treatment.

(e) An individual or family that moved to Minnesota primarily to obtain medical treatment or health coverage for a pre-existing condition is not a permanent resident.

(f) If the 180-day requirement in paragraph (d), clause (2), is determined by a court to be unconstitutional, the commissioner of human services shall impose a 12-month pre-existing condition exclusion on coverage for persons who have been domiciled in the state for less than 180 days.

(g) If any paragraph, sentence, clause, or phrase of this subdivision is for any reason determined by a court to be unconstitutional, the decision shall not affect the validity of the remaining portions of the subdivision. The legislature declares that it would have passed each paragraph, sentence, clause, and phrase in this subdivision, irrespective of the fact that any one or more paragraphs, sentences, clauses, or phrases is declared unconstitutional.

Sec. 11. 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. 12. 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. 13. [256B.0644] [PARTICIPATION REQUIRED FOR REIMBURSEMENT UNDER OTHER STATE HEALTH CARE PROGRAMS.]

A vendor of medical care, as defined in section 256B.02, subdivision 7, and a health maintenance organization, as defined in chapter 62D, must participate as a provider or contractor in the medical assistance program, general assistance medical care program, and the health right plan 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. For providers other than health maintenance organizations, participation in the medical assistance program means that (1) the provider accepts new medical assistance patients or (2) at least 20 percent of the provider's patients are covered by medical assistance, general assistance medical care, or the health right plan as their primary source of coverage. The commissioner shall establish participation requirements for health maintenance organizations. The commissioner shall provide lists of participating medical assistance providers on a quarterly basis to the commissioner of employee relations, the commissioner of labor and industry, and the commissioner of commerce. Each of the commissioners shall develop and implement procedures to exclude as participating providers in the program or programs under their jurisdiction those providers who do not participate in the medical assistance program.

Sec. 14. [PROVIDER PAYMENT INCREASES.]

Subdivision 1. [HOSPITAL OUTPATIENT REIMBURSEMENT.] *For outpatient hospital facility fee payments for services rendered on or after October 1, 1992, the commissioner of human services shall pay the lower of (1) submitted charge, or (2) 32 percent above the rate in effect on June 30, 1992, except for those services for which there is a federal maximum allowable payment. Services for which there is a federal maximum allowable payment shall be paid at the lower of (1) submitted charge, or (2) the federal maximum allowable payment. Total aggregate payment for outpatient hospital facility fee services shall not exceed the Medicare upper limit. If it is determined that a provision of this section conflicts with existing or future requirements of the United States government with respect to federal financial participation in medical assistance, the federal requirements prevail. The commissioner may, in the aggregate, prospectively reduce payment rates to avoid reduced federal financial participation resulting from rates that are in excess of the Medicare upper limitations.*

Subd. 2. [PHYSICIAN AND DENTAL REIMBURSEMENT.] *(a) The physician reimbursement increase provided in Minnesota Statutes, section 256B.74, subdivision 2, shall not be implemented. Effective for services rendered on or after October 1, 1992, the commissioner shall make payments for physician services as follows:*

(1) payment for level one Health Care Finance Administration's common procedural coding system (HCPCS) codes titled "office and other outpatient

services," "preventive medicine new and established patient," "delivery, antepartum, and postpartum care," "critical care," caesarean delivery and pharmacologic management provided to psychiatric patients, and HCPCS level three codes for enhanced services for prenatal high risk, shall be paid at the lower of (i) submitted charges, or (ii) 25 percent above the rate in effect on June 30, 1992. If the rate on any procedure code within these categories is different than the rate that would have been paid under the methodology in Minnesota Statutes, section 256B.74, subdivision 2, then the larger rate shall be paid;

(2) payments for all other services shall be paid at the lower of (i) submitted charges, or (ii) 15.4 percent above the rate in effect on June 30, 1992; and

(3) all physician rates shall be converted from the 50th percentile of 1982 to the 50th percentile of 1989, less the percent in aggregate necessary to equal the above increases.

(b) The dental reimbursement increase provided in Minnesota Statutes, section 256B.74, subdivision 5, shall not be implemented. Effective for services rendered on or after October 1, 1992, the commissioner shall make payments for dental services as follows:

(1) dental services shall be paid at the lower of (i) submitted charges, or (ii) 25 percent above the rate in effect on June 30, 1992; and

(2) dental rates shall be converted from the 50th percentile of 1982 to the 50th percentile of 1989, less the percent in aggregate necessary to equal the above increases.

Subd. 3. [CONTINGENT ON ENACTMENT OF APPROPRIATIONS.] *Subdivisions 1 and 2 are effective only if money is appropriated to the commissioner of human services to cover the entire state cost of the increases.*

Sec. 15. [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. 16. [STUDY ON PREMIUMS AND BENEFITS.]

The commissioner of human services shall study the cost of health right premiums and the level of premium subsidies in relationship to the benefits provided. This study must include a comparison of the additional enrollee premium costs associated with the provision of an inpatient hospital benefit beginning July 1, 1993. Based on this analysis, the commissioner shall report to the legislative commission on health care access by January 15, 1993, on whether the premiums and subsidy level for the health right plan

should be adjusted.

Sec. 17. [PHASE-OUT OF THE CHILDREN'S HEALTH PLAN.]

Notwithstanding contrary provisions of Minnesota Statutes, section 256.936, the commissioner shall continue to accept enrollments in the children's health plan until July 1, 1993, using the eligibility and coverage requirements in effect prior to October 1, 1992, until the commissioner projects that the total enrollment in the children's health plan will exhaust the fiscal year 1993 appropriation for the children's health plan. These enrollees pay the annual fee established in Minnesota Statutes, section 256.936, subdivision 4, until July 1, 1993.

Sec. 18. [IMPACT OF HEALTH RIGHT ON CHILDREN'S HEALTH PLAN ENROLLEE.]

The commissioner of human services shall examine the impact of health right plan premium costs on access to health care for children's health plan enrollees. The commissioner shall examine whether health right plan premiums are affordable for children's health plan enrollees, and shall examine the degree to which children's health plan enrollees fail to continue coverage through the health right plan for financial reasons. The commissioner shall present recommendations to the legislature by February 15, 1993, on methods to ensure continued access to health care coverage for children's health plan enrollees.

Sec. 19. [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.

Sec. 20. [EFFECTIVE DATE.]

Section 13, relating to participation in state health care programs, is effective October 1, 1992.

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. [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.

Sec. 4. Minnesota Statutes 1990, section 144.147, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] "Eligible rural hospital" means any nonfederal, general acute care hospital that:

(1) is either located in a rural area, as defined in the federal Medicare regulations, Code of Federal Regulations, title 42, section 405.1041, or located in a community with a population of less than 5,000, according to United States Census Bureau statistics, outside the seven-county metropolitan area;

(2) has 100 or fewer beds;

(3) ~~has experienced net income losses in at least two of the three most recent consecutive hospital fiscal years for which audited financial information is available;~~

~~(4)~~ is not for profit; and

~~(5)~~ *(4)* has not been awarded a grant under the federal rural health transition grant program.

Sec. 5. Minnesota Statutes 1990, section 144.147, subdivision 3, is amended to read:

Subd. 3. [CONSIDERATION OF GRANTS.] In determining which hospitals will receive grants under this section, the commissioner shall take into account:

(1) improving community access to hospital or health services;

(2) changes in service populations;

(3) demand for ambulatory and emergency services;

(4) the extent that the health needs of the community are not currently being met by other providers in the service area;

(5) the need to recruit and retain health professionals; ~~and~~

(6) the involvement and extent of support of the community and local health care providers; *and*

(7) the financial condition of the hospital.

Sec. 6. Minnesota Statutes 1990, section 144.147, subdivision 4, is amended to read:

Subd. 4. [ALLOCATION OF GRANTS.] (a) Eligible hospitals must apply to the commissioner no later than September 1, ~~1990,~~ *of each year* for grants awarded ~~in the 1991 state fiscal year; and no later than September 1, 1990, for grants awarded in the 1992 state~~ *for the* fiscal year *beginning the following July 1*.

(b) ~~The commissioner may award at least two grants for each fiscal year.~~ The commissioner must make a final decision on the funding of each application within 60 days of the deadline for receiving applications.

(c) Each relevant community health board has 30 days in which to review and comment to the commissioner on grant applications from hospitals in their community health service area.

(d) In determining which hospitals will receive grants under this section, the commissioner shall consider the following factors:

(1) Description of the problem, description of the project, and the likelihood of successful outcome of the project. The applicant must explain

clearly the nature of the health services problems in their service area, how the grant funds will be used, what will be accomplished, and the results expected. The applicant should describe achievable objectives, a timetable, and roles and capabilities of responsible individuals and organizations.

(2) The extent of community support for the hospital and this proposed project. The applicant should demonstrate support for the hospital and for the proposed project from other local health service providers and from local community and government leaders. Evidence of such support may include past commitments of financial support from local individuals, organizations, or government entities; and commitment of financial support, in-kind services or cash, for this project.

(3) The comments, if any, resulting from a review of the application by the community health board in whose community health service area the hospital is located.

(e) In evaluating applications, the commissioner shall score each application on a 100 point scale, assigning the maximum of 70 points for an applicant's understanding of the problem, description of the project, and likelihood of successful outcome of the project; and a maximum of 30 points for the extent of community support for the hospital and this project. The commissioner may also take into account other relevant factors.

(f) A grant to a hospital, including hospitals that submit applications as consortia, may not exceed $50,000 a year and may not exceed a term of two years. Prior to the receipt of any grant, the hospital must certify to the commissioner that at least one-half of the amount, which may include in-kind services, is available for the same purposes from nonstate sources. A hospital receiving a grant under this section may use the grant for any expenses incurred in the development of strategic plans or the implementation of transition projects with respect to which the grant is made. Project grants may not be used to retire debt incurred with respect to any capital expenditure made prior to the date on which the project is initiated.

Sec. 7. [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. 8. [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. 9. [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. 10. [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 or be located in a community with a population of less than 5,000; (2) have experienced net income losses in the two most recent consecutive hospital fiscal years for which audited financial information is available; (3) consist of 30 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 9, section 7. To be eligible for a grant, a hospital must have 50 or fewer beds and must not be located in a city of the first class. To receive a grant, the hospital must demonstrate to the satisfaction of the commissioner of health that the hospital will close in the absence of state assistance under this subdivision and that the hospital tax is the principal reason for the closure. The amount of the grant must not exceed the amount of the tax the hospital would pay under article 9, section 7, based on the previous year's hospital revenues.*

Sec. 11. [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. 12. [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. 13. 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. 14. Minnesota Statutes 1990, section 144.8093, is amended to read:

144.8093 [EMERGENCY MEDICAL SERVICES FUND.]

Subdivision 1. [CITATION.] This section is the "Minnesota emergency medical services system support act."

Subd. 2. [ESTABLISHMENT AND PURPOSE.] In order to develop, maintain, and improve regional emergency medical services systems, the department of health shall establish an emergency medical services system

fund. The fund shall be used for the general purposes of promoting systematic, cost-effective delivery of emergency medical care throughout the state; identifying common local, regional, and state emergency medical system needs and providing assistance in addressing those needs; ~~undertaking special~~ *providing discretionary grants for emergency medical service* projects ~~of statewide significance that will enhance the provision of emergency medical care in Minnesota~~ *with potential regionwide significance*; providing for public education about emergency medical care; promoting the exchange of emergency medical care information; ensuring the ongoing coordination of regional emergency medical services systems; and establishing and maintaining training standards to ensure consistent quality of emergency medical services throughout the state.

Subd. 3. [USE AND RESTRICTIONS.] Designated regional emergency medical services systems may use emergency medical services system funds to support local and regional emergency medical services as determined within the region, with particular emphasis given to supporting and improving emergency trauma and cardiac care and training. No part of a region's share of the fund may be used to directly subsidize any ambulance service operations or rescue service operations or to purchase any vehicles or parts of vehicles for an ambulance service or a rescue service.

Subd. 4. [DISTRIBUTION.] Money from the fund shall be distributed according to this subdivision. ~~Eighty~~ *Ninety-three and one-third* percent of the fund shall be distributed annually on a contract for services basis with each of the eight regional emergency medical services systems designated by the commissioner of health. The systems shall be governed by a body consisting of appointed representatives from each of the counties in that region and shall also include representatives from emergency medical services organizations. The commissioner shall contract with a regional entity only if the contract proposal satisfactorily addresses proposed emergency medical services activities in the following areas: personnel training, transportation coordination, public safety agency cooperation, communications systems maintenance and development, public involvement, health care facilities involvement, and system management. If each of the regional emergency medical services systems submits a satisfactory contract proposal, then this part of the fund shall be distributed evenly among the regions. If one or more of the regions does not contract for the full amount of its even share or if its proposal is unsatisfactory, then the commissioner may reallocate the unused funds to the remaining regions on a pro rata basis. Six and two-thirds percent of the fund shall be used by the commissioner to support regionwide reporting systems and to provide other regional administration and technical assistance. ~~Thirteen and one-third percent shall be distributed by the commissioner as discretionary grants for special emergency medical services projects with potential statewide significance.~~

Sec. 15. 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. 16. 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. 17. [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. 18. [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. 19. [STUDY OF BASIC AND ADVANCED LIFE SUPPORT REIMBURSEMENT.]

The commissioner of human services, in consultation with the commissioner of health, shall study the mechanisms and rates of reimbursement for advanced and basic life support ambulance and special transportation service calls under medical assistance and general assistance medical care. The study shall examine methods of simplifying the claims process, interpretation of the "medically necessary" criteria and prior approval in light of the statutory mandate that ambulance service may not be denied, and other issues that create impediments to reasonable and fair reimbursement. The commissioner shall report findings and offer recommendations to the legislature by January 1, 1993, on means of maximizing potential reimbursement levels.

Sec. 20. [STUDY OF AMBULANCE SUBSCRIPTION PLANS.]

The commissioner of commerce and the commissioner of health shall study prepaid ambulance service plans that allow a person to prepay for ambulance services on a yearly basis. The commissioners shall study plans offered in other states and shall study the cost effectiveness and feasibility of offering these plans in Minnesota. The commissioners shall study methods of funding the plans. The commissioners shall also address the issue of whether these plans should be regulated as insurance, health maintenance organizations, or as another type of entity. The commissioners shall conduct the study in conjunction with the attorney general. The commissioners shall report the findings of the study to the legislature by January 1, 1993.

Sec. 21. [REPEALER.]

Section 3 expires July 1, 1994, 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.

Sec. 22. [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 7 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 board of regents of the University of Minnesota, through the University of Minnesota medical school, is requested to implement the initiatives required by sections 137.38 to 137.40 in order to increase the number of graduates of residency programs of the medical school who practice primary care by 20 percent over an eight-year period. The initiatives must be designed to encourage newly graduated primary care physicians to establish practices in areas of rural Minnesota that are medically underserved.*

Subd. 4. [GRANTS.] *The board of regents is requested to seek grants*

from private foundations and other nonstate sources for the medical school initiatives outlined in sections 137.38 to 137.40.

Subd. 5. [REPORTS.] *The board of regents is requested to 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 is requested to 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 is requested to ensure that its curriculum provides students with early exposure to primary care physicians and primary care practice. The medical school is requested to 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, is requested to develop a program to provide students with clinical experiences in primary care settings in internal medicine and pediatrics. The program must provide training experiences in medical clinics in rural Minnesota communities, as well as in community clinics and health maintenance organizations in the Twin Cities metropolitan area.*

Sec. 6. [137.40] [RESIDENCY AND OTHER INITIATIVES.]

Subdivision 1. [PRIMARY CARE AND RURAL ROTATIONS.] *The University of Minnesota medical school is requested to 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 is requested to 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 is requested to develop continuing medical education programs for primary care physicians that are comprehensive, community-based, and accessible to primary care physicians in all areas of the state.*

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 health care providers. 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. This initial emphasis may 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, if adequate data collection and evaluation techniques are available for that condition.

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, Minnesota Chiropractic Association or appropriate health licensing board for specific health care conditions for which practice in all or part of the state deviates from practice parameters. The commissioner may also require peer review by the Minnesota Medical Association, Minnesota Chiropractic Association or appropriate health licensing board for specific 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 practitioners statewide, or limited to practitioners in specific areas of the state. The peer review must determine whether the procedures conducted by practitioners are 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 practitioner continues to perform procedures that are 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 health care professionals, and representatives of the 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.]

Subdivision 1. [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. 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.

Subd. 2. [APPROVAL.] *The commissioner of health, after receiving the advice and recommendations of the Minnesota health care commission, may approve practice parameters that are endorsed, developed, or revised by the health care analysis unit. The commissioner is exempt from the rulemaking requirements of chapter 14 when approving practice parameters approved by the federal agency for health care policy and research, practice parameters adopted for use by a national medical society, or national medical specialty society. The commissioner shall use rulemaking to approve practice parameters that are newly developed or substantially revised by the health care analysis unit. Practice parameters adopted without rulemaking must be published in the State Register.*

Subd. 3. [MEDICAL MALPRACTICE CASES.] *(a) In an action against a provider for malpractice, error, mistake, or failure to cure, whether based in contract or tort, adherence to a practice parameter approved by the commissioner of health under subdivision 2 is an absolute defense against an allegation that the provider did not comply with accepted standards of practice in the community.*

(b) Evidence of a departure from a practice parameter is 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 date the commissioner approves the applicable practice parameter, whichever is later.

(d) Nothing in this section changes the standard or burden of proof in an action alleging a delay in diagnosis, a misdiagnosis, inappropriate application of a practice parameter, failure to obtain informed consent, battery or other intentional tort, breach of contract, or product liability.

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 revenue in activities related to collection of the health care provider tax required under article 9. 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 295.58; 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

FINANCING

Section 1. [16A.724] [HEALTH CARE ACCESS FUND.]

A health care access fund is created in the state treasury. The fund is a direct appropriated special revenue fund. The commissioner shall deposit to the credit of the fund money made available to the fund.

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, June 15, and December 15 of each year, every domestic and foreign company, including town and farmers' mutual insurance companies ~~and~~, domestic mutual insurance companies, *health maintenance organizations, and nonprofit health service corporations*, 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~~ *paragraphs* (b) *and (e)*, 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), *or (e)* 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.

(e) For health maintenance organizations and nonprofit health services corporations, the installments must be based on an amount equal to one percent of premiums described in paragraph (c) that are paid after December 31, 1995.

(f) Premiums under the children's health plan, the health right plan, and Minnesota comprehensive health insurance plan are not subject to tax under this section.

Sec. 3. Minnesota Statutes 1990, section 62C.01, subdivision 3, is amended to read:

Subd. 3. [SCOPE.] Every foreign or domestic nonprofit corporation organized for the purpose of establishing or operating a health service plan in Minnesota whereby health services are provided to subscribers to the plan under a contract with the corporation shall be subject to and governed by Laws 1971, chapter 568, and shall not be subject to the laws of this state relating to insurance, except *section 60A.15 and* as otherwise specifically provided. Laws 1971, chapter 568 shall apply to all health service plan corporations incorporated after August 1, 1971, and to all existing health service plan corporations, except as otherwise provided. Nothing in sections 62C.01 to 62C.23 shall apply to prepaid group practice plans. A prepaid group practice plan is any plan or arrangement other than a service plan, whereby health services are rendered to certain patients by providers who devote their professional effort primarily to members or patients of the plan, and whereby the recipients of health services pay for the services on a regular, periodic basis, not on a fee for service basis.

Sec. 4. 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. 5. [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.] *(a) "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 fees for covered services listed in section 256B.0625.

(b) Gross revenues do not include governmental, foundation, or other grants or donations to a hospital or health care provider for operating or other costs.

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. 6. [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. 7. [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. 8. [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 nursing homes licensed under chapter 144A, services provided in supervised living facilities and home health care services;

(4) payments received from hospitals for goods and services that are subject to tax under section 295.52;

(5) payments received from health care providers for goods and services that are subject to tax under section 295.52;

(6) amounts paid for prescription drugs 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;

(8) payments received for providing services under the health right program under article 4; and

(9) payments received by a resident health care provider or the wholly owned subsidiary of a resident health care provider for care provided outside Minnesota to a patient who is not domiciled in Minnesota.

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 health, in consultation with the commissioners

of commerce 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 health 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 health 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. 9. [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. 10. [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 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. 11. [295.57] [COLLECTION AND ENFORCEMENT; RULEMAKING; APPLICATION OF OTHER CHAPTERS.]

Unless specifically provided otherwise 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. 12. [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 and from the insurance premiums tax on health maintenance organizations and nonprofit health service corporations in the health care access fund in the state treasury.

Sec. 13. [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. 14. 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. 15. 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. 16. [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 fund.*

Sec. 17. [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 fund in the state treasury. 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. 18. [TRANSITION PROVISION; HOSPITAL TAX.]

For gross revenues taxable under section 7, subdivision 1, for calendar year 1993, the exclusions under section 8, subdivision 1, clauses (5) and (6) do not apply.

Sec. 19. [PASSTHROUGH.]

Subdivision 1. [AUTHORITY.] *A hospital that is subject to a tax under section 7 may transfer additional expense generated by section 7 obligations on to all third-party contracts for the purchase of health care services on behalf of a patient or consumer. The expense must not exceed two percent of the gross revenues received under the third-party contract, including copayments and deductibles paid by the individual patient or consumer. The expense must not be generated on revenues derived from payments that are excluded from the tax under section 8. All third-party purchasers of health care services including, but not limited to, third-party purchasers regulated under chapters 60A, 62A, 62C, 62D, 64B, or 62H, must pay the transferred expense in addition to any payments due under existing or future contracts with the hospital or health care provider, to the extent allowed under federal law. Nothing in this subdivision limits the ability of a hospital to recover all or part of the section 7 obligation by other methods, including increasing fees or charges.*

Subd. 2. [EXPIRATION.] *This section expires January 1, 1994.*

Sec. 20. [STUDY.]

The commissioner of revenue, in consultation with the commissioner of health and the board of pharmacy, shall report to the legislature by November 1, 1992, on the expected impact of the wholesale drug distributor tax and the health care provider tax on pharmacies and pharmacists. If the commissioner determines that these taxes are not effective or equitable as applied to pharmacies and pharmacists, the commissioner shall recommend alternative methods of taxing prescription drugs.

Sec. 21. [FEDERAL WAIVER; HEALTH CARE RELATED TAX.]

The legislature finds that taxes imposed by this article are not subject to or in violation of the restrictions contained in the Social Security Act or other federal law. The tax is imposed solely to fund a state program and is not used to pay the state share of medical assistance. Nevertheless to avoid any ambiguity, the commissioner of human services shall apply to the secretary of the United States Department of Health and Human Services for a waiver to treat the tax imposed under section 7 as a broad-based health care related tax under section 1903 of the Social Security Act, 42 United States Code section 1396b.

Sec. 22. [EFFECTIVE DATE.]

Sections 1 and 16 to 21 are effective the day following final enactment. Section 4 is effective for taxable years beginning after December 31, 1992. Section 7, subdivision 1, is effective for gross revenues generated by services performed and goods sold after December 31, 1992. Section 7, subdivisions 2 to 4, are effective for gross revenues generated by services performed and goods sold after December 31, 1993. Sections 14 and 15 are effective July

1, 1992.

ARTICLE 10

APPROPRIATIONS

Section 1. APPROPRIATIONS

Subdivision 1. The amounts specified in this section are appropriated from the health care access fund to the agencies and for the purposes indicated, to be available until June 30, 1993.

Subd. 2. Commissioner of Commerce	809,000
Subd. 3. Commissioner of Health	3,005,000
Subd. 4. Commissioner of Human Services	13,371,000
$20,000 of this appropriation is for a grant to the coalition responsible for establishing the demonstration project for low-income uninsured persons under Minnesota Statutes, section 256B.73, to provide consulting and marketing services related to the implementation of the health right program.	
Subd. 5. Higher Education Coordinating Board	189,000
This appropriation may be used as the required state match for any grants received by the University of Minnesota medical school.	
Subd. 6. Commissioner of Employee Relations	1,679,000
Subd. 7. Board of Regents of the University of Minnesota	2,200,000
Subd. 8. Commissioner of Revenue	917,000
Subd. 9. Legislature	125,000
This appropriation is for the legislative coordinating commission, to be divided between the senate and the house based on the recommendations of the legislative commission on health care access, for the purpose of adding staff in existing departments who will be assigned to the legislative commission.	
Subd. 10. Commissioner of Administration	27,000

Sec. 2. [TRANSFER.]

The commissioner of finance shall transfer $4,368,000 from the health care access fund to the general fund for fiscal year 1993. For purposes of preparing the biennial budget recommendations, the commissioner shall

assume a transfer of $4,605,000 for fiscal year 1994 and $5,467,000 for fiscal year 1995.

Sec. 3. [EFFECTIVE DATE.]

The appropriations in section 1 are effective July 1, 1992, except that $616,000 of the appropriation in section 1, subdivision 4, is available for fiscal year 1992."

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 fund; imposing taxes; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 16A.124, by adding a subdivision; 43A.17, subdivision 9; 60A.15, subdivision 1; 62A.02, subdivisions 1, 2, 3, and by adding subdivisions; 62C.01, subdivision 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; 144.147, subdivisions 1, 3, and 4; 144.581, subdivision 1; 144.8093; 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; 297.02, subdivision 1; and 297.03, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 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, section 62A.02, subdivisions 4 and 5."

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

House Conferees: (Signed) Paul Anders Ogren, Lee Greenfield, Dave Gruenes, Roger Cooper

Senate Conferees: (Signed) Linda Berglin, Duane D. Benson, Pat Piper, Fritz Knaak, John C. Hottinger

Ms. Berglin moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2800 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Mrs. Brataas moved that the recommendations and Conference Committee Report on H.F. No. 2800 be rejected and that the bill be re-referred to the Conference Committee as formerly constituted for further consideration.

The question was taken on the adoption of the motion of Mrs. Brataas.

The roll was called, and there were yeas 21 and nays 44, as follows:

Those who voted in the affirmative were:

Adkins	Brataas	Gustafson	Mehrkens	Terwilliger
Beckman	Dahl	Halberg	Neuville	
Benson, J.E.	Day	Johnston	Olson	
Berg	Frank	Laidig	Renneke	
Bertram	Frederickson, D.R.	Larson	Samuelson	

Those who voted in the negative were:

Belanger	Finn	Knaak	Mondale	Riveness
Benson, D.D.	Flynn	Kroening	Novak	Sams
Berglin	Frederickson, D.J.	Langseth	Pappas	Solon
Bernhagen	Hottinger	Lessard	Pariseau	Spear
Chmielewski	Hughes	Luther	Piper	Stumpf
Cohen	Johnson, D.E.	Marty	Pogemiller	Traub
Davis	Johnson, D.J.	McGowan	Price	Vickerman
DeCramer	Johnson, J.B.	Merriam	Ranum	Waldorf
Dicklich	Kelly	Moe, R.D.	Reichgott	

The motion did not prevail.

The question recurred on the motion of Ms. Berglin. The motion prevailed.

H.F. No. 2800 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 49 and nays 18, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kelly	Mondale	Reichgott
Beckman	Finn	Knaak	Morse	Riveness
Belanger	Flynn	Kroening	Neuville	Sams
Benson, D.D.	Frank	Laidig	Novak	Solon
Benson, J.E.	Frederickson, D.J.	Lessard	Pappas	Spear
Berglin	Hottinger	Luther	Pariseau	Stumpf
Bernhagen	Hughes	Marty	Piper	Traub
Chmielewski	Johnson, D.E.	McGowan	Pogemiller	Vickerman
Cohen	Johnson, D.J.	Metzen	Price	Waldorf
DeCramer	Johnson, J.B.	Moe, R.D.	Ranum	

Those who voted in the negative were:

Berg	Davis	Halberg	Mehrkens	Samuelson
Bertram	Day	Johnston	Merriam	Terwilliger
Brataas	Frederickson, D.R.	Langseth	Olson	
Dahl	Gustafson	Larson	Renneke	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has reappointed the Conference Committee on Senate File No. 81:

S.F. No. 81: A bill for an act relating to towns; clarifying certain provisions for the terms of town supervisor; providing for the compensation of certain town officers and employees; amending Minnesota Statutes 1990, sections 367.03, subdivision 1; and 367.05, subdivision 1.

The Committee on the part of the House consists of:

Janezich, Jefferson and Pellow.

Senate File No. 81 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1701:

H.F. No. 1701: A bill for an act relating to railroads; authorizing expenditure of rail service improvement account money for maintenance of rail lines and rights-of-way in the rail bank; authorizing the commissioner of transportation to acquire abandoned rail lines and rights-of-way by eminent domain; eliminating requirement to offer state rail bank property to adjacent land owners; amending Minnesota Statutes 1990, sections 222.50, subdivision 7; 222.63, subdivisions 2, 2a, and 4; repealing Minnesota Statutes 1990, section 222.63, subdivision 5.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Steensma, Rice and Kalis have been appointed as such committee on the part of the House.

House File No. 1701 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

Mr. Moe, R.D., for Mr. DeCramer, moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1701, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2586, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2586 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

CONFERENCE COMMITTEE REPORT ON H.F. NO. 2586

A bill for an act providing for a study of the civic and cultural functions of downtown Saint Paul.

April 15, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 2586, report that we have

agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 2586 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [CAPITAL CITY CULTURAL RESOURCES COMMISSION.]

Subdivision 1. The legislature finds that the capital city of Saint Paul:

(1) encourages the use of many of its downtown facilities for state agencies and their personnel;

(2) encourages a wide range of cultural attractions for tourists and visitors to the capital city that reflect its multicultural city and state community; and

(3) encourages the development of a strong link between the civic and cultural amenities of downtown and the capitol area to aid in economic development by establishing a true and distinguishable identity, building upon its civic and cultural industries to increase day and night time vitality.

Subd. 2. A capital city cultural resources commission is established to review and recommend to the state legislature, the Ramsey county board, and the mayor of Saint Paul, the proper use of state and local financial resources to develop Saint Paul as a "cultural capital," a resource for the state and region, including, but not limited to:

(1) acquisition, construction, expansion, and remodeling of facilities comprising the cultural capital area of Saint Paul and downtown, including, but not limited to, the Saint Paul Civic Center complex, Saint Paul Public Library, Science Museum of Minnesota, Children's Museum, Minnesota Museum of Art, the Dahl House, Ordway Music Theatre, Landmark Center, and the historic and cultural attractions of the capitol area;

(2) plans for the possible use of the downtown and capitol areas as educational and visitors' center for the capital city;

(3) stabilization and ongoing support of the civic and cultural industries;

(4) attracting and developing new cultural institutions; and

(5) riverfront enhancement for cultural, historical, and economic development purposes.

Subd. 3. The commission shall be composed of 22 members selected as follows:

(1) three members from the Minnesota house of representatives, selected by the speaker from among the members whose district represents all or part of the city of Saint Paul;

(2) three members from the Minnesota senate, selected by the senate committee on rules and administration from among the members whose district represents all or part of the city of Saint Paul;

(3) one member of the Ramsey county board, selected by the county board;

(4) the mayor of the city of Saint Paul;

(5) two members of the Saint Paul city council, selected by the council;

(6) the chair of the capitol area architectural and planning board or designee;

(7) four members of the public, selected by the mayor of the city of Saint Paul, who are residents of or have their principal place of business located within the city of Saint Paul;

(8) one appointee of the Minnesota Historical Society;

(9) one appointee of the Minnesota Humanities Commission;

(10) one appointee of District Council Number 17;

(11) one appointee of the Minnesota Association of Museums;

(12) one appointee of the Heritage Preservation Commission;

(13) one appointee of the Minnesota department of tourism; and

(14) one appointee of the Saint Paul Chamber of Commerce.

The commission shall select a chair from among its members. Members of the commission shall serve without compensation. Expenses that would be reimbursed for state employees shall be reimbursed to members. The commission may accept gifts, grants, or donations from public and private entities to assist with the cost of its work. Gifts, grants, or donations are not subject to Minnesota Statutes, chapter 10A, or other law or rule regulating lobbying expenses.

Subd. 4. The members of the commission shall hold their first meeting on or before May 15, 1992. The commission shall review plans and recommend priorities for the development and financing of projects and programs. It shall submit a report on its findings and prioritized recommendations to the legislature, the city of Saint Paul, and the Ramsey county board on or before February 15, 1993.

Sec. 2. [EFFECTIVE DATE.]

Section 1 takes effect the day following final enactment and expires May 15, 1993."

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

House Conferees: (Signed) Steve Trimble, Alice Hausman, Carlos Mariani

Senate Conferees: (Signed) Richard J. Cohen, Randy C. Kelly, Sandra L. Pappas

Mr. Cohen moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2586 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2586 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Adkins	DeCramer	Kelly	Mondale	Renneke
Beckman	Finn	Knaak	Morse	Riveness
Belanger	Flynn	Kroening	Neuville	Sams
Benson, D.D.	Frank	Laidig	Novak	Samuelson
Benson, J.E.	Frederickson, D.J.	Larson	Olson	Solon
Berg	Frederickson, D.R.	Lessard	Pappas	Spear
Berglin	Gustafson	Luther	Pariseau	Stumpf
Bernhagen	Halberg	McGowan	Piper	Terwilliger
Cohen	Hottinger	Mehrkens	Pogemiller	Traub
Dahl	Johnson, D.J.	Merriam	Price	Vickerman
Davis	Johnson, J.B.	Metzen	Ranum	Waldorf
Day	Johnston	Moe, R.D.	Reichgott	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1691 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON 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.

April 16, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1691, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 1691 be further amended as follows:

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) A party to a conciliation court action may appear without an attorney or may be represented by an attorney when the conciliation court, in its discretion, finds the interests of justice would best be served by that representation, and it is limited to the extent and in the manner that the judge considers helpful. The court shall adopt simplified procedures to allow parties to represent themselves.*

(b) 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~~ *$250* as costs.

(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 district court, judgment is entered by the district court and has been docketed for at least 30 days, the judgment is not satisfied, and the parties have not otherwise agreed, the district 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~~ *$100*. (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~~ *$100*.

To defendant: ~~(1)~~ Upon discontinuance or dismissal~~; $5. (2)~~ *or* when judgment is rendered in the defendant's favor on the merits, ~~$10~~ *$100*.

To the prevailing party: (1) $5.50 for the cost of filing a satisfaction of the judgment.

This section does not apply to actions removed to district court from conciliation court.

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 July 1, 1993, and $7,500 on July 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.

Sec. 23. [EFFECTIVE DATE.]

Section 2 is effective July 1, 1992."

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."

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

Senate Conferees: (Signed) Randy C. Kelly, Richard J. Cohen, Fritz Knaak

House Conferees: (Signed) Thomas W. Pugh, Kris Hasskamp, Dave Bishop

Mr. Kelly moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1691 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1691 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 57 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnston	Metzen	Riveness
Beckman	DeCramer	Kelly	Moe, R.D.	Sams
Belanger	Flynn	Knaak	Neuville	Samuelson
Benson, D.D.	Frank	Kroening	Olson	Solon
Benson, J.E.	Frederickson, D.J.	Laidig	Pappas	Spear
Berg	Frederickson, D.R.	Larson	Pariseau	Stumpf
Berglin	Gustafson	Lessard	Piper	Terwilliger
Bernhagen	Halberg	Luther	Pogemiller	Vickerman
Bertram	Hottinger	Marty	Price	Waldorf
Chmielewski	Hughes	McGowan	Ranum	
Cohen	Johnson, D.E.	Mehrkens	Reichgott	
Davis	Johnson, J.B.	Merriam	Renneke	

Mr. Finn voted in the negative.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2314 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 2314

A bill for an act relating to the city of Minneapolis; requiring an equitable participation by planning districts in neighborhood revitalization programs; amending Minnesota Statutes 1990, section 469.1831, by adding a subdivision.

April 16, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2314, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment.

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

Senate Conferees: (Signed) Carl W. Kroening, Lawrence J. Pogemiller, Carol Flynn

House Conferees: (Signed) James I. Rice, John J. Sarna, Phyllis Kahn

Mr. Kroening moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2314 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2314 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

Beckman	Day	Johnston	Merriam	Ranum
Belanger	DeCramer	Kelly	Metzen	Reichgott
Benson, D.D.	Flynn	Knaak	Moe, R.D.	Renneke
Benson, J.E.	Frank	Kroening	Mondale	Riveness
Berg	Frederickson, D.J.	Laidig	Neuville	Sams
Berglin	Frederickson, D.R.	Langseth	Novak	Solon
Bernhagen	Halberg	Larson	Pappas	Stumpf
Bertram	Hottinger	Luther	Pariseau	Terwilliger
Chmielewski	Hughes	Marty	Piper	Traub
Cohen	Johnson, D.E.	McGowan	Pogemiller	Vickerman
Davis	Johnson, J.B.	Mehrkens	Price	Waldorf

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2194 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON 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.

April 16, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2194, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 2194 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 6.02, is amended to read:

6.02 [~~DEPUTY~~ *DEPUTIES*, EMPLOYEES.]

The state auditor shall appoint a deputy, who may perform all the duties of the office when the auditor is absent or disabled. The state auditor may employ and at pleasure dismiss *two additional deputies and* a private secretary. *This section does not increase the complement of the state auditor.*

Sec. 2. Minnesota Statutes 1990, section 11A.24, subdivision 6, is amended to read:

Subd. 6. [OTHER INVESTMENTS.] (a) In addition to the investments authorized in subdivisions 1 to 5, and subject to the provisions in clause (b), the state board may invest funds in:

(1) venture capital investment businesses through participation in limited partnerships and corporations;

(2) real estate ownership interests or loans secured by mortgages or deeds of trust through investment in limited partnerships, bank sponsored collective funds, trusts, and insurance company commingled accounts, including separate accounts;

(3) regional and mutual funds through bank sponsored collective funds and open-end investment companies registered under the Federal Investment Company Act of 1940;

(4) resource investments through limited partnerships, private placements and corporations; *and*

(5) ~~debt obligations not subject to subdivision 3; and~~

~~(6)~~ international securities.

(b) The investments authorized in clause (a) must conform to the following provisions:

(1) the aggregate value of all investments made according to clause (a) may not exceed 35 percent of the market value of the fund for which the state board is investing;

(2) there must be at least four unrelated owners of the investment other than the state board for investments made under paragraph (a), clause (1),

(2), (3), or (4);

(3) state board participation in an investment vehicle is limited to 20 percent thereof for investments made under paragraph (a), clause (1), (2), (3), or (4); and

(4) state board participation in a limited partnership does not include a general partnership interest or other interest involving general liability. The state board may not engage in any activity as a limited partner which creates general liability.

Sec. 3. Minnesota Statutes 1990, section 13.76, is amended by adding a subdivision to read:

Subd. 3. [BUSINESSES SEEKING STATE INCENTIVES.] *Notwithstanding subdivision 1, any business seeking $250,000 or more in financial assistance from the state of Minnesota in the form of grants, loans, or tax incentives shall make available for public inspection its audited financial statements for the three most recent years. These statements shall include all information that would be required by the United States Securities and Exchange Commission prior to any public stock offering. This subdivision does not apply to financial assistance sought from the iron range resources and rehabilitation board or from a political subdivision of the state, including home rule charter and statutory cities, towns, counties, and all agencies, commissions, and councils established under chapter 473, as well as any authority or agency of such a political subdivision.*

Sec. 4. Minnesota Statutes 1990, section 15A.082, is amended by adding a subdivision to read:

Subd. 4a. [CONSTITUTIONAL OFFICERS.] *No constitutional officer whose compensation is set under this section may receive monetary compensation for unused vacation or sick leave accruals.*

Sec. 5. [279.025] [PAYMENT OF DELINQUENT PROPERTY TAXES, SPECIAL ASSESSMENTS.]

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

Sec. 6. Minnesota Statutes 1990, section 367.36, subdivision 1, is amended to read:

Subdivision 1. [INCUMBENT TREASURER; ANNUAL AUDIT.] In a town in which option D is adopted, the incumbent treasurer shall continue in office until the expiration of the term. Thereafter the duties of the treasurer prescribed by law shall be performed by the clerk who shall be referred to as the clerk-treasurer. If the offices of clerk and treasurer are combined, the town board shall provide for an annual audit of the town's financial affairs by the state auditor or a public accountant in accordance with minimum audit procedures prescribed by the state auditor. *Upon completion of an audit by a public accountant, the public accountant shall forward a copy of the audit to the state auditor. For purposes of this subdivision, "public accountant" means a certified public accountant, a certified public accounting firm, or a licensed public accountant, all licensed by the board of accountancy under sections 326.17 to 326.23.*

Sec. 7. Minnesota Statutes 1990, section 412.222, is amended to read:

412.222 [PUBLIC ACCOUNTANTS IN STATUTORY CITIES.]

The council of any city may employ public accountants on a monthly or yearly basis for the purpose of auditing, examining, and reporting upon the books and records of account of such city. For the purpose of this section ~~public accountants are defined as any individuals who for a period of five years prior to the date of such employment have been actively engaged exclusively in the practice of public accounting~~, *"public accountant" means a certified public accountant, a certified public accounting firm, or a licensed public accountant, all licensed by the board of accountancy under sections 326.17 to 326.23.* All expenditures for these purposes shall be within the statutory limits upon tax levies in such cities.

Sec. 8. Minnesota Statutes 1990, section 462.396, subdivision 4, is amended to read:

Subd. 4. The commission shall keep an accurate account of its receipts and disbursement. Disbursements of funds of the commission shall be made by check signed by the chair or vice-chair or secretary of the commission and countersigned by the executive director or an authorized deputy thereof after such auditing and approval of the expenditure as may be provided by rules of the commission. The state auditor shall audit the books and accounts of the commission once each year, or as often as funds and personnel of the state auditor permit. The commission shall pay to the state the total cost and expenses of such examination, including the salaries paid to the auditors while actually engaged in making such examination. The general fund shall be credited with all collections made for any such examination. *In lieu of an annual audit by the state auditor, the commission may contract with a certified public accountant for the annual audit of the books and accounts of the commission. If a certified public accountant performs the audit, the commission shall send a copy of the audit to the state auditor.*

Sec. 9. Minnesota Statutes 1990, section 471.49, is amended by adding a subdivision to read:

Subd. 10. [PUBLIC ACCOUNTANT.] *"Public accountant" means a certified public accountant, a certified public accounting firm, or a licensed public accountant, all licensed by the board of accountancy under sections 326.17 to 326.23.*

Sec. 10. Minnesota Statutes 1990, section 471.66, is amended to read:

471.66 [VACATIONS.]

Subdivision 1. ~~Hereafter~~ The governing body of each city and town in the state of Minnesota, however organized, may by resolution or ordinance provide for the granting of vacations, with or without pay, to all its regularly employed employees or officers, upon such terms and under such conditions as said governing body may determine, and subject to such requirements as to length of service with such municipality as said governing body may require.

Subd. 2. Nothing in ~~the foregoing provisions~~ *subdivision 1* shall be construed as retroactive in its purpose or intent so as to give the governing body of any such city or town the right to grant vacations based on service of its employees or officers rendered prior to the enactment of such ordinance or resolution.

Subd. 3. No elected official of a statutory or home rule charter city, county, town, school district, metropolitan or regional agency, or other

political subdivision of this state, may receive monetary compensation for unused vacation or sick leave accruals. Nothing in this subdivision shall restrict an elected official from taking vacation or sick leave time that may be provided for by resolution or ordinance of the governing body of a statutory or home rule charter city, county, town, school district, metropolitan or regional agency, or other political subdivision of this state.

Sec. 11. Minnesota Statutes 1990, section 471.68, is amended by adding a subdivision to read:

Subd. 3. [PICTURES PROHIBITED.] *When a statutory or home rule charter city, county, town, school district, metropolitan or regional agency, or other political subdivision of this state, issues a report or other publication for public distribution to inform the general public of the activities of the political subdivision, the report or publication must not include pictures of elected officials nor any other pictorial or graphic device that would tend to attribute the publication to an individual or groups of individuals instead of the political subdivision. Directories of public services provided by the political subdivision are exempt from this subdivision.*

Sec. 12. Minnesota Statutes 1990, section 471.696, is amended to read:

471.696 [FISCAL YEAR; DESIGNATION.]

Beginning in 1979, the fiscal year of a city and all of its funds shall be the calendar year, *except that a city may, by resolution, provide that the fiscal year for city-owned nursing homes be the reporting year designated by the commissioner of human services. Beginning in 1994, the fiscal year of a town and all of its funds shall be the calendar year.* The state auditor may upon request of a ~~city~~ *town* and a showing of inability to conform, extend the deadline for compliance with this section for one year~~, except that a city may, by resolution, provide that the fiscal year for city owned nursing homes be the reporting year designated by the commissioner of human services~~.

Sec. 13. Minnesota Statutes 1990, section 471.697, is amended to read:

471.697 [FINANCIAL REPORTING; AUDITS; CITIES *AND TOWNS* OF MORE THAN 2,500 POPULATION.]

Subdivision 1. In any city with a population of more than 2,500 according to the latest federal census, *or town with a population of more than 2,500 according to the latest federal census with an annual revenue of $500,000 or more,* the city clerk ~~or~~, chief financial officer, *town clerk, or town clerk-treasurer* shall:

(a) Prepare a financial report covering the city's *or town's* operations including operations of municipal hospitals and nursing homes, liquor stores, and public utility commissions during the preceding fiscal year after the close of the fiscal year ~~and~~. *Cities shall* publish the report or a summary of the report, in a form as prescribed by the state auditor, in a qualified newspaper of general circulation in the city or, if there is none, post copies in three of the most public places in the city, no later than 30 days after the report is due in the office of the state auditor. The report shall contain financial statements and disclosures which present the city's *or town's* financial position and the results of city *or town* operations in conformity with generally accepted accounting principles. The report shall include such information and be in such form as may be prescribed by the state auditor;

(b) File the financial report in the clerk's or financial officer's office for

public inspection and present it to the city council *or town board* after the close of the fiscal year. One copy of the financial report shall be furnished to the state auditor after the close of the fiscal year; and

(c) Submit to the state auditor audited financial statements which have been attested to by a certified public accountant, public accountant, or the state auditor within 180 days after the close of the fiscal year, except that the state auditor may upon request of a city *or town* and a showing of inability to conform, extend the deadline. The state auditor may accept this report in lieu of the report required in clause (b) above.

A municipal hospital or nursing home established before June 6, 1979 whose fiscal year is not a calendar year on August 1, 1980 is not subject to this subdivision but shall submit to the state auditor a detailed statement of its financial affairs audited by a certified public accountant, a public accountant or the state auditor no later than 120 days after the close of its fiscal year. It may also submit a summary financial report for the calendar year.

Subd. 2. The state auditor shall continue to audit cities of the first class pursuant to section 6.49.

Sec. 14. Minnesota Statutes 1990, section 471.6985, is amended to read:

471.6985 [FINANCIAL ~~STATEMENT PUBLICATION~~ *REPORTING; AUDITS*; MUNICIPAL LIQUOR STORE.]

Subdivision 1. Any city operating a municipal liquor store shall publish a balance sheet using generally accepted accounting procedures and a statement of operations of the liquor store within 90 days after the close of the fiscal year in the official newspaper of the city. The statement shall be headlined, in a type size no smaller than 18-point: "Analysis of . . . . . (city) . . . . . municipal liquor store operations for . . . . . (year) . . . . . " and shall be written in clear and easily understandable language. It shall contain the following information: total sales, cost of sales, gross profit, profit as percent of sales, operating expenses, operating income, contributions to and from other funds, capital outlay, interest paid and debt retired. The form and style of the statement shall be prescribed by the state auditor. Nonoperating expenses may not be extracted on the reporting form prior to determination of net profits for reporting purposes only. Administrative expenses charged to the liquor store by the city must be actual operating expenses and not used for any other public purpose prior to the determination of net profits. The publication requirements of this section shall be in addition to any publication or posting requirements for financial reports contained in sections 471.697 and 471.698. The statement may at the option of the city council be incorporated into the reports published pursuant to sections 471.697 and 471.698, in accordance with a form and style prescribed by the state auditor.

Subd. 2. Any city operating a municipal liquor store with total annual sales in excess of $350,000 shall submit to the state auditor audited financial statements for the liquor store that have been attested to by a certified public accountant, public accountant, or the state auditor within 180 days after the close of the fiscal year, except that the state auditor may extend the deadline upon request of a city and a showing of inability to conform. The state auditor may accept this report in lieu of the report required by subdivision 1.

Sec. 15. Minnesota Statutes 1990, section 477A.017, subdivision 2, is amended to read:

Subd. 2. [STATE AUDITOR'S DUTIES.] The state auditor shall prescribe uniform financial accounting and reporting standards in conformity with national standards to be applicable to cities *and towns* of more than 2,500 population and uniform reporting standards to be applicable to cities of less than 2,500 population.

Sec. 16. Minnesota Statutes 1990, section 609.415, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in sections 609.415 to 609.465, and 609.515,

(1) "Public officer" means:

(a) an executive or administrative officer of the state or of a county, municipality or other subdivision or agency of the state;

(b) a member of the legislature or of a governing board of a county, municipality, or other subdivision of the state, or other governmental instrumentality within the state;

(c) a judicial officer;

(d) a hearing officer;

(e) a law enforcement officer; or

(f) any other person exercising the functions of a public officer.

(2) "Public employee" means a person employed by or acting for the state or a county, municipality, or other subdivision or governmental instrumentality of the state for the purpose of exercising their respective powers and performing their respective duties, and who is not a public officer.

(3) "Judicial officer" means a judge, court commissioner, referee, or any other person appointed by a judge or court to hear or determine a cause or controversy.

(4) "Hearing officer" means any person authorized by law or private agreement to hear or determine a cause or controversy who is not a judicial officer.

(5) "Political subdivision" means a county, town, statutory or home rule charter city, school district, special service district, or other municipal corporation of the state of Minnesota.

Sec. 17. [609.456] [REPORTING TO STATE AUDITOR REQUIRED.]

Whenever a public employee or public officer of a political subdivision discovers evidence of theft, embezzlement, or unlawful use of public funds or property, the employee or elected official shall, except when to do so would knowingly impede or otherwise interfere with an ongoing criminal investigation, promptly report in writing to the state auditor a detailed description of the alleged incident or incidents.

Sec. 18. [PROPERTY TAXES AND SPECIAL ASSESSMENTS; HRA AGREEMENT.]

If before August 1, 1990, a housing and redevelopment authority has entered into an agreement with the owner to improve the property in the redevelopment area, all property taxes and special assessments payable to the political subdivisions on that property in the redevelopment area are not subject to the limitation in Laws 1991, chapter 336, article 2, section 11, clause

(9).

Sec. 19. [NEWSPAPER; QUALIFICATION.]

A newspaper otherwise in compliance with Minnesota Statutes, section 331A.02, subdivision 1, between September 1, 1991, and December 31, 1991, shall not be deemed to have lost its qualified status because any issue published between September 1, 1991, and December 31, 1991, failed to include the minimum number of column-inches required by Minnesota Statutes, section 331A.02, subdivision 1.

Sec. 20. [AIRLINE TRAVEL CREDIT.]

(a) Whenever public funds are used to pay for airline travel by an elected official or public employee, any credits or other benefits issued by any airline must accrue to the benefit of the public body providing the funding. In the event the issuing airline will not honor a transfer or assignment of any credit or benefit, the individual passenger shall report receipt of the credit or benefit to the public body issuing the initial payment within 90 days of receipt.

(b) By July 1, 1993, the appropriate authorities in the executive, legislative, and judicial branches of the state and the governing body of each political subdivision shall develop and implement policies covering accrual of credits or other benefits issued by an airline whenever public funds are used to pay for airline travel by a public employee or an elected or appointed official. The policies must apply to all airline travel, regardless of where or how tickets are purchased. The policies must include procedures for reporting receipt of credits or other benefits.

Sec. 21. [REPEALER.]

Minnesota Statutes 1991 Supplement, section 128B.10, subdivision 2, is repealed.

Sec. 22. [EFFECTIVE DATE.]

Section 19 is effective the day following enactment. Section 18 is effective June 30, 1992."

Delete the title and insert:

"A bill for an act relating to authorizing two additional deputies in the state auditor's office; regulating certain investments; providing for certain audits, reports, and payments; prohibiting monetary compensation for unused vacation or sick leave to certain state and local officers; setting conditions for certain state laws; prohibiting the use of pictures of elected officials in certain local government publications; requiring that airline travel credit accrue to the issuing public body and requiring policies covering the benefits issued by airlines for travel paid for by public funds; 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; 462.396, subdivision 4; 471.49, by adding a subdivision; 471.66; 471.68, by adding a subdivision; 471.696; 471.697; 471.6985; 477A.017, subdivision 2; 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."

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

Senate Conferees: (Signed) Ember D. Reichgott, Gene Waldorf, Dennis R. Frederickson

House Conferees: (Signed) Thomas W. Pugh, Robert P. Milbert, Ron Abrams

Ms. Reichgott moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2194 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2194 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 56 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnston	Mondale	Sams
Beckman	Finn	Kelly	Novak	Samuelson
Belanger	Flynn	Knaak	Olson	Solon
Benson, J.E.	Frank	Kroening	Pappas	Stumpf
Berg	Frederickson, D.J.	Laidig	Pariseau	Terwilliger
Berglin	Frederickson, D.R.	Larson	Piper	Traub
Bernhagen	Halberg	Luther	Pogemiller	Vickerman
Bertram	Hottinger	Marty	Price	Waldorf
Chmielewski	Hughes	McGowan	Ranum	
Cohen	Johnson, D.E.	Merriam	Reichgott	
Davis	Johnson, D.J.	Metzen	Renneke	
Day	Johnson, J.B.	Moe, R.D.	Riveness	

Mr. Lessard voted in the negative.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2269, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2269 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

CONFERENCE COMMITTEE REPORT ON 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.

April 15, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 2269, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 2269 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 473.661, subdivision 1, is amended to read:

Subdivision 1. The ~~commissioner~~ *commissioners* shall, on or before the first day of July of each year, prepare a detailed budget of the needs of the corporation for the next fiscal year, specifying separately in said budget the amounts to be expended for acquisition of property, construction, payments on bonded indebtedness, if any, operation, *noise mitigation*, and maintenance, respectively, subject only to such changes as the commissioners may from time to time approve.

Sec. 2. Minnesota Statutes 1990, section 473.661, is amended by adding a subdivision to read:

Subd. 4. [NOISE MITIGATION.] *(a) According to the schedule in paragraph (b) of this subdivision, commission funds must be dedicated (1) to supplement the implementation of corrective land use management measures approved by the Federal Aviation Administration as part of the commission's Federal Aviation Regulations, part 150 noise compatibility program, and (2) for soundproofing and accompanying air conditioning of residences, schools, and other public buildings when there is a demonstrated need because of aircraft noise, regardless of the location of the building to be soundproofed, or any combination of the three.*

(b) The noise mitigation program described in paragraph (a) of this subdivision shall be funded by the commission from whatever source of funds according to the following schedule:

In 1993, an amount equal to 20 percent of the passenger facilities charges revenue amount budgeted by the commission for 1993;

In 1994, an amount equal to 20 percent of the passenger facilities charges revenue amount budgeted by the commission for 1994;

In 1995, an amount equal to 35 percent of the passenger facilities charges revenue amount budgeted by the commission for 1995; and

In 1996, an amount equal to 40 percent of the passenger facilities charges revenue amount budgeted by the commission for 1996.

(c) The commission's capital improvement projects, program, and plan must reflect the requirements of this section. As part of the commission's report to the legislature under section 473.621, subdivision 1a, the commission must provide a description and the status of each noise mitigation project implemented under this section.

(d) Within 60 days of submitting the commission's and the metropolitan council's report and recommendations on major airport planning to the

legislature as required by section 473.618, the commission, with the assistance of its sound abatement advisory committee, shall make a recommendation to the legislature regarding appropriate funding levels for noise mitigation at Minneapolis-St. Paul International Airport and in the neighboring communities.

Sec. 3. [APPLICATION.]

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

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

House Conferees: (Signed) Edwina Garcia, Irv Anderson, Kathleen Blatz

Senate Conferees: (Signed) Phil J. Riveness, John Marty

Mr. Riveness moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2269 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2269 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 55 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, D.J.	Metzen	Reichgott
Beckman	DeCramer	Johnson, J.B.	Moe, R.D.	Renneke
Belanger	Finn	Kelly	Mondale	Riveness
Benson, J.E.	Flynn	Kroening	Neuville	Sams
Berg	Frank	Laidig	Novak	Samuelson
Bernhagen	Frederickson, D.J.	Larson	Olson	Solon
Bertram	Frederickson, D.R.	Lessard	Pappas	Spear
Chmielewski	Halberg	Luther	Pariseau	Stumpf
Cohen	Hottinger	Marty	Pogemiller	Terwilliger
Dahl	Hughes	McGowan	Price	Traub
Davis	Johnson, D.E.	Merriam	Ranum	Vickerman

Ms. Johnston and Mr. Knaak voted in the negative.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

CONFIRMATION

Ms. Berglin moved that the reports from the Committee on Health and Human Services, reported January 15, 1992, pertaining to appointments, be taken from the table. The motion prevailed.

Ms. Berglin moved that the foregoing reports be now adopted. The motion prevailed.

Ms. Berglin moved that in accordance with the reports from the Committee on Health and Human Services, reported January 15, 1992, the Senate, having given its advice, do now consent to and confirm the appointment of:

DEPARTMENT OF HEALTH
COMMISSIONER

Marlene E. Marschall, 670 Lovell Avenue, Roseville, Ramsey County, Minnesota, effective June 1, 1991, for a term expiring on the first Monday in January, 1995.

DEPARTMENT OF HUMAN SERVICES
COMMISSIONER

Natalie Haas Steffen, 7007 Northwest 164th Avenue, Ramsey, Anoka County, Minnesota, effective January 23, 1991, for a term expiring on the first Monday in January, 1995.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Ms. Berglin moved that the report from the Committee on Health and Human Services, reported March 4, 1992, pertaining to appointments, be taken from the table. The motion prevailed.

Ms. Berglin moved that the foregoing report be now adopted. The motion prevailed.

Ms. Berglin moved that in accordance with the report from the Committee on Health and Human Services, reported March 4, 1992, the Senate, having given its advice, do now consent to and confirm the appointment of:

DEPARTMENT OF CORRECTIONS
COMMISSIONER

Orville B. Pung, 14499 North 57th Street, Stillwater, Washington County, Minnesota, effective September 27, 1991, for a term expiring on the first Monday in January, 1995.

The motion prevailed. So the appointment was confirmed.

CONFIRMATION

Mr. Spear moved that the report from the Committee on Judiciary, reported March 4, 1992, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Spear moved that the foregoing report be now adopted. The motion prevailed.

Mr. Spear moved that in accordance with the report from the Committee on Judiciary, reported March 4, 1992, the Senate, having given its advice, do now consent to and confirm the appointment of:

DEPARTMENT OF HUMAN RIGHTS
COMMISSIONER

David L. Beaulieu, Ph.D., 111 East Kellogg Boulevard, St. Paul, Ramsey County, effective October 28, 1991, for a term expiring on the first Monday in January, 1995.

The motion prevailed. So the appointment was confirmed.

CONFIRMATION

Mr. Spear moved that the appointments of notaries public, received March 19, 1992, be taken from the table. The motion prevailed.

Mr. Spear moved that the Senate do now consent to and confirm the appointments of the notaries public. The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Mr. Davis moved that the report from the Committee on Agriculture and Rural Development, reported March 5, 1992, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Davis moved that the foregoing report be now adopted. The motion prevailed.

Mr. Davis moved that in accordance with the report from the Committee on Agriculture and Rural Development, reported March 5, 1992, the Senate, having given its advice, do now consent to and confirm the appointment of:

BOARD OF ANIMAL HEALTH

Patty Christensen, Box 87, Milroy, Redwood County, Minnesota, effective June 28, 1991, for a term expiring on the first Monday in January, 1995.

Russell John Wirt, Route 1, Box 45, Lewiston, Winona County, Minnesota, effective June 28, 1991, for a term expiring on the first Monday in January, 1995.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Mr. Metzen moved that the report from the Committee on Economic Development and Housing, reported March 9, 1992, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Metzen moved that the foregoing report be now adopted. The motion prevailed.

Mr. Metzen moved that in accordance with the report from the Committee on Economic Development and Housing, reported March 9, 1992, the Senate, having given its advice, do now consent to and confirm the appointment of:

MINNESOTA PUBLIC FACILITIES AUTHORITY

Donna Holstine, 2147 Knollwood Drive, Fairmont, Martin County, Minnesota, effective May 15, 1991, for a term expiring on the first Monday in January, 1995.

The motion prevailed. So the appointment was confirmed.

CONFIRMATION

Mr. DeCramer moved that the report from the Committee on Transportation, reported March 27, 1992, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. DeCramer moved that the foregoing report be now adopted. The motion prevailed.

Mr. DeCramer moved that in accordance with the report from the Committee on Transportation, reported March 27, 1992, the Senate, having given its advice, do now consent to and confirm the appointment of:

DEPARTMENT OF PUBLIC SAFETY
COMMISSIONER

Thomas M. Frost, 1558 Fulham Street, St. Paul, Ramsey County, Minnesota, effective October 8, 1991, for a term expiring on the first Monday in January, 1995.

DEPARTMENT OF TRANSPORTATION
COMMISSIONER

James N. Denn, 8617 Riverview Lane, Brooklyn Park, Hennepin County, Minnesota, effective December 2, 1991, for term expiring on the first Monday in January, 1995.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Mr. Berg moved that the reports from the Committee on Gaming Regulation, reported April 10, 1992, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Berg moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Berg moved that in accordance with the reports from the Committee on Gaming Regulation, reported April 10, 1992, the Senate, having given its advice, do now consent to and confirm the appointment of:

GAMBLING CONTROL BOARD
DIRECTOR

Harold W. Baltzer, 11128 Hyland Terrace, Eden Prairie, Hennepin County, Minnesota, effective August 5, 1991, for a term expiring on the first Monday in January, 1995.

GAMBLING CONTROL BOARD

Dorothy Liljegren, R.R. 1, Box 246F, Pequot Lakes, Crow Wing County, Minnesota, effective August 19, 1991, for a term expiring on June 30, 1994.

MINNESOTA RACING COMMISSION

Mark J. Custer, 809 Sixth Avenue, Howard Lake, Wright County, Minnesota, effective September 10, 1991, for a term expiring on June 30, 1995.

James H. Filkins, 10600 Aquila Avenue South, Bloomington, Hennepin County, Minnesota, effective December 16, 1991, for a term expiring on June 30, 1995.

Stephen A. Lawrence, Box 166, Frontenac, Goodhue County, Minnesota, effective September 10, 1991, for a term expiring on June 30, 1997.

Richard L. Pemberton, 701 West Cavour, Fergus Falls, Otter Tail County, Minnesota, effective September 10, 1991, for a term expiring on June 30,

1997.

Cynthia Schuneman Piper, 2505 Willow Drive, Hamel, Hennepin County, Minnesota, effective September 10, 1991, for a term expiring on June 30, 1997.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Mr. Bertram moved that the reports from the Committee on Veterans and General Legislation, reported March 27, 1992, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Bertram moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Bertram moved that in accordance with the reports from the Committee on Veterans and General Legislation, reported March 27, 1992, the Senate, having given its advice, do now consent to and confirm the appointment of:

BOARD OF THE ARTS

Joseph Duffy, 1032 Plummer Circle Southwest, Rochester, Olmsted County, Minnesota, effective February 18, 1991, for a term expiring on the first Monday in January, 1995.

Dolly Fiterman, 4637 East Lake Harriet Parkway, Minneapolis, Hennepin County, Minnesota, effective February 19, 1992, for a term expiring on the first Monday in January, 1996.

Teresa K. Parker, Route 1, Box 253, Henning, Otter Tail County, Minnesota, effective February 19, 1992, for a term expiring on the first Monday in January, 1996.

Conrad Razidlo, 4237 Lynn Avenue South, Edina, Hennepin County, Minnesota, effective February 18, 1991, for a term expiring on the first Monday in January, 1995.

Lucy Rieth, 10011 North Shore Drive, Spicer, Kandiyohi County, Minnesota, effective February 18, 1991, for a term expiring on the first Monday in January, 1995.

M. Judith Schmidt, 305 South Jefferson, Houston, Houston County, Minnesota, effective February 19, 1992, for a term expiring on the first Monday in January, 1996.

Elizabeth C. Whitbeck, 2717 Ewing Avenue South, Minneapolis, Hennepin County, Minnesota, effective February 18, 1991, for a term expiring on the first Monday in January, 1994.

MINNESOTA VETERANS HOMES BOARD OF DIRECTORS

James H. Main, 1575 Crest Drive, Chaska, Carver County, Minnesota, effective April 30, 1991, for a term expiring on the first Monday in January, 1995.

Elaine R. Mathiason, 6308 Waterman, Edina, Hennepin County, Minnesota, effective February 24, 1992, for a term expiring on the first Monday in January, 1996.

Dennis E. McNeil, 436 West Luverne Street, Luverne, Rock County,

Minnesota, effective February 24, 1992, for a term expiring on the first Monday in January, 1996.

Robert W. Reif, M.D., 2344 South Shore Boulevard, White Bear Lake, Ramsey County, Minnesota, effective April 30, 1991, for a term expiring on the first Monday in January, 1995.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Mr. Dahl moved that the reports from the Committee on Education, reported April 11, 1992, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Dahl moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Dahl moved that in accordance with the reports from the Committee on Education, reported April 11, 1992, the Senate, having given its advice, do now consent to and confirm the appointment of:

BOARD OF THE MINNESOTA CENTER FOR ARTS EDUCATION

Philip C. Brunelle, 4211 Glencrest Road, Golden Valley, Hennepin County, Minnesota, effective June 29, 1991, for a term expiring on the first Monday in January, 1995.

Jean W. Greener, 1018 West Minnehaha Parkway, Minneapolis, Hennepin County, Minnesota, effective June 29, 1991, for a term expiring on the first Monday in January, 1995.

Sheila Livingston, 2530 Vale Crest Road, Golden Valley, Hennepin County, Minnesota, effective June 29, 1991, for a term expiring on the first Monday in January, 1995.

MINNESOTA HIGHER EDUCATION COORDINATING BOARD

Sharon L. Bailey-Bok, 1991 Sheridan Avenue South, Minneapolis, Hennepin County, Minnesota, effective March 4, 1992, for a term expiring on the first Monday in January, 1998.

Carl W. Cummins III, 2312 Nashua Lane, Mendota Heights, Ramsey County, Minnesota, effective March 4, 1992, for a term expiring on the first Monday in January, 1998.

Edward F. Zachary, 84 Saratoga Court, Winona, Winona County, Minnesota, effective March 4, 1992, for a term expiring on the first Monday in January, 1994.

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

Kathryn Balstad Brewer, 321 Silver Lake Road, New Brighton, Ramsey County, Minnesota, effective May 15, 1991, for a term expiring on the first Monday in January, 1995.

STATE BOARD FOR COMMUNITY COLLEGES

Margaret Dolan, 5357 Chowen Avenue South, Minneapolis, Hennepin County, Minnesota, effective January 7, 1992, for a term expiring on the first Monday in January, 1996.

Craig Shaver, 165 East Grove, Wayzata, Hennepin County, Minnesota,

effective January 6, 1992, for a term expiring on the first Monday in January, 1996.

STATE BOARD OF EDUCATION

George Jernberg, 340 Parkview, Detroit Lakes, Becker County, Minnesota, effective March 4, 1992, for a term expiring on the first Monday in January, 1996.

STATE BOARD OF TECHNICAL COLLEGES

Joan "Jody" Olson, 301 Pine Avenue North, Canby, Yellow Medicine County, Minnesota, effective October 30, 1991, for a term expiring on the first Monday in January, 1993.

Terance Smith, 673 Schilling Circle Northwest, Forest Lake, Washington County, Minnesota, effective December 23, 1991, for a term expiring on the first Monday in January, 1994.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Mr. Frank moved that the reports from the Committee on Metropolitan Affairs, reported April 15, 1992, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Frank moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Frank moved that in accordance with the reports from the Committee on Metropolitan Affairs, reported April 15, 1992, the Senate, having given its advice, do now consent to and confirm the appointment of:

METROPOLITAN COUNCIL

Susan E. Anderson, 11031 President Drive Northeast, Blaine, Anoka County, Minnesota, effective April 2, 1991, for a term expiring on the first Monday in January, 1995.

Polly Peterson Bowles, 6020 Ashcroft Avenue South, Edina, Hennepin County, Minnesota, effective September 16, 1991, for a term expiring on the first Monday in January, 1993.

Bonita D. Featherstone, 908 Woodlawn Court, Burnsville, Dakota County, Minnesota, effective April 2, 1991, for a term expiring on the first Monday in January, 1995.

James J. Krautkremer, 6425 Shingle Creek Drive, Brooklyn Park, Hennepin County, Minnesota, effective April 2, 1991, for a term expiring on the first Monday in January, 1995.

Carol Kummer, 4818 30th Avenue South, Minneapolis, Hennepin County, Minnesota, effective April 2, 1991, for a term expiring on the first Monday in January, 1995.

E. Craig Morris, 16412 7th Street Lane South, Lakeland, Washington County, Minnesota, effective April 2, 1991, for a term expiring on the first Monday in January, 1995.

Esther Newcome, 2374 Joy Avenue, White Bear Lake, Ramsey County, Minnesota, effective April 2, 1991, for a term expiring on the first Monday in January, 1993.

Donald B. Riley, 1338 Washburn Avenue North, Minneapolis, Hennepin County, Minnesota, effective April 2, 1991, for a term expiring on the first Monday in January, 1995.

Sondra R. Simonson, 2815 Overlook Drive, Bloomington, Hennepin County, Minnesota, effective April 2, 1991, for a term expiring on the first Monday in January, 1995.

Diane Z. Wolfson, 1117 Goodrich Avenue, St. Paul, Ramsey County, Minnesota, effective April 2, 1991, for a term expiring on the first Monday in January, 1995.

REGIONAL TRANSIT BOARD

Maryann Campo, 512 West 53rd Street, Minneapolis, Hennepin County, Minnesota, effective June 19, 1991, for a term expiring on the first Monday in January, 1993.

Sharon Feess, 5301 Hamilton Lane, Brooklyn Park, Hennepin County, Minnesota, effective June 19, 1991, for a term expiring on the first Monday in January, 1995.

Ruth Franklin, 430 Rice Street, Anoka, Anoka County, Minnesota, effective June 19, 1991, for a term expiring on the first Monday in January, 1995.

Val M. Higgins, 1766 Morgan Road, Long Lake, Hennepin County, Minnesota, effective June 28, 1991, for a term expiring on the first Monday in January, 1995.

Ruby Hunt, 1148 Edgcumbe Road, St. Paul, Ramsey County, Minnesota, effective October 17, 1991, for a term expiring on the first Monday in January, 1993.

Thomas Sather, 3740 Brighton Way South, Arden Hills, Ramsey County, Minnesota, effective February 13, 1992, for a term expiring on the first Monday in January, 1993.

Don Scheel, 13404 South Fifth Street, Afton, Washington County, Minnesota, effective June 19, 1991, for a term expiring on the first Monday in January, 1995.

Thomas Workman, 7233 Pontiac Circle, Chanhassen, Carver County, Minnesota, effective June 19, 1991, for a term expiring on the first Monday in January, 1995.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Mr. Novak moved that the reports from the Committee on Energy and Public Utilities, reported April 15, 1992, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Novak moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Novak moved that in accordance with the reports from the Committee on Energy and Public Utilities, reported April 15, 1992, the Senate, having given its advice, do now consent to and confirm the appointment of:

PUBLIC UTILITIES COMMISSION

Thomas A. Burton, 822 Sierra Lane Northeast, Rochester, Olmsted County, Minnesota, effective April 3, 1992, for a term expiring on the first Monday in January, 1993.

Donald A. Storm, 5109 Grove Street, Edina, Hennepin County, Minnesota, effective December 11, 1991, for a term expiring on the first Monday in January, 1992; and effective January 6, 1992, for a term expiring on the first Monday in January, 1998.

The motion prevailed. So the appointments were confirmed.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2608, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2608 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

CONFERENCE COMMITTEE REPORT ON 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.

April 15, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 2608, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment and that H.F. No. 2608 be further amended as follows:

Page 1, after line 24, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective July 31, 1992."

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

House Conferees: (Signed) Rich O'Connor, John J. Sarna, Richard H. Anderson

Senate Conferees: (Signed) Sam G. Solon, James P. Metzen, Cal Larson

Mr. Solon moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2608 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2608 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 61 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, J.B.	Mondale	Riveness
Beckman	Day	Johnston	Morse	Sams
Belanger	DeCramer	Knaak	Neuville	Solon
Benson, D.D.	Finn	Kroening	Novak	Spear
Benson, J.E.	Flynn	Laidig	Olson	Stumpf
Berg	Frank	Langseth	Pappas	Terwilliger
Berglin	Frederickson, D.J.	Larson	Pariseau	Traub
Bernhagen	Frederickson, D.R.	Luther	Piper	Vickerman
Bertram	Gustafson	Marty	Pogemiller	Waldorf
Brataas	Hatberg	McGowan	Price	
Chmielewski	Hottinger	Mehrkens	Ranum	
Cohen	Hughes	Metzen	Reichgott	
Dahl	Johnson, D.E.	Moe, R.D.	Renneke	

Mr. Lessard voted in the negative.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 1701: Messrs. DeCramer, Langseth and Terwilliger.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1959: 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 84.968; 84.9691; and 86B.415, subdivision 7; proposing coding for new law in Minnesota Statutes, chatper 383B.

Senate File No. 1959 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

CONCURRENCE AND REPASSAGE

Mr. Luther moved that the Senate concur in the amendments by the House to S.F. No. 1959 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1959: 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 subdivisions; 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.

Was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 24 and nays 37, as follows:

Those who voted in the affirmative were:

Adkins	Hughes	Marty	Pappas	Riveness
Belanger	Johnson, D.E.	McGowan	Piper	Solon
Berglin	Kelly	Mondale	Ranum	Spear
Flynn	Knaak	Novak	Reichgott	Traub
Frederickson, D.J.	Luther	Olson	Renneke	

Those who voted in the negative were:

Beckman	Dahl	Johnson, D.J.	Mehrkens	Price
Benson, D.D.	Davis	Johnson, J.B.	Merriam	Sams
Benson, J.E.	Day	Johnston	Metzen	Stumpf
Berg	Dicklich	Kroening	Moe, R.D.	Vickerman
Bernhagen	Frank	Laidig	Morse	Waldorf
Bertram	Frederickson, D.R.	Langseth	Neuville	
Brataas	Halberg	Larson	Pariseau	
Chmielewski	Hottinger	Lessard	Pogemiller	

So the bill, as amended, failed to pass.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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.

Senate File No. 2628 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

CONCURRENCE AND REPASSAGE

Mr. Kelly moved that the Senate concur in the amendments by the House to S.F. No. 2628 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2628 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, J.B.	Merriam	Price
Beckman	Day	Johnston	Metzen	Ranum
Belanger	Dicklich	Kelly	Moe, R.D.	Reichgott
Benson, D.D.	Finn	Knaak	Mondale	Renneke
Benson, J.E.	Flynn	Kroening	Morse	Riveness
Berglin	Frank	Laidig	Neuville	Sams
Bernhagen	Frederickson, D.R.	Langseth	Novak	Solon
Bertram	Gustafson	Larson	Olson	Spear
Brataas	Halberg	Lessard	Pappas	Stumpf
Chmielewski	Hottinger	Luther	Pariseau	Traub
Cohen	Johnson, D.E.	McGowan	Piper	Vickerman
Dahl	Johnson, D.J.	Mehrkens	Pogemiller	Waldorf

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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.

Senate File No. 2743 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

CONCURRENCE AND REPASSAGE

Mr. Hottinger moved that the Senate concur in the amendments by the House to S.F. No. 2743 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2743 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 55 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, J.B.	Merriam	Price
Beckman	Day	Johnston	Metzen	Ranum
Belanger	Dicklich	Kelly	Moe, R.D.	Renneke
Benson, D.D.	Finn	Knaak	Morse	Sams
Benson, J.E.	Frank	Laidig	Neuville	Samuelson
Berglin	Frederickson, D.R.	Langseth	Novak	Solon
Bernhagen	Gustafson	Larson	Olson	Spear
Bertram	Halberg	Lessard	Pappas	Stumpf
Brataas	Hottinger	Luther	Pariseau	Traub
Cohen	Johnson, D.E.	McGowan	Piper	Vickerman
Dahl	Johnson, D.J.	Mehrkens	Pogemiller	Waldorf

Mr. Chmielewski voted in the negative.

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

MOTIONS AND RESOLUTIONS - CONTINUED

RECONSIDERATION

Mr. Lessard moved that the vote whereby S.F. No. 1959 failed to pass the Senate on April 16, 1992, be now reconsidered. The motion prevailed.

S.F. No. 1959: A bill for an act relating to natural resources; providing for the management of ecologically harmful exotic species; requiring rule-making; 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 84.968; 84.9691; and 86B.415, subdivision 7; proposing coding for new law in Minnesota Statutes, chatper 383B.

Mr. Luther moved that the Senate do not concur in the amendments by the House to S.F. No. 1959, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 2662: A bill for an act relating to commerce; regulating the real estate, education, research, and recovery fund; amending Minnesota Statutes 1990, sections 82.19, by adding a subdivision; and 82.34, subdivisions 3, 4, 7, 9, 11, 13, and 14; proposing coding for new law in Minnesota Statutes, chapter 80A; repealing Minnesota Statutes 1990, section 82.34, subdivision 20.

Senate File No. 2662 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

CONCURRENCE AND REPASSAGE

Ms. Pappas moved that the Senate concur in the amendments by the House to S.F. No. 2662 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2662 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Merriam	Ranum
Beckman	Day	Johnson, J.B.	Metzen	Reichgott
Belanger	DeCramer	Johnston	Moe, R.D.	Renneke
Benson, J.E.	Finn	Kelly	Morse	Sams
Berg	Flynn	Knaak	Neuville	Solon
Berglin	Frank	Laidig	Novak	Spear
Bernhagen	Frederickson, D.J.	Langseth	Olson	Stumpf
Bertram	Frederickson, D.R.	Larson	Pappas	Traub
Brataas	Gustafson	Lessard	Pariseau	Vickerman
Chmielewski	Halberg	Luther	Piper	Waldorf
Cohen	Hottinger	McGowan	Pogemiller	
Dahl	Hughes	Mehrkens	Price	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following

Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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.

Senate File No. 1821 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

CONCURRENCE AND REPASSAGE

Ms. Berglin moved that the Senate concur in the amendments by the House to S.F. No. 1821 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1821 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 61 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnston	Moe, R.D.	Riveness
Beckman	DeCramer	Knaak	Mondale	Sams
Belanger	Finn	Kroening	Morse	Samuelson
Benson, J.E.	Flynn	Laidig	Neuville	Solon
Berg	Frank	Langseth	Novak	Spear
Berglin	Frederickson, D.J.	Larson	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Lessard	Pappas	Traub
Bertram	Gustafson	Luther	Pariseau	Vickerman
Brataas	Halberg	Marty	Piper	Waldorf
Chmielewski	Hottinger	McGowan	Price	
Cohen	Hughes	Mehrkens	Ranum	
Dahl	Johnson, D.J.	Merriam	Reichgott	
Davis	Johnson, J.B.	Metzen	Renneke	

Mr. Pogemiller voted in the negative.

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2031, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2031 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

CONFERENCE COMMITTEE REPORT ON 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.

April 15, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 2031, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 2031 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. 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. *For purposes of this section, section 270.12, subdivision 2, clause (8), and section 278.05, subdivision 4, the commissioner of revenue shall exclude from the assessment/sales ratio study the sale of any nonagricultural property which does not contain an improvement, if (1) the statutory basis on which the property's taxable value as most recently assessed is less than market value as defined in section 273.11, or (2) the property has undergone significant physical change or a change of use since the most recent assessment.*

(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.

Sec. 2. 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, *and 12* or section 273.17, subdivision 1, all property shall be valued at its market value. The market value as determined pursuant to this section shall be stated such that any amount under $100 is rounded up to $100 and any amount exceeding $100 shall be rounded to the nearest $100. In estimating and determining such value, the assessor shall not adopt a lower or different standard of value because the same is to serve as a basis of taxation, nor shall the assessor adopt as a criterion of value the price for which such property would sell at a forced sale, or in the aggregate with all the property in the town or district; but the assessor shall value each article or description of property by itself, and at such sum or price as the assessor believes the same to be fairly worth in money. The assessor shall take into account the effect on the market value of property of environmental factors in the vicinity of the property. In assessing any tract or lot of real property, the value of the land, exclusive of structures and improvements, shall be determined, and also the value of all structures and improvements thereon, and the aggregate value of the property, including all structures and improvements, excluding the value of crops growing upon cultivated land. In valuing real property upon which there is a mine or quarry, it shall be valued at such price as such property, including the mine or quarry, would sell for a fair, voluntary sale, for cash. In valuing real property which is vacant, ~~the fact that such~~ *platted* 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~~ *assessed as provided in subdivision 12*. 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. 3. Minnesota Statutes 1990, section 273.11, is amended by adding a subdivision to read:

Subd. 12. [VACANT LAND PLATTED ON OR AFTER AUGUST 1, 1991.] *(a) All land platted on or after August 1, 1991, and not improved with a permanent structure, shall be assessed as provided in this subdivision. The assessor shall determine the market value of each individual lot based upon the highest and best use of the property as unplatted land. In establishing the market value of the property, the assessor shall consider the sale price of the unplatted land or comparable sales of unplatted land of similar use and similar availability of public utilities.*

(b) The market value determined in paragraph (a) shall be increased as follows for each of the three assessment years immediately following the final approval of the plat: one-third of the difference between the property's unplatted market value as determined under paragraph (a) and the market value based upon the highest and best use of the land as platted property shall be added in each of the three subsequent assessment years.

(c) Any increase in market value after the first assessment year following the plat's final approval shall be added to the property's market value in the next assessment year. Notwithstanding paragraph (b), if construction begins before the expiration of the three years in paragraph (b), that lot shall be eligible for revaluation in the next assessment year. The market value of a platted lot determined under this subdivision shall not exceed the value of that lot based upon the highest and best use of the property as platted land.

Sec. 4. 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.*

At least 30 days before a petition is filed for annexation under this subdivision or section 414.033, the petitioner must be notified by the municipality that the cost of utility service to the petitioner may change if the land is annexed to the municipality. The notice must estimate the cost impact of any change in utility services, including rate changes and assessments, resulting from the annexation.

Sec. 5. 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. 6. 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. 7. 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. 8. 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. 9. [VACANT LAND PLATTED BEFORE AUGUST 1, 1991.]

All land platted before August 1, 1991, and not improved with a structure shall be assessed as provided in this section. In valuing real property which is vacant, the fact that such property is platted shall not be taken into account. An individual lot of such platted property shall not be assessed in excess of the valuation of the land as if it were unplatted until the lot is improved with a permanent improvement all or part of which is located on the lot, or for a period of three years after final approval of the plat, whichever is shorter. When a lot is sold or construction begun, that lot shall be eligible for revaluation.

Sec. 10. [TOWNS OF QUEEN AND EDEN; FOREST FIRE PROTECTION DISTRICTS.]

Notwithstanding Minnesota Statutes, section 88.08 or other law, the commissioner of natural resources may not create and establish forest fire protection districts, in whole or in part, within the towns of Queen and Eden in Polk county.

Sec. 11. [LOCAL APPROVAL.]

Section 10 is effective for each of the towns named in section 10 the day after the filing of a certificate of local approval by the town board of the respective town in compliance with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 12. [REPEALER.]

Minnesota Statutes 1990, section 414.031, subdivision 5, is repealed.

Sec. 13. [EFFECTIVE DATE.]

Sections 1, 2, and 9 are effective the day following final enactment. Section 3 is effective for assessments in 1992 and thereafter."

Delete the title and insert:

"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; allowing for orderly annexations by petition and by ordinance; limiting the establishment of certain fire protection district; amending Minnesota Statutes 1990, sections 124.2131, subdivision 1; 273.11, by adding a subdivision; 414.0325, by adding a subdivision; and 414.033, subdivisions 2, 3, 5, and by adding a subdivision; Minnesota Statutes 1991 Supplement, section 273.11, subdivision 1; repealing Minnesota Statutes 1990, section 414.031, subdivision 5."

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

House Conferees: (Signed) Edgar L. Olson, William H. "Bill" Schreiber, Joel Jacobs

Senate Conferees: (Signed) Ember D. Reichgott, Carol Flynn, Leonard R. Price

Ms. Reichgott moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2031 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2031 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Merriam	Ranum
Beckman	Finn	Johnston	Metzen	Reichgott
Belanger	Flynn	Kelly	Moe, R.D.	Renneke
Benson, D.D.	Frank	Knaak	Mondale	Riveness
Benson, J.E.	Frederickson, D.J.	Kroening	Morse	Sams
Berg	Frederickson, D.R.	Langseth	Neuville	Solon
Bernhagen	Gustafson	Larson	Novak	Spear
Bertram	Halberg	Lessard	Olson	Stumpf
Brataas	Hottinger	Luther	Pariseau	Terwilliger
Chmielewski	Hughes	Marty	Piper	Traub
Cohen	Johnson, D.E.	McGowan	Pogemiller	Vickerman
Davis	Johnson, D.J.	Mehrkens	Price	Waldorf

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

RECONSIDERATION

Mr. Moe, R.D. moved that the vote whereby S.F. No. 1821 was passed by the Senate on April 16, 1992, be now reconsidered. The motion prevailed.

Mr. Moe, R.D. moved that S.F. No. 1821 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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.

Senate File No. 2137 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. Hottinger moved that the Senate do not concur in the amendments by the House to S.F. No. 2137, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time and referred to the committee indicated.

Mr. Morse, Ms. Johnson, J.B.; Messrs. Merriam and Marty introduced—

S.F. No. 2803: A bill for an act relating to energy; providing for a transition to a sustainable energy future; providing for more efficient energy use; encouraging greater renewable energy production; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 216E.

Referred to the Committee on Energy and Public Utilities.

MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Berglin moved that S.F. No. 1821 be taken from the table. The motion prevailed.

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.

Was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Beckman	Day	Johnston	Metzen	Renneke
Belanger	DeCramer	Kelly	Moe, R.D.	Riveness
Benson, D.D.	Finn	Knaak	Morse	Sams
Benson, J.E.	Flynn	Kroening	Neuville	Solon
Berg	Frank	Laidig	Olson	Spear
Berglin	Frederickson, D.J.	Langseth	Pappas	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pariseau	Terwilliger
Bertram	Gustafson	Lessard	Piper	Traub
Brataas	Halberg	Luther	Pogemiller	Vickerman
Chmielewski	Hottinger	Marty	Price	Waldorf
Cohen	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, J.B.	Merriam	Reichgott	

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

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 2137: Messrs. Hottinger, Neuville and Samuelson.

S.F. No. 1959: Messrs. Luther, Morse and Renneke.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1903, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1903 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

CONFERENCE COMMITTEE REPORT ON 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.

April 16, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 1903, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 1903 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. CAPITAL IMPROVEMENTS APPROPRIATIONS

The sums in the column under "APPROPRIATIONS" are appropriated

from the bond proceeds fund, or another named fund, to the state agencies or officials indicated, to be spent to acquire and to better public land and buildings and other public improvements of a capital nature, as specified in this act.

SUMMARY

TECHNICAL COLLEGES	$ 12,907,000
COMMUNITY COLLEGES	14,630,000
STATE UNIVERSITIES	12,870,000
UNIVERSITY OF MINNESOTA	61,900,000
K-12 EDUCATION	25,836,000
HUMAN SERVICES	24,105,000
CORRECTIONS	15,382,000
JOBS AND TRAINING	2,000,000
HOUSING FINANCE AGENCY	3,000,000
ADMINISTRATION	26,396,000
MILITARY AFFAIRS	2,400,000
TRADE AND ECONOMIC DEVELOPMENT	4,550,000
PUBLIC FACILITIES AUTHORITY	7,500,000
SCIENCE MUSEUM OF MINNESOTA	200,000
NATURAL RESOURCES	11,682,000
BOARD OF WATER AND SOIL RESOURCES	1,250,000
AGRICULTURE	365,000
POLLUTION CONTROL AGENCY	13,050,000
OFFICE OF WASTE MANAGEMENT	2,000,000
MINNESOTA ZOOLOGICAL GARDEN	1,820,000
HISTORICAL SOCIETY	2,375,000
TRANSPORTATION	28,849,000
BOND SALE EXPENSES	260,000
CANCELLATIONS	(327,000)
TOTAL	$275,000,000
Bond Proceeds Fund	231,695,000
General Fund	1,889,000
Maximum Effort School Loan Fund	12,130,000
State Airports Fund	2,000,000
Trunk Highway Fund	10,113,000
Transportation Fund	17,500,000

APPROPRIATIONS

$

Sec. 2. TECHNICAL COLLEGES

Subdivision 1. To the state board of technical colleges for the purposes specified in this section. 12,907,000

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.

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.

During the biennium, the state 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. Until June 30, 1994, the state board of technical colleges may acquire lands or sites for public buildings or real estate by gift, purchase, or condemnation proceedings. Condemnation proceedings must be under Minnesota Statutes, chapter 117.

During the biennium, the state board may delegate the authority provided in this section to the campus president 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 may delegate responsibilities to technical college staff.

Subd. 2. Repair and Betterment

(a) Systemwide Capital Improvements 4,700,000

This appropriation is for roof repair and replacement, code compliance, critically needed repair of buildings, hazardous material and asbestos abatement, parking lots, and handicap access throughout the technical college system. This appropriation includes up to $70,000 to rehabilitate the existing diesel shop at Willmar Technical College.

(b) Minneapolis Technical College 5,700,000

This appropriation is for the restoration of the exterior walls and roof. The total cost of this project must not exceed $6,706,000 whether paid from state, local, or federal money.

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

This appropriation is for working drawings for the joint campus with Brainerd Community College. The technical college board must consult with the community college board 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 from local money.

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 680,000

(a) This appropriation is for working drawings to remodel and construct classroom, lab, library, and child care space.

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

(b) The state board shall supervise the construction of an aircraft rescue firefighting training center. The total cost of the project shall be paid from federal and local money.

Subd. 5. Red Wing Technical College 327,000

(a) The appropriation in Laws 1988, chapter 703, article 2, section 2, subdivision 2, paragraph (d), is canceled.

(b) $327,000 is for remodeling to consolidate the campuses.

Subd. 6. Northwest Minnesota Interactive Television Project 300,000

This appropriation is from the general fund.

Sec. 3. COMMUNITY COLLEGES

Subdivision 1. To the commissioner of administration for the purposes specified in this section. 14,630,000

During the biennium, the state board for community colleges shall supervise and control the making of necessary repairs to all community college buildings and structures.

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.

Subd. 2. Repair and Betterment

(a) Systemwide Capital Improvements 4,500,000

This appropriation is for code compliance, critically needed repair of buildings, roof replacement and repair, hazardous material and asbestos abatement, mechanical/electrical system rehabilitation, parking lots, and handicap

access throughout the community college system.

(b) North Hennepin Community College 2,980,000

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. 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, fitness center, and mechanical systems upgrade. This appropriation may be supplemented with local money.

The community college board, in consultation with the technical college board, shall reexamine the proposed location of the learning resources center to determine a cost-effective strategy to locate the center on a site more readily accessible to both campuses. Prior to construction, the boards 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. 12,870,000

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 for which appropriations are made to the board. 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 state university board shall supervise and control the making of necessary repairs to all state university buildings and structures.

Subd. 2. Repair and Betterment

(a) Systemwide Capital Improvements 4,500,000

This appropriation is for code compliance, critically needed repair of buildings, hazardous material and asbestos abatement, parking lots, and roof repair and replacement throughout the state university system.

(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 and capacity expansion 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. Metro State University 140,000

This appropriation is for schematic plans to remodel buildings A and C.

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 working drawings 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 460,000

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. The state university board may acquire land at St. Cloud State University for improvement of a recreation area.

Sec. 5. UNIVERSITY OF MINNESOTA 61,900,000

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

Subd. 2. Repair and Betterment 9,200,000

This appropriation is for code compliance, critically needed repair of buildings, hazardous material and asbestos abatement, water pipe repair, and improved handicap access throughout the university system.

Subd. 3. Twin Cities Campus 52,700,000

This appropriation is for construction of

the Basic Sciences and Biomedical Engineering Building.

The university must match this appropriation with a minimum of $10,000,000 of federal or other nonstate money.

The legislature requests the board of regents to expend federal and other nonstate money prior to expenditure of this appropriation.

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

Sec. 6. POST-SECONDARY SYSTEMS

Each post-secondary governing board shall report on its petroleum tank release cleanup account reimbursements as part of each biennial budget request. The board shall specify its costs in relation to any tank removal, replacement, and cleanup and shall identify all petroleum tank release cleanup account reimbursements it received or assigned and the specific activity for which the reimbursement or assignment was made. The board must place all reimbursements it receives into its capital repair and betterment account.

Sec. 7. K-12 EDUCATION

Subdivision 1. To the commissioner of administration or the commissioner of education for the purposes specified in this section 25,836,000

Subd. 2. Minnesota Library for the Blind and Physically Handicapped 1,325,000

To the commissioner of administration to construct and equip an addition to the current library for the blind and physically handicapped, remodel the existing building, and improve the utility system serving the library.

Subd. 3. Hoffman Center 400,000

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 state bond 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 state bond fund.

Subd. 4. Grant County School Districts 100,000

This is to the commissioner of education for a grant and administrative expenses to facilitate planning for cooperation and combination, including facility needs, for a group of school districts in Grant county. This appropriation is from the general fund.

Subd. 5. Cooperative Facilities Grants 5,881,000

This appropriation is for a grant under Minnesota Statutes, sections 124.492 to 124.496, the cooperative secondary facilities grant act, to a group of school districts consisting of independent school districts No. 240, Blue Earth, No. 225, Winnebago, No. 219, Elmore, and No. 218, Delavan.

Subd. 6. Maximum Effort School Loans 12,130,000

To the commissioner of education from the maximum effort school loan fund to make debt service loans and capital loans to school districts as provided in Minnesota Statutes, sections 124.36 to 124.46.

The commissioner shall review the proposed plan and budgets of the projects and may reduce the amount of a loan to

ensure that the project will be economical. The commissioner may recover the cost incurred by the commissioner for any professional services associated with the final review by reducing the proceeds of the loan paid to the district.

$10,000,000 is approved for a capital loan to independent school district No. 38, Red Lake public schools for construction of a new elementary school and remodeling of the present elementary school into a middle school facility.

$2,130,000 is approved for a capital loan to independent school district No. 139, Rush City public schools for construction of a new high school.

Subd. 7. Independent School District No. 15, St. Francis

(a) To provide funds for the construction of a facility to meet the educational needs of court-placed adolescents for whom independent school district No. 15, has the responsibility of providing services, independent school district No. 15 may, by two thirds majority plus one vote of all the members of the school board, issue general obligation bonds in one or more series in calendar years 1992 and 1993 as provided in this section. The aggregate principal amount of any bonds issued under this subdivision for calendar years 1992 and 1993 may not exceed $4,000,000. Issuance of the bonds is not subject to Minnesota Statutes, section 475.58 or 475.59. If the school board proposes to issue bonds under this subdivision, it must publish a resolution describing the proposed bond issue once each week for two successive weeks in a legal newspaper published in the county of Anoka. The bonds may be issued without the submission of the question of their issue to the electors unless, within 30 days after the second publication of the resolution, a petition requesting an election signed by a number of people residing in the school district equal to ten percent of the people registered to vote in the last general election in the school district is filed with the recording officer. If such a petition is filed, no bonds shall be issued under this subdivision unless authorized by a majority of the electors

voting on the question at the next general or special election called to decide the issue. The bonds must otherwise be issued as provided in Minnesota Statutes, chapter 475. The authority to issue bonds under this subdivision is in addition to any bonding authority authorized by Minnesota Statutes, chapter 124, or other law.

(b) Independent school district No. 15 shall include the yearly debt service amounts in its required debt service levy under Minnesota Statutes, section 124.95, subdivision 1, for purposes of receiving debt service equalization aid. The district may add the portion of the debt service levy remaining after equalization aid is paid to the amount charged back to resident districts according to Minnesota Statutes, section 120.17, subdivision 6, or 120.181. If, for any reason, the receipt of payments from resident districts and debt service equalization aid attributable to this debt service is not sufficient to make the required debt service payments, the district may levy under paragraph (c).

(c) To pay the principal of and interest on bonds issued under paragraph (a), independent school district No. 15 shall levy a tax in an amount sufficient under Minnesota Statutes, section 475.61, subdivisions 1 and 3, to pay any portion of the principal of and interest on the bonds that is not paid through the receipt of debt service equalization aid and tuition payments under paragraph (b). The tax authorized under this subdivision is in addition to the taxes authorized to be levied under Minnesota Statutes, chapter 124A or 275, or other law.

Subd. 8. School District

Construction Grant 2,000,000

To the commissioner of education to make a grant for construction of a secondary facility for independent school districts No. 145, Glyndon-Felton, and No. 147, Dilworth. The grant may not be awarded until each district has passed a referendum under Minnesota Statutes, section 122.23 or 122.243 and the project has received a positive review and

comment under Minnesota Statutes, section 121.15.

Subd. 9. Capital Improvement

Desegregation Grants 4,000,000

To the commissioner of education for grants under Minnesota Statutes, sections 124C.55 to 124C.57.

Sec. 8. HUMAN SERVICES

Subdivision 1. To the commissioner of administration for purposes specified in this section 24,105,000

Subd. 2. St. Peter
Regional Treatment Center 8,100,000

To program, design, equip, and construct a 50-bed addition on the Minnesota Security Hospital to accommodate psychopathic personality commitments.

Subd. 3. Brainerd

Regional Treatment Center 210,000

(a) To rehabilitate and improve the regional laundry 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 under Minnesota Statutes, section 246.57. Laundry service fees established by the commissioner must include appropriate charges for this debt service, which must be paid to the commissioner of finance as required by section 32.

Subd. 4. 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. 5. For the installation of air conditioning in Oakview building at Cambridge Regional Human Services Center. 250,000

Subd. 6. Mental Health Units 13,400,000

To reconstruct or remodel mental health units at a regional treatment center or centers, to be selected by the commissioner of human services.

Sec. 9. CORRECTIONS

Subdivision 1. To the commissioner of administration for the purposes listed in this section. 15,382,000

Subd. 2. Minnesota Correctional Facility - Faribault 4,300,000

To renovate two living units for an additional 160 inmates.

Bonds are not authorized and may not be issued for this project until the project in section 8, subdivision 4, has been approved and contracts have been awarded to carry it out.

Subd. 3. Minnesota Correctional Facility - Shakopee 10,900,000

To plan, design, and construct living units and program space for an additional 100 inmates and a ten-bed mental health unit addition to Higbee Hall.

Subd. 4. Minnesota Correctional Facility - Lino Lakes

To infill the area between buildings G and F1 at the Minnesota correctional facility - Lino Lakes 182,000

Money appropriated by Laws 1990, chapter 610, article 1, section 11, subdivision 3, items (a) and (b), that is not needed to expand the "Q" building or construct two medium security cottages at the Minnesota correctional facility - Lino Lakes, approximately $182,000, is canceled.

Sec. 10. JOBS AND TRAINING 2,000,000

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. No grant for

any individual facility shall exceed $200,000.

At least 25 percent of the total appropriation under this section must be used in conjunction with the youth employment program under Minnesota Statutes, sections 268.361 to 268.367, the training and housing program for homeless adults under Laws 1992, chapter 376, article 6, and other employment and training programs.

Sec. 11. HOUSING FINANCE AGENCY 3,000,000

(a) $2,000,000 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.

(b) $1,000,000 is to the commissioner of the housing finance agency 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. No grant for any individual facility shall exceed $200,000.

(c) At least 25 percent of the total appropriation under paragraph (b) must be used in conjunction with the youth employment program under Minnesota Statutes, sections 268.361 to 268.367, the training and housing program for homeless adults under Laws 1992, chapter 376, article 6, and other employment

and training programs. Eligible employment and training programs must demonstrate the ability and experience to operate a construction training program and consult with appropriate labor organizations to deliver education and training. Facilities for battered women include, but are not limited to, shelters and transitional housing.

Sec. 12. ADMINISTRATION

Subdivision 1. To the commissioner of administration for purposes specified in this section 26,396,000

Subd. 2. Capital Asset Preservation and Repair 6,500,000

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 section 32.

Subd. 4. Judicial Center - Phase II 6,000,000

To renovate the old Historical Society Building to meet the program needs of the new Judicial Center.

Subd. 5. 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. 6. Plan to Locate State Agencies 420,000

This appropriation is from the general fund to complete a strategic long-range plan for state agency office space in the metropolitan area.

Subd. 7. Agency Relocation 1,633,000

$869,000 is from the general fund for relocation costs. $764,000 is from the trunk highway fund for the partial relocation of the Department of Transportation.

Subd. 8. Sewer Separation 5,900,000

To separate the sanitary and storm sewers in the capitol area under state jurisdiction in conjunction with the combined sewer overflow program established by the 1985 legislature.

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

Subd. 10. Capitol building 1,643,000

To provide a state-of-the-art fire management system for the capitol building and to plan for roof replacement, long-term testing and monitoring of the building's exterior, and restoration of the Quadriga.

Subd. 11. 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 appropriations from

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

The authority shall report to the house appropriations and senate finance committees and their environmental and natural resources divisions by January 15 each year on the status of the project and the status as to meeting the contingencies.

Subd. 12. 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. 13. MILITARY AFFAIRS 2,400,000

To the adjutant general to construct an educational facility at Camp Ripley, to be known as the Minnesota national guard education center.

Sec. 14. TRADE AND ECONOMIC DEVELOPMENT 4,550,000

$2,250,000 of this appropriation is for payment by the commissioner of trade and economic development to the metropolitan council established under Minnesota Statutes, section 473.123. The commissioner shall transfer the amount to the metropolitan council upon receipt of a certified copy of a council resolution requesting payment. The appropriation must be used to pay the cost of acquisition and betterment by the metropolitan council and local government units of regional recreational open space lands in accordance with the council's policy plan as provided in Minnesota Statutes, sections 473.315 and 473.341, including relocation costs and tax equivalents required to be paid by Minnesota Statutes, sections 473.315 and 473.341.

$1,900,000 of this appropriation 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 of this appropriation is to the national sports center for purchase and development of land for additional soccer fields.

None of the proceeds from the sale of bonds authorized by this appropriation may be used to reimburse a development agency of a city of the first class for land acquisition or development costs incurred prior to 1988.

Sec. 15. PUBLIC FACILITIES AUTHORITY 7,500,000

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. 16. 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, 1993, if matching funds have not been obtained.

Sec. 17. SCIENCE MUSEUM OF MINNESOTA 200,000

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

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. 18. NATURAL RESOURCES

Subdivision 1. To the commissioner of the department of natural resources for the purposes specified in this section. 11,682,000

Subd. 2. Dam Repair and Replacement 1,570,000

For the emergency repair or removal of publicly owned dams under Minnesota Statutes, section 103G.511.

Money for removal of a dam is only available after the state has acquired title to the dam structure. The commissioner shall negotiate with the owners to obtain title to the structure at no cost to the state, and shall remove it 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 500,000

This appropriation is for flood hazard mitigation grants for capital projects under Minnesota Statutes, section 103F.161.

$200,000 is for the Jack Creek project.

$300,000 is for the Good Lake project.

Subd. 4. Field offices consolidation 1,731,000

This appropriation is for capital acquisition, construction, and renovations of field offices, including the Two Harbors field office.

Subd. 5. Parks 2,751,000

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 in accordance with the department's priorities and including the Willmar-New London Trail.

Subd. 7. State Fish Hatchery Improvement 1,250,000

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.

Subd. 9. Underground Fuel Tank Replacement 295,000

To remove or replace underground fuel storage tanks on department property.

Subd. 10. State Park Acquisition 600,000

Subd. 11. State Forest Acquisition 385,000

To acquire state forest lands in the Richard J. Dorer Hardwood Forest that are priority instant units.

Subd. 12. Well Sealing 250,000

To seal abandoned wells on property owned by the department.

Subd. 13. Critical Habitat Acquisition 1,250,000

For transfer to the critical habitat private sector matching account under Minnesota Statutes, section 84.943.

Subd. 14. Work Program

The commissioner of natural resources must submit a work program and semiannual progress reports in the form determined by the legislative commission on Minnesota resources and request its recommendation before spending any money appropriated by subdivisions 4, 5, 6, 7, 8, 10, 11, 12, and 13. The commission's recommendation is advisory only. Failure to respond to a request within 60 days after receipt is a negative recommendation. Work programs involving land acquisition must include a land acquisition plan.

Sec. 19. BOARD OF WATER AND SOIL RESOURCES 1,250,000

To the board of water and soil resources for the reinvest in Minnesota conservation reserve program under Minnesota Statutes, section 103F.515.

Sec. 20. 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 pursuant 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 which shall then be paid to the commissioner of finance as required by section 32.

Sec. 21. 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 116.162 for projects begun during fiscal years 1992 or 1993.

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. 22. OFFICE OF WASTE MANAGEMENT 2,000,000

To the director of the office of waste management for capital assistance program grants under Minnesota Statutes, section 115A.54.

Sec. 23. MINNESOTA ZOOLOGICAL GARDEN 1,820,000

For roof replacement and the replacement of skylights in the tropics exhibit building.

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, which shall be paid to the commissioner of finance as required by section 32.

Sec. 24. HISTORICAL SOCIETY 2,375,000

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. 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 28,849,000

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

Subd. 2. Trunk Highway Facility Projects 9,349,000

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	325,000
(u) construct Fergus Falls truck station addition	225,000
(v) construct Olivia truck station addition	140,000
(w) construct St. Charles truck station addition	160,000
(x) 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 Road and Bridge Replacement and Rehabilitation	17,500,000
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 10,000,000

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

(b) Other Bridges on Local Road Systems 5,000,000

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, 2,680,000

(2) to cities, 1,085,000

(3) to towns, 1,235,000

(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.

(d) Mankato Route Improvements 2,500,000

This appropriation is to match federal funds.

Sec. 26. BOND SALE EXPENSES 260,000

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

Sec. 27. DEBT SERVICE

The commissioner of finance shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 1993, no more than $412,000,000 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 outstanding state general obligation bonds. Before each sale of state general obligation bonds, the commissioner of finance shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold. 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. 28. [BOND SALE.]

Subdivision 1. [BOND PROCEEDS FUND.] *To provide the money appropriated in this act from the 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 $231,695,000 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.*

Subd. 2. [MAXIMUM EFFORT SCHOOL LOAN FUND.] *To provide the money appropriated in this act from the maximum effort school loan fund, the commissioner of finance, on request of the governor, shall sell and issue bonds of the state in an amount up to $12,130,000 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 maximum effort school loan fund.*

Subd. 3. [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 $17,500,000 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. [PLANNING.]

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

Sec. 31. [DEBT SERVICE SHARE.]

(a) 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 repair and betterment projects under subdivision 2 of sections 2 to 5. After each sale of general obligation bonds, the commissioner of finance shall notify the state board of technical colleges, the state board for community colleges, the state university board, and the regents of the University of Minnesota of the amounts for which each system is assessed for each year for the life of the bonds.

(b) The commissioner shall reduce each system's assessment each year under paragraph (a) by one-third of the net income from investment of general obligation bond proceeds that must be allocated among the systems in proportion to the amount of principal and interest otherwise required to be paid by each. Each higher education system shall pay its resulting net assessment to the commissioner of finance by December 1 each year. If a higher education system fails to make a payment when due, the commissioner of finance shall reduce allotments for appropriations from the general fund otherwise payable to the system and apply the amount of the reduction to cover the missed debt service payment. The commissioner of finance shall credit the payments received from the higher education systems to the bond debt service account in the state bond fund each December 1 before money

is transferred from the general fund under section 16A.641, subdivision 10.

Sec. 32. [16A.643] [ASSESSMENTS IF AGENCY MUST PAY DEBT SERVICE.]

Subdivision 1. [WHEN PAYMENT REQUIRED.] *The commissioner of finance shall assess each board, agency, or other public entity, other than the higher education systems described in section 31, for the amount that would otherwise need to be paid for debt service with respect to general obligation bonds sold to finance capital improvement projects for the entity if the law authorizing the project requires debt service for the project to be paid by the agency.*

Subd. 2. [METHOD OF PAYMENT.] *After each sale of state general obligation bonds, the commissioner of finance shall notify the entity of the amounts for which the entity is responsible under subdivision 1 for each year for the life of the bonds. Each entity shall pay its assessment of debt service payments to the commissioner of finance by December 1 each year. If an entity fails to make an assessment payment when due, the commissioner of finance shall reduce allotments for appropriations from the appropriate accounts to be used by the entity to pay the assessment payment and apply the amount of the reduction to cover the missed payment. The commissioner of finance shall credit the payments received from the entities, or the amount of the reduction made, to the bond debt service account in the state bond fund each December 1 before money is transferred from the general fund under section 16A.641, subdivision 10.*

Sec. 33. Minnesota Statutes 1990, section 16B.24, subdivision 2, is amended to read:

Subd. 2. [REPAIRS.] The commissioner shall supervise and control the making of necessary repairs to all state buildings and structures, except*:*

(1) structures, other than buildings, under the control of the state transportation department; ~~provided that~~ *and*

(2) buildings and structures under the control of the state university board or the state board for community colleges.

All repairs to the public and ceremonial areas and the exterior of the state capitol building shall be carried out subject to the standards and policies of the capitol area architectural and planning board and the commissioner of administration adopted pursuant to section 15.50, subdivision 2, clause (h).

Sec. 34. Minnesota Statutes 1990, section 16B.30, is amended to read:

16B.30 [GENERAL AUTHORITY.]

Subject to other provisions in this chapter, the commissioner shall supervise and control the making of all contracts for the construction of buildings and for other capital improvements to state buildings and structures, *other than buildings and structures under the control of the state university board.*

Sec. 35. Minnesota Statutes 1990, section 16B.31, subdivision 1, is amended to read:

Subdivision 1. [CONSTRUCTION PLANS AND SPECIFICATIONS.] The commissioner shall (1) have plans and specifications prepared for the construction, alteration, or enlargement of all state buildings, structures,

and other improvements except highways and bridges, *and except for buildings and structures under the control of the state university board*; (2) approve those plans and specifications; (3) advertise for bids and award all contracts in connection with the improvements; (4) supervise and inspect all work relating to the improvements; (5) approve all lawful changes in plans and specifications after the contract for an improvement is let; and (6) approve estimates for payment. This subdivision does not apply to the construction of the zoological gardens.

Sec. 36. [136.261] [STATE UNIVERSITY SITES; ACQUISITION.]

Subdivision 1. [PURCHASE OF NEIGHBORING PROPERTY.] *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.*

Subd. 2. [METHODS OF ACQUISITION.] *If money has been appropriated to the state university 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.*

Subd. 3. [RELOCATION COSTS.] *The state university board may pay relocation costs, at its discretion, when acquiring property.*

Sec. 37. 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. 38. [REPEALER.]

Minnesota Statutes 1990, section 136.03, subdivision 2, is repealed.

Sec. 39. [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 bonds; authorizing assessments for debt service; appropriating money, with

certain conditions; amending Minnesota Statutes 1990, sections 16B.24, subdivision 2; 16B.30; 16B.31, subdivision 1; and 136C.05, subdivision 5; Minnesota Statutes 1991 Supplement, sections 124.479; proposing coding for new law in Minnesota Statutes, chapters 16A; and 136; repealing Minnesota Statutes 1990, sections 136.03, subdivision 2."

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

House Conferees: (Signed) Wayne Simoneau, Henry J. Kalis, Lyndon R. Carlson, Becky Kelso, Bob Anderson

Senate Conferees: (Signed) Gene Merriam, Jim Vickerman, Dean E. Johnson, LeRoy A. Stumpf, Steven Morse

Mr. Merriam moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1903 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

CALL OF THE SENATE

Mr. Merriam imposed a call of the Senate for the balance of the proceedings on H.F. No. 1903. The Sergeant at Arms was instructed to bring in the absent members.

H.F. No. 1903 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 62 and nays 5, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Moe, R.D.	Riveness
Beckman	DeCramer	Johnston	Mondale	Sams
Benson, D.D.	Dicklich	Kelly	Morse	Samuelson
Benson, J.E.	Finn	Kroening	Neuville	Solon
Berg	Flynn	Laidig	Novak	Spear
Berglin	Frank	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Pappas	Terwilliger
Bertram	Frederickson, D.R.	Lessard	Pariseau	Traub
Brataas	Gustafson	Luther	Piper	Vickerman
Chmielewski	Halberg	Marty	Pogemiller	Waldorf
Cohen	Hottinger	McGowan	Price	
Dahl	Johnson, D.E.	Merriam	Ranum	
Davis	Johnson, D.J.	Metzen	Reichgott	

Those who voted in the negative were:

Belanger	Hughes	Knaak	Mehrkens	Renneke

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 2732: 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; 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.

Senate File No. 2732 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

CONCURRENCE AND REPASSAGE

Ms. Piper moved that the Senate concur in the amendments by the House to S.F. No. 2732 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2732 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 55 and nays 8, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Hughes	McGowan	Price
Beckman	Day	Johnson, D.E.	Mehrkens	Ranum
Belanger	Dicklich	Johnson, D.J.	Merriam	Reichgott
Benson, D.D.	Finn	Johnson, J.B.	Metzen	Renneke
Benson, J.E.	Flynn	Johnston	Moe, R.D.	Sams
Berg	Frank	Knaak	Morse	Solon
Bernhagen	Frederickson, D.J.	Kroening	Novak	Stumpf
Bertram	Frederickson, D.R.	Laidig	Olson	Terwilliger
Brataas	Gustafson	Langseth	Pariseau	Traub
Cohen	Halberg	Luther	Piper	Vickerman
Dahl	Hottinger	Marty	Pogemiller	Waldorf

Those who voted in the negative were:

Berglin	Larson	Neuville	Samuelson	Spear
Chmielewski	Mondale	Pappas		

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2280, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2280 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

CONFERENCE COMMITTEE REPORT ON 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 the Chisago county.

April 16, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 2280, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 2280 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 103F.535, subdivision 1, is amended to read:

Subdivision 1. [RESERVATION OF MARGINAL LAND AND WETLANDS.] (a) ~~Notwithstanding any other law,~~ Marginal land and wetlands are withdrawn from sale ~~by the state~~ *or exchange* unless ~~use of the marginal land or wetland is restricted by a conservation easement as provided in this section~~*:*

(1) notice of the existence of the nonforested marginal land or wetlands, in a form prescribed by the board of water and soil resources, is provided to prospective purchasers; and

(2) the deed contains a restrictive covenant, in a form prescribed by the board of water and soil resources, that precludes enrollment of the land in a state-funded program providing compensation for conservation of marginal land or wetlands.

(b) This section does not apply to transfers of land by the board of water and soil resources to correct errors in legal descriptions under section 103F.515, subdivision 8, or to transfers by the commissioner of natural resources for:

(1) land that is currently in nonagricultural commercial use if a ~~conservation easement~~ *restrictive covenant* would interfere with the commercial use;

(2) land in platted subdivisions;

(3) conveyances of land to correct errors in legal descriptions under section 84.0273;

(4) exchanges of nonagricultural land with the federal government, or exchanges of Class A, Class B, and Class C nonagricultural land with local units of government under sections 94.342, 94.343, 94.344, and 94.349;

(5) land transferred to political subdivisions for public purposes under sections 84.027, subdivision 10, and 94.10; and

(6) land not needed for trail purposes that is sold to adjacent property

owners and lease holders under section 85.015, subdivision 1, paragraph (b).

(c) This section does not apply to transfers of land by the commissioner of administration or transportation or by the Minnesota housing finance agency, or to transfers of tax-forfeited land under chapter 282 if:

(1) the land is in platted subdivisions; or

(2) the conveyance is a transfer to correct errors in legal descriptions.

(d) This section does not apply to transfers of land by the commissioner of administration or by the Minnesota housing finance agency for:

(1) land that is currently in nonagricultural commercial use if a ~~conservation easement~~ *restrictive covenant* would interfere with the commercial use; or

(2) land transferred to political subdivisions for public purposes under sections 84.027, subdivision 10, and 94.10.

Sec. 2. [SALE OF TAX-FORFEITED LAND; BIWABIK.]

(a) Notwithstanding Minnesota Statutes, section 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, St. Louis county may convey the tax-forfeited land described in paragraph (c) to the city of Biwabik. The land is located in the city of Biwabik in St. Louis county.

(b) The land described in paragraph (c) may be conveyed by quitclaim deed in a form approved by the attorney general. The consideration for the conveyance must be the appraised value of the land plus the cost of appraisal.

(c) The land that may be conveyed is the land described as follows, except for any state highway right-of-way:

the NW 1/4 of the SW 1/4 of section 1;

the NE 1/4 of the SE 1/4 of section 2; and

the SW 1/4 of the SE 1/4 of section 2,

all in Township 58 North of Range 16 West.

Sec. 3. [SALE OF TAX-FORFEITED LANDS; LEECH LAKE BAND OF CHIPPEWA INDIANS.]

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, Hubbard county may convey by private sale the tax-forfeited land described in paragraph (c).

(b) The land described in paragraph (c) may be conveyed by private sale to the Leech Lake Band of Chippewa Indians for not less than the appraised value. The conveyance must be in a form approved by the attorney general.

(c) The land that may be conveyed is located in Hubbard county and is described as: the south half of the northwest quarter of the southeast quarter, Section 13, Township 145 North, Range 32 West of the Fifth Principal Meridian, Hubbard county, Minnesota, containing 20 acres, more or less.

(d) The land is contiguous to the Leech Lake landfill and there has been some inadvertent encroachment of the landfill onto the land. The land is needed to provide cover materials for closing the landfill.

Sec. 4. [SALE OF TAX-FORFEITED LAND IN ITASCA COUNTY.]

(a) Notwithstanding Minnesota Statutes, section 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Itasca county may convey by private sale the tax-forfeited land bordering public waters described in paragraph (c).

(b) The land described in paragraph (c) may be sold by private sale to the owners of units in Pokegama Commons condominium in Itasca county, or their assigns. The conveyance must be in a form approved by the attorney general.

(c) The land that may be conveyed is described as:

The COMMON ELEMENTS as shown on CONDOMINIUM NO. 4 POKEGAMA COMMONS, A CONDOMINIUM, according to the recorded condominium thereof, Itasca County, Minnesota being that part of the Northwest Quarter of the Northeast Quarter of Section 26, Township 54, Range 26, Itasca County, Minnesota, lying North of County Road Number 17, and that part of Government Lot 5, Section 23, Township 54, Range 26, Itasca County, Minnesota, lying South of the South line of THE PLAT OF SHERRY'S ARM, according to the plat thereof on file and of record in the office of the County Recorder, Itasca County, Minnesota, as now monumented and laid out, excepting therefrom the following described tracts.

Commencing at the Southwest corner of said Government Lot 5; thence on an assumed bearing of North 2 degrees 32 minutes 59 seconds West along the West line of said Government Lot 5, a distance of 141.11 feet to the point of beginning of the land to be described; thence North 47 degrees 04 minutes 41 seconds East a distance of 322.40 feet; thence North 42 degrees 55 minutes 19 seconds West, a distance of 122.09 feet; thence North 47 degrees 04 minutes 41 seconds East, a distance of 200.09 feet; thence South 42 degrees 55 minutes 19 seconds East, a distance of 268.53 feet; thence Northerly, a distance of 47.64 feet, along a nontangential curve concave to the Northwest, having a radius of 315.84 feet and a central angle of 8 degrees 38 minutes 34 seconds, the chord of said curve bearing North 16 degrees 50 minutes 55 seconds East; thence North 12 degrees 31 minutes 37 seconds East, tangent to the last described curve, a distance of 498.59 feet; thence North 77 degrees 28 minutes 23 seconds West, a distance of 255.00 feet; thence South 12 degrees 31 minutes 37 seconds West a distance of 266.96 feet; thence West to the West line of said Government Lot 5; thence southerly along said West line of Government Lot 5 to the point of beginning.

AND

Commencing at the Southwest corner of said Government Lot 5; thence on an assumed bearing of North 2 degrees 32 minutes 59 seconds West along the West line of said Government Lot 5, a distance of 141.11 feet; thence North 47 degrees 04 minutes 41 seconds East a distance of 322.40 feet; thence North 42 degrees 55 minutes 19 seconds West, a distance of 122.09 feet; thence North 47 degrees 04 minutes 41 seconds East a distance of 200.09 feet; thence South 42 degrees 55 minutes 19 seconds East a distance of 323.25 feet to the point of beginning of the land to be described; thence continuing South 42 degrees 55 minutes 19 seconds East a distance of 220.00 feet; thence North 47 degrees 04 minutes 19 seconds East, a distance of 190.00 feet; thence North 42 degrees 55 minutes 19 seconds West a distance of 340.49 feet; thence South 12 degrees 31 minutes 37 seconds West a

distance of 146.33 feet; thence Southerly a distance of 79.11 feet along a tangential curve concave to the Northwest, having a radius of 365.84 feet and a central angle of 12 degrees 23 minutes 24 seconds to the point of beginning.

AND EXCEPT

Condominium Units 1 through 16 inclusive said CONDOMINIUM NO. 4, POKEGAMA COMMONS A CONDOMINIUM.

(d) The land is common area for the Pokegama Commons condominium development on Pokegama Lake in Itasca county. To make the condominium units usable and return the property to the tax rolls, the common area and the units must be brought back into common ownership.

Sec. 5. [PRIVATE SALE OF STATE-OWNED LAND; ST. LOUIS COUNTY.]

(a) Notwithstanding other law to the contrary, St. Louis county, on behalf of the state, shall convey by private sale the state-owned land described in paragraph (c).

(b) The land described in paragraph (c) shall be sold by private sale to Mr. Edward William Jenkins of St. Louis county, Minnesota. The conveyance must be in a form approved by the attorney general for a consideration of its fair market value. The attorney general shall provide an accurate legal description of the property conveyed.

(c) The land to be conveyed is located in St. Louis county, consists of about five acres, and is generally described as: five acres bordering land owned by Edward William Jenkins in the Northeast Quarter of the Southwest Quarter of Section 7, Township 63 North, Range 20 West of the Fourth Principal Meridian, all in St. Louis county.

Sec. 6. [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.

Sec. 7. [SALE OF TAX-FORFEITED LAND IN CHISAGO COUNTY.]

(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.

Sec. 8. [PRIVATE SALE OF TAX-FORFEITED LAND; ST. LOUIS COUNTY.]

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, 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 equal to 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.

Sec. 9. [RELEASE AND ALTERATION OF CONSERVATION EASEMENTS.]

Conservation easements existing under Minnesota Statutes, section 103F.535, as of the effective date of this act may be altered, released, or terminated by the board of water and soil resources after consultation with the commissioners of agriculture and natural resources. The board may alter, release, or terminate a conservation easement only if the board determines that the public interest and general welfare are better served by the alteration, release, or termination.

Sec. 10. [REPEALER.]

Minnesota Statutes 1990, section 103F.535, subdivisions 2, 3, and 4, are repealed.

Sec. 11. [EFFECTIVE DATE.]

Sections 1 to 10 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state lands; changing provisions relating to withdrawal of certain lands from sale or exchange; authorizing the private sale of tax-forfeited lands in St. Louis, Hubbard, Itasca, and Chisago counties; amending Minnesota Statutes 1991 Supplement, section 103F.535, subdivision 1; repealing Minnesota Statutes 1990, section 103F.535, subdivisions 2, 3, and 4."

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

House Conferees: (Signed) Tom Rukavina, Bob Johnson, Ben Boo

Senate Conferees: (Signed) Ronald R. Dicklich, Douglas J. Johnson, Jim Gustafson

Mr. Dicklich moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2280 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2280 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Moe, R.D.	Renneke
Beckman	Day	Johnson, J.B.	Mondale	Sams
Belanger	Dicklich	Johnston	Morse	Solon
Benson, D.D.	Finn	Knaak	Neuville	Spear
Benson, J.E.	Flynn	Kroening	Novak	Stumpf
Berg	Frank	Laidig	Olson	Terwilliger
Berglin	Frederickson, D.J.	Larson	Pappas	Traub
Bernhagen	Frederickson, D.R.	Lessard	Pariseau	Vickerman
Bertram	Gustafson	Luther	Piper	Waldorf
Brataas	Halberg	Marty	Pogemiller	
Chmielewski	Hottinger	McGowan	Price	
Cohen	Hughes	Mehrkens	Ranum	
Dahl	Johnson, D.E.	Metzen	Reichgott	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1959: A bill for an act relating to natural resources; providing for the management of ecologically harmful exotic species; requiring rule-making; 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 84.968; 84.9691; and 86B.415, subdivision 7; proposing coding for new law in Minnesota Statutes, chatper 383B.

There has been appointed as such committee on the part of the House:

Skoglund, Kinkel and Abrams.

Senate File No. 1959 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

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.

There has been appointed as such committee on the part of the House:

Greenfield, Clark and Gutknecht.

Senate File No. 2137 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 2336, 2463, 1917, 1648, 2746, 2781, 735 and 2750.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2884, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2884 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

CONFERENCE COMMITTEE REPORT ON 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.

April 16, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 2884, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 2884 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

BOND ALLOCATION

Section 1. 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. 2. Minnesota Statutes 1991 Supplement, section 462A.073, subdivision 1, is amended to read:

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

(b) "Existing housing" means single-family housing that (i) has been previously occupied prior to the first day of the origination period; or (ii) has been available for occupancy for at least 12 months but has not been previously occupied.

(c) "Metropolitan area" means the metropolitan area as defined in section 473.121, subdivision 2.

(d) "New housing" means single-family housing that has not been previously occupied.

(e) "Origination period" means the period that loans financed with the proceeds of qualified mortgage revenue bonds are available for the purchase of single-family housing. The origination period begins when financing actually becomes available to the borrowers for loans.

(f) "Redevelopment area" means a compact and contiguous area within which the ~~agency~~ *city* finds *by resolution* that 70 percent of the parcels are occupied by buildings, streets, utilities, or other improvements and more than 25 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance.

(g) "Single-family housing" means dwelling units eligible to be financed from the proceeds of qualified mortgage revenue bonds under federal law.

(h) "Structurally substandard" means containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light, ventilation, fire protection including adequate egress, layout and

condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance.

Sec. 3. Minnesota Statutes 1991 Supplement, section 474A.03, subdivision 4, is amended to read:

Subd. 4. [APPLICATION FEE.] Every entitlement issuer and other issuer shall pay to the commissioner a nonrefundable application fee to offset the state cost of program administration. The application fee is ~~$100~~ *$20* for each ~~$500,000~~ *$100,000* of entitlement or allocation requested, with the request rounded to the nearest ~~$500,000~~ *$100,000*. The minimum fee is ~~$100~~ *$20*. Fees received by the commissioner must be credited to the general fund.

Sec. 4. Minnesota Statutes 1991 Supplement, section 474A.04, subdivision 1a, is amended to read:

Subd. 1a. [ENTITLEMENT RESERVATIONS; CARRYFORWARD; DEDUCTION.] Except as provided in Laws 1987, chapter 268, article 16, section 41, subdivision 2, paragraph (a), any amount returned by an entitlement issuer before the last Monday in July shall be reallocated through the housing pool. Any amount returned on or after the last Monday in July shall be reallocated through the unified pool. An amount returned after the last Monday in November shall be reallocated to the Minnesota housing finance agency. ~~Beginning with entitlement allocations received in 1987 under Minnesota Statutes 1986, section 474A.08, subdivision 1, paragraphs (2) and (3), there shall be deducted from an entitlement issuer's allocation for the subsequent year an amount equal to the entitlement allocation under which bonds are not issued, returned on or before the last Monday in December, or carried forward under federal tax law.~~ Except for the Minnesota housing finance agency, any amount of bonding authority that an entitlement issuer carries forward under federal tax law that is not permanently issued by the end of the succeeding calendar year shall be deducted from the entitlement allocation for that entitlement issuer for the next succeeding calendar year. Any amount deducted from an entitlement issuer's allocation under this subdivision shall be divided equally for allocation through the manufacturing pool and the housing pool.

Sec. 5. Minnesota Statutes 1991 Supplement, section 474A.047, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] An issuer may only use the proceeds from residential rental bonds if the proposed project meets one of the following:

(a) The proposed project is a single room occupancy project and all the units of the project will be occupied by individuals whose incomes at the time of their initial residency in the project are 50 percent or less of the greater of the statewide or county median income adjusted for household size as determined by the federal Department of Housing and Urban Development; ~~or~~

(b) The proposed project is a multifamily project where at least 75 percent of the units have two or more bedrooms and ~~(1)~~ at least one-third of the 75 percent have three or more bedrooms; or ~~(2)~~

(c) The proposed project *is a multifamily project that* meets the following requirements:

(i) the proposed project is the rehabilitation of an existing multifamily building which meets the requirements for minimum rehabilitation expenditures in section 42(e)(2) of the Internal Revenue Code;

(ii) the developer of the proposed project includes a managing general partner which is a nonprofit organization under chapter 317A and meets the requirements for a qualified nonprofit organization in section 42(h)(5) of the Internal Revenue Code; and

(iii) the proposed project involves participation by a local unit of government in the financing of the acquisition or rehabilitation of the project. At least 75 percent of the units of the multifamily project must be occupied by individuals or families whose incomes at the time of their initial residency in the project are 60 percent or less of the greater of the: (1) statewide median income or (2) county or metropolitan statistical area median income, adjusted for household size as determined by the federal Department of Housing and Urban Development.

The maximum rent for a proposed single room occupancy unit under paragraph (a) is 30 percent of the amount equal to 30 percent of the greater of the statewide or county median income for a one-member household as determined by the federal Department of Housing and Urban Development. The maximum rent for at least 75 percent of the units of a multifamily project under paragraph (b) is 30 percent of the amount equal to 50 percent of the greater of the statewide or county median income as determined by the federal Department of Housing and Urban Development based on a household size with one person per bedroom.

Sec. 6. Minnesota Statutes 1991 Supplement, section 474A.061, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] (a) An issuer may apply for an allocation under this section by submitting to the department an application on forms provided by the department, accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter, (3) the type of qualified bonds to be issued, (4) an application deposit in the amount of one percent of the requested allocation before the last Monday in July, or in the amount of two percent of the requested allocation on or after the last Monday in July, and (5) a public purpose scoring worksheet for manufacturing project applications. The issuer must pay the application deposit by a check made payable to the department of finance. The Minnesota housing finance agency ~~and~~, the Minnesota rural finance authority, *and the Minnesota higher education coordinating board* may apply for and receive an allocation under this section without submitting an application deposit.

(b) An entitlement issuer may not apply for an allocation from the housing pool or from the public facilities pool unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount of bonding authority carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6. *This paragraph does not apply to an application from the Minnesota housing finance agency for an allocation under subdivision 2a for cities who choose to have the agency issue bonds on their behalf.*

(c) If an application is rejected under this section, the commissioner must

notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted. The granting of an allocation of bonding authority under this section must be evidenced by a certificate of allocation.

Sec. 7. Minnesota Statutes 1991 Supplement, section 474A.061, subdivision 3, is amended to read:

Subd. 3. [ADDITIONAL DEPOSIT.] An issuer which has received an allocation under this section may retain any unused portion of the allocation after the first Tuesday in August only if the issuer has submitted to the department before the first Tuesday in August a letter stating its intent to issue obligations pursuant to the allocation before the end of the calendar year or within the time period permitted by federal tax law and a deposit in addition to that provided under subdivision 1, equal to one percent of the amount of allocation to be retained. *Subdivision 4 applies to an allocation made under this section.* The Minnesota housing finance agency and the Minnesota rural finance authority may retain an unused portion of an allocation after the first Tuesday in August without submitting an additional deposit.

Sec. 8. Minnesota Statutes 1991 Supplement, section 474A.091, subdivision 2, is amended to read:

Subd. 2. [APPLICATION.] Issuers ~~other than the Minnesota rural finance authority~~ may apply for an allocation under this section by submitting to the department an application on forms provided by the department accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter, (3) the type of qualified bonds to be issued, (4) an application deposit in the amount of two percent of the requested allocation, and (5) a public purpose scoring worksheet for manufacturing applications. The issuer must pay the application deposit by check. An entitlement issuer may not apply for an allocation for public facility bonds, residential rental project bonds, or mortgage bonds under this section unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6.

The Minnesota housing finance agency may not apply for an allocation for mortgage bonds under this section until after the last Monday in August. Notwithstanding the restrictions imposed on unified pool allocations after September 1 under subdivision 3, paragraph (c)(2), the Minnesota housing finance agency may be awarded allocations for mortgage bonds from the unified pool after September 1. The Minnesota housing finance agency, *the Minnesota higher education coordinating board, and the Minnesota rural finance authority* may apply for and receive an allocation under this section without submitting an application deposit.

Sec. 9. Minnesota Statutes 1991 Supplement, section 474A.091, subdivision 3, is amended to read:

Subd. 3. [ALLOCATION PROCEDURE.] (a) The commissioner shall allocate available bonding authority under this section on the Monday of every other week beginning with the first Monday in August through and on the last Monday in November. Applications for allocations must be

received by the department by the Monday preceding the Monday on which allocations are to be made. If a Monday falls on a holiday, the allocation will be made or the applications must be received by the next business day after the holiday.

(b) On or before September 1, allocations shall be awarded from the unified pool in the following order of priority:

(1) applications for small issue bonds;

(2) applications for residential rental project bonds;

(3) applications for public facility projects funded by public facility bonds;

(4) applications for redevelopment bonds;

(5) applications for mortgage bonds; and

(6) applications for governmental bonds.

Allocations for residential rental projects may only be made during the first allocation in August. The amount of allocation provided to an issuer for a specific manufacturing project will be based on the number of points received for the proposed project under the scoring system under section 474A.045. Proposed manufacturing projects that receive 50 points or more are eligible for all of the proposed allocation. Proposed manufacturing projects that receive less than 50 points under section 474A.045 are only eligible to receive a proportionally reduced share of the proposed authority, based upon the number of points received. If there are two or more applications for manufacturing projects from the unified pool and there is insufficient bonding authority to provide allocations for all manufacturing projects in any one allocation period, the available bonding authority shall be awarded based on the number of points awarded a project under section 474A.045 with those projects receiving the greatest number of points receiving allocation first.

(c)(1) On the first Monday in August, *$5,000,000 of bonding authority is reserved within the unified pool for agricultural development bond loan projects of the Minnesota rural finance authority and* $20,000,000 of bonding authority or an amount equal to the total annual amount of bonding authority allocated to the small issue pool under section 474A.03, subdivision 1, less the amount allocated to issuers from the small issue pool for that year, whichever is less, is reserved within the unified pool for small issue bonds. On the first Monday in September, $2,500,000 of bonding authority or an amount equal to the total annual amount of bonding authority allocated to the public facilities pool under section 474A.03, subdivision 1, less the amount allocated to issuers from the public facilities pool for that year, whichever is less, is reserved within the unified pool for public facility bonds. If sufficient bonding authority is not available to reserve the required amounts for ~~both small issue bonds~~ *manufacturing projects* and ~~public facility bonds~~ *agricultural development bond loan projects*, ~~seven-eighths of~~ the remaining available bonding authority ~~is reserved for small issue bonds and one-eighth of the remaining available bonding authority is reserved for public facility bonds~~ *must be distributed between the two reservations on a pro rata basis, based upon the amounts each would have received if sufficient authority was available*.

(2) The total amount of allocations for mortgage bonds from the housing pool and the unified pool may not exceed:

(i) $10,000,000 for any one city; or

(ii) $20,000,000 for any number of cities in any one county.

An allocation for mortgage bonds may be used for mortgage credit certificates.

After September 1, allocations shall be awarded from the unified pool only for the following types of qualified bonds: small issue bonds, public facility bonds *to finance publicly owned facility projects*, and residential rental project bonds.

(d) If there is insufficient bonding authority to fund all projects within any qualified bond category, allocations shall be awarded by lot unless otherwise agreed to by the respective issuers. If an application is rejected, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted. The granting of an allocation of bonding authority under this section must be evidenced by issuance of a certificate of allocation.

Sec. 10. [HIGHER EDUCATION COORDINATING BOARD.]

Subdivision 1. [1992 MANUFACTURING POOL RESERVATION.] *On the first Monday in May of 1992, $15,000,000 of bonding authority is reserved within the manufacturing pool and $5,000,000 of bonding authority is reserved within the public facilities pool for student loan bonds issued by the higher education coordinating board. On the day after the last Monday in July of 1992, any bonding authority remaining unallocated from the student loan bond reservations is transferred to the unified pool and must be reallocated as provided in Minnesota Statutes, section 474A.091. If a common pool is established as provided under section 11, any bonding authority remaining unallocated from the student loan bond reservations is transferred to the common pool on June 1, 1992.*

Subd. 2. [1992 CARRYFORWARD.] *Notwithstanding Minnesota Statutes, section 474A.091, subdivision 4, the commissioner of finance may allocate a portion of remaining available bonding authority to the higher education coordinating board for student loan bonds on December 1 of 1992.*

Subd. 3. [1993 UNIFIED POOL RESERVATION.] *On the first Monday in August of 1993, up to $10,000,000 of bonding authority is reserved within the unified pool for student loan bonds issued by the higher education coordinating board; provided that the total amount of the unified pool reservation authorized under this subdivision and the carryforward authorized under subdivision 2 may not exceed $20,000,000 of bonding authority.*

Sec. 11. [SUNSET OF QUALIFIED BONDS.]

Subdivision 1. [TRANSFER.] *Notwithstanding Minnesota Statutes, sections 474A.061 and 474A.091, if federal tax law is not amended by May 31, 1992, to permit the issuance of tax exempt mortgage bonds or small issue bonds after June 30, 1992, any bonding authority remaining in the small issue, housing, and public facilities pools is transferred on June 1, 1992, to a common pool and is available for allocation as provided in this section. The commissioner of finance shall set aside $30,000,000 of bonding authority from the common pool from June 1, 1992, to July 1, 1992. After July 1, the set-aside is available for allocation as provided under subdivision 2.*

Subd. 2. [ALLOCATION.] *For the period from June 1, 1992, through November 30, 1992, the commissioner of finance may allocate any available bonding authority in the common pool for any purpose authorized under federal tax law. The application and allocation procedures established in Minnesota Statutes, section 474A.091, and the limits on mortgage bonds established in Minnesota Statutes, section 474A.091, subdivision 3, paragraph (c)(2), apply to allocations from the common pool. The reserve and priority requirements established under Minnesota Statutes, section 474A.091, do not apply to allocations from the common pool.*

Subd. 3. [CARRYFORWARD.] *Notwithstanding Minnesota Statutes, section 474A.091, on December 1, 1992, the commissioner may allocate any bonding authority remaining in the common pool to any issuer authorized by federal law to carry forward bonding authority.*

Sec. 12. [EFFECTIVE DATE.]

Sections 1 to 11 are effective the day following final enactment.

ARTICLE 2

HOUSING PROGRAMS

Section 1. Minnesota Statutes 1990, section 462A.03, subdivision 7, is amended to read:

Subd. 7. "Residential housing" means a specific work or improvement within this state undertaken primarily to provide residential care facilities for mentally ill, mentally retarded, physically handicapped, and drug dependent persons licensed or potentially eligible for licensure under rules promulgated by the commissioner of human services, or to provide dwelling accommodations *or manufactured home parks* for persons and families of low and moderate income and for other persons and families when determined to be necessary in furtherance of the policy of economic integration stated in section 462A.02, subdivision 6, including land development and the acquisition, construction or rehabilitation of buildings and improvements thereto, for residential housing, and such other nonhousing facilities as may be incidental or appurtenant thereto.

Sec. 2. Minnesota Statutes 1990, section 462A.05, subdivision 14a, is amended to read:

Subd. 14a. It may make loans to persons and families of low and moderate income to rehabilitate or to assist in rehabilitating existing residential housing owned and occupied by those persons or families. No loan shall be made unless the agency determines that the loan will be used primarily for rehabilitation work necessary for health or safety, essential accessibility improvements, or to improve the energy efficiency of the dwelling. No loan for rehabilitation of owner occupied residential housing shall be denied solely because the loan will not be used for placing the residential housing in full compliance with all state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing. The amount of any loan shall not exceed the lesser of (a) $9,000, or (b) the actual cost of the work performed, or (c) that portion of the cost of rehabilitation which the agency determines cannot otherwise be paid by the person or family without the expenditure of an unreasonable portion of the income of the person or family. *Loans made in whole or in part with federal funds may exceed the maximum loan amount to the extent necessary*

to comply with federal lead abatement requirements prescribed by the funding source. In making loans, the agency shall determine the circumstances under which and the terms and conditions under which all or any portion of the loan will be repaid and shall determine the appropriate security for the repayment of the loan. Loans pursuant to this subdivision may be made with or without interest or periodic payments. No loan under this subdivision shall be denied solely on the basis of the inability of the applicant to make periodic loan payments. Loans made without interest or periodic payments need not be repaid by the borrower if the property for which the loan is made has not been sold, transferred, or otherwise conveyed nor has it ceased to be the principal place of residence of the borrower, within ten years after the date of the loan.

Sec. 3. 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.

Sec. 4. Minnesota Statutes 1991 Supplement, section 462A.05, subdivision 36, is amended to read:

Subd. 36. [LEASE-PURCHASE HOUSING.] The agency may make grants or loans to nonprofit organizations, local government units, Indian tribes, and Indian tribal organizations to finance the acquisition, improvement, rehabilitation, and lease-purchase of existing housing for persons of low and moderate income. A person or family is eligible to participate in a lease-purchase agreement if the person's or family's income does not exceed 60 percent of the greater of (1) state median income, or (2) area or county median income. The lease agreement must provide for a portion of the lease payment to be escrowed as a down payment on the housing. A property containing two or fewer dwelling units is eligible for financing under the lease-purchase housing program. A loan made under this subdivision must be repaid to the agency upon sale of the housing. ~~The agency may only make grants or loans under this subdivision from funds specifically appropriated by the legislature for that purpose.~~

Sec. 5. Minnesota Statutes 1991 Supplement, section 462A.05, subdivision 37, is amended to read:

Subd. 37. [BLIGHTED RESIDENTIAL PROPERTY ACQUISITION AND REHABILITATION; NEIGHBORHOOD LAND TRUST.] The agency may make grants to cities for the purpose of acquisition and demolition of blighted residential property and gap financing for the rehabilitation of blighted residential property or construction of new housing on the property. Gap financing is financing for the difference between the cost of the improvement of the blighted property, including acquisition, demolition, rehabilitation, and construction, and the market value of the property upon sale. Grants under this section must be used for households with income less than or equal to the county or area median income as determined by the United States Department of Housing and Urban Development. Cities may use the grants to establish revolving loan funds and provide loans and grants to eligible mortgagors for the acquisition, demolition, redevelopment, and rehabilitation of blighted residential property located in a neighborhood designated by the city for neighborhood preservation. The city may determine the terms and conditions of the loans and grants. ~~The agency may make grants or loans to nonprofit organizations for the purpose of organizing or funding neighborhood land trust projects. The projects must assure the long-term affordability of neighborhood housing by maintaining ownership of the land through a neighborhood land trust.~~

Sec. 6. 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 money 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.*

Sec. 7. Minnesota Statutes 1990, section 462A.06, subdivision 11, is amended to read:

Subd. 11. It may make and publish rules pursuant to chapter 14 respecting its mortgage lending, construction lending, rehabilitation lending, grants,

and temporary lending, and any such other rules as are necessary to effectuate its corporate purpose, and may adopt emergency rules to implement demonstration programs *using bond proceeds* for the financing of residential housing.

Sec. 8. Minnesota Statutes 1991 Supplement, section 462A.073, subdivision 2, is amended to read:

Subd. 2. [LIMITATION; ORIGINATION PERIOD.] During the first ten months of an origination period, the agency may make loans financed with proceeds of mortgage bonds for the purchase of existing housing. Loans financed with the proceeds of mortgage bonds for new housing in the metropolitan area may be made during the first ten months of an origination period only if at least one of the following conditions is met:

(1) the new housing is located in a redevelopment area;

(2) the new housing is replacing a structurally substandard structure or structures; ~~or~~

(3) the new housing is part of a housing affordability initiative, other than those financed with the proceeds from the sale of bonds, in which federal, state, or local assistance is used to substantially improve the terms of the financing or to substantially write down the purchase price of the new housing~~.~~*; or*

(4) the new housing is accessible housing and the borrower or a member of the borrower's family is a person with a disability. For the purposes of this clause, "accessible housing" means a dwelling unit with the modifications necessary to enable a person with a disability to function in a residential setting. "A person with a disability" means a person who has a permanent physical condition which is not correctable and which substantially reduces the person's ability to function in a residential setting. A person with a physical condition which does not require the use of a device to increase mobility must be deemed a person with a disability upon written certification of a licensed physician that the physical condition substantially limits the person's ability to function in a residential setting.

Upon expiration of the first ten-month period, the agency may make loans financed with the proceeds of mortgage bonds for the purchase of new and existing housing.

Sec. 9. 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.*

Sec. 10. Minnesota Statutes 1990, section 462A.202, subdivision 2, is amended to read:

Subd. 2. [TRANSITIONAL HOUSING.] The agency may make loans ~~or grants~~ *with or without interest* to ~~local government units~~ *cities* to finance the acquisition, improvement, and rehabilitation of existing housing properties *or the acquisition, site improvement, and development of new properties* for the purposes of providing transitional housing, upon terms and

conditions the agency determines. Preference must be given to ~~local government units~~ *cities* that propose to acquire properties being sold by the resolution trust corporation or the department of housing and urban development. ~~The local government unit may contract with a nonprofit or for-profit organization to manage the property and to operate a transitional housing program on the property on behalf of the local government unit. on terms and conditions approved by the agency. The local government unit shall retain ownership of the property for at least 20 years. After 20 years, the sale of a property before the expiration of its useful life must be at its fair market value, and the net proceeds of sale must be used for the same purpose or repaid to the agency for deposit in the local government unit housing account.~~ *Loans under this subdivision are subject to the restrictions in section 12.*

Sec. 11. 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 12.*

Sec. 12. 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.

Sec. 13. Minnesota Statutes 1991 Supplement, section 462A.30, subdivision 6, is amended to read:

Subd. 6. [LIMITED EQUITY FORMULA.] "Limited equity formula" means a method, ~~to be determined by rule adopted~~ *approved* by the agency, for calculation of the limited equity price, designed to maintain the affordability of the housing and the public subsidy.

Sec. 14. Minnesota Statutes 1991 Supplement, section 462A.30, subdivision 8, is amended to read:

Subd. 8. [NEIGHBORHOOD LAND TRUST.] "Neighborhood land trust" means *a city or* a nonprofit corporation organized under chapter 317A that complies with section 462A.31 and that qualifies for tax exempt status under United States Code, title 26, section 501(c)(3), and *that* meets all other criteria for neighborhood land ~~trust~~ *trusts* set by the agency.

Sec. 15. Minnesota Statutes 1991 Supplement, section 462A.30, subdivision 9, is amended to read:

Subd. 9. [PERSONS AND FAMILIES OF LOW AND MODERATE INCOME.] "Persons and families of low and moderate income" ~~has the meaning specified in section 462A.03, subdivision 10~~ *means persons or families whose income does not exceed 80 percent of the greater of (1) state median income, or (2) area or county median income as determined by the department of housing and urban development.*

Sec. 16. Minnesota Statutes 1991 Supplement, section 462A.31, is amended by adding a subdivision to read:

Subd. 6. [CITY LAND TRUST.] *A city may by resolution determine to act as a neighborhood land trust with the powers and duties described in subdivisions 1 to 5.*

Sec. 17. Minnesota Statutes 1991 Supplement, section 462A.31, is amended by adding a subdivision to read:

Subd. 7. [RECORDING OF GROUND LEASE.] *Any ground lease held by a neighborhood land trust shall include the legal description of the real property subject to the ground lease and shall be recorded with the county recorder or filed with the registrar of titles in the county in which the real property subject to the ground lease is located.*

Sec. 18. [EXEMPTION.]

Notwithstanding Minnesota Statutes, sections 462A.073, subdivision 2,

and 462C.071, subdivision 2, the Minnesota housing finance agency and a city may make loans financed with the proceeds of mortgage bonds for new housing in the metropolitan area after the first one-third of an origination period if all of the other conditions specified under Minnesota Statutes, sections 462A.073, subdivision 2, and 462C.071, subdivision 2, are met. For the purposes of this section, "city" has the meaning given in Minnesota Statutes, section 462C.02, subdivision 6. This section expires June 30, 1992.

Sec. 19. [REPEALER.]

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, are repealed.

Sec. 20. [EFFECTIVE DATE.]

Sections 1 to 19 are effective the day following final enactment. Section 18 applies to bonds with an origination period that began on or after October 1, 1991.

ARTICLE 3

PUBLIC FINANCE

Section 1. Minnesota Statutes 1990, section 176.181, subdivision 2, is amended to read:

Subd. 2. [COMPULSORY INSURANCE; SELF-INSURERS.] (1) Every employer, except the state and its municipal subdivisions, liable under this chapter to pay compensation shall insure payment of compensation with some insurance carrier authorized to insure workers' compensation liability in this state, or obtain a written order from the commissioner of commerce exempting the employer from insuring liability for compensation and permitting self-insurance of the liability. The terms, conditions and requirements governing self-insurance shall be established by the commissioner pursuant to chapter 14. The commissioner of commerce shall also adopt, pursuant to clause (2)(c), rules permitting two or more employers, whether or not they are in the same industry, to enter into agreements to pool their liabilities under this chapter for the purpose of qualifying as group self-insurers. With the approval of the commissioner of commerce, any employer may exclude medical, chiropractic and hospital benefits as required by this chapter. An employer conducting distinct operations at different locations may either insure or self-insure the other portion of operations as a distinct and separate risk. An employer desiring to be exempted from insuring liability for compensation shall make application to the commissioner of commerce, showing financial ability to pay the compensation, whereupon by written order the commissioner of commerce, on deeming it proper, may make an exemption. An employer may establish financial ability to pay compensation by: (1) providing financial statements of the employer to the commissioner of commerce; or (2) filing a surety bond or bank letter of credit with the commissioner of commerce in an amount equal to the anticipated annual compensation costs of the employer, but in no event less than $100,000. Upon ten days' written notice the commissioner of commerce may revoke the order granting an exemption, in which event the employer shall immediately insure the liability. As a condition for the granting of an exemption the commissioner of commerce may require the employer to furnish security the commissioner of commerce considers sufficient to insure payment of all claims under this chapter, *consistent with subdivision 2b.* If

the required security is in the form of currency or negotiable bonds, the commissioner of commerce shall deposit it with the state treasurer. In the event of any default upon the part of a self-insurer to abide by any final order or decision of the commissioner of labor and industry directing and awarding payment of compensation and benefits to any employee or the dependents of any deceased employee, then upon at least ten days notice to the self-insurer, the commissioner of commerce may by written order to the state treasurer require the treasurer to sell the pledged and assigned securities or a part thereof necessary to pay the full amount of any such claim or award with interest thereon. This authority to sell may be exercised from time to time to satisfy any order or award of the commissioner of labor and industry or any judgment obtained thereon. When securities are sold the money obtained shall be deposited in the state treasury to the credit of the commissioner of commerce and awards made against any such self-insurer by the commissioner of commerce shall be paid to the persons entitled thereto by the state treasurer upon warrants prepared by the commissioner of commerce and approved by the commissioner of finance out of the proceeds of the sale of securities. Where the security is in the form of a surety bond or personal guaranty the commissioner of commerce, at any time, upon at least ten days notice and opportunity to be heard, may require the surety to pay the amount of the award, the payments to be enforced in like manner as the award may be enforced.

(2)(a) No association, corporation, partnership, sole proprietorship, trust or other business entity shall provide services in the design, establishment or administration of a group self-insurance plan under rules adopted pursuant to this subdivision unless it is licensed to do so by the commissioner of commerce. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license shall be granted only when the commissioner of commerce is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner of commerce may issue a license subject to restrictions or limitations, including restrictions or limitations on the type of services which may be supplied or the activities which may be engaged in. The license is for a two-year period.

(b) To assure that group self-insurance plans are financially solvent, administered in a fair and capable fashion, and able to process claims and pay benefits in a prompt, fair and equitable manner, entities licensed to engage in such business are subject to supervision and examination by the commissioner of commerce.

(c) To carry out the purposes of this subdivision, the commissioner of commerce may promulgate administrative rules, including emergency rules, pursuant to sections 14.001 to 14.69. These rules may:

(i) establish reporting requirements for administrators of group self-insurance plans;

(ii) establish standards and guidelines *consistent with subdivision 2b* to assure the adequacy of the financing and administration of group self-insurance plans;

(iii) establish bonding requirements or other provisions assuring the financial integrity of entities administering group self-insurance plans;

(iv) establish standards, including but not limited to minimum terms of

membership in self-insurance plans, as necessary to provide stability for those plans;

(v) establish standards or guidelines governing the formation, operation, administration, and dissolution of self-insurance plans; and

(vi) establish other reasonable requirements to further the purposes of this subdivision.

Sec. 2. Minnesota Statutes 1990, section 176.181, is amended by adding a subdivision to read:

Subd. 2b. [ACCEPTABLE SECURITIES.] *The following are acceptable securities and surety bonds for the purpose of funding self-insurance plans and group self-insurance plans:*

(1) direct obligations of the United States government except mortgage-backed securities of the Government National Mortgage Association;

(2) bonds, notes, debentures, and other instruments which are obligations of agencies and instrumentalities of the United States including, but not limited to, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank, the Student Loan Marketing Association, and the Farm Credit System, and their successors, but not including collateralized mortgage obligations or mortgage pass-through instruments;

(3) bonds or securities that are issued by the state of Minnesota and that are secured by the full faith and credit of the state;

(4) certificates of deposit which are insured by the Federal Deposit Insurance Corporation and are issued by a Minnesota depository institution;

(5) obligations of, or instruments unconditionally guaranteed by, Minnesota depository institutions whose long-term debt rating is at least AA-, Aa3, or their equivalent, by at least two nationally recognized rating agencies;

(6) surety bonds issued by a corporate surety authorized by the commissioner of commerce to transact such business in the state;

(7) obligations of or instruments unconditionally guaranteed by Minnesota insurance companies, whose long-term debt rating is at least AA-, Aa3, or their equivalent, by at least two nationally recognized rating agencies and whose rating is A + by A. M. Best, Inc.; and

(8) any guarantee from the United States government whereby the payment of the workers' compensation liability of a self-insurer is guaranteed; and bonds which are the general obligation of the Minnesota housing finance agency.

Sec. 3. [RULE CHANGE.]

The commissioner of commerce shall amend Minnesota Rules, part 2780.0400, so that it is consistent with the changes in section 2.

Sec. 4. Minnesota Statutes 1990, section 429.091, subdivision 2, is amended to read:

Subd. 2. [TYPES OF OBLIGATIONS PERMITTED.] The council may by resolution adopted prior to the sale of obligations pledge the full faith, credit, and taxing power of the municipality for the payment of the principal and interest. Such obligations shall be called improvement bonds and the

council shall pay the principal and interest out of any fund of the municipality when the amount credited to the specified fund is insufficient for the purpose and shall each year levy a sufficient amount to take care of accumulated or anticipated deficiencies, which levy shall not be subject to any statutory or charter tax limitation. Obligations for the payment of which the full faith and credit of the municipality is not pledged shall be called ~~improvement warrants~~ *assessment revenue notes* or, in the case of bonds for fire protection, revenue bonds and shall contain a promise to pay solely out of the proper special fund or funds pledged to their payment. It shall be the duty of the municipal treasurer to pay maturing principal and interest on warrants or revenue bonds out of funds on hand in the proper funds and not otherwise.

Sec. 5. Minnesota Statutes 1990, section 469.015, subdivision 4, is amended to read:

Subd. 4. [EXCEPTIONS.] (a) An authority need not require competitive bidding in the following circumstances:

(1) in the case of a contract for the acquisition of a low-rent housing project:

(i) for which financial assistance is provided by the federal government;

(ii) which does not require any direct loan or grant of money from the municipality as a condition of the federal financial assistance; and

(iii) for which the contract provides for the construction of the project upon land ~~not~~ *that is either* owned by the authority *for redevelopment purposes or not owned by the authority* at the time of the contract~~, or owned by the authority for redevelopment purposes, and~~ *but the contract* provides for the conveyance or lease to the authority of the project or improvements upon completion of construction;

(2) with respect to a structured parking facility:

(i) constructed in conjunction with, and directly above or below, a development; and

(ii) financed with the proceeds of tax increment or parking ramp revenue bonds; and

(3) in the case of a housing development project if:

(i) the project is financed with the proceeds of bonds issued under section 469.034 *or from nongovernmental sources*;

(ii) the project is *either* located on land that is ~~not~~ owned *or is being acquired* by the authority ~~at the time the contract is entered into, or is owned by the authority~~ only for development purposes, ~~and~~ *or is not owned by the authority at the time the contract is entered into but the contract* provides for conveyance or lease to the authority of the project or improvements upon completion of construction; and

(iii) the authority finds and determines that elimination of the public bidding requirements is necessary in order for the housing development project to be economical and feasible.

(b) An authority need not require a performance bond in the case of a contract described in paragraph (a), clause (1).

Sec. 6. Minnesota Statutes 1991 Supplement, section 469.155, subdivision 12, is amended to read:

Subd. 12. [REFUNDING.] It may issue revenue bonds to refund, in whole or in part, bonds previously issued by the municipality or redevelopment agency under authority of sections 469.152 to 469.165, and interest on them. The municipality or redevelopment agency may issue revenue bonds to refund, in whole or in part, bonds previously issued by any other municipality or redevelopment agency on behalf of an organization described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1990, under authority of sections 469.152 to 469.155, and interest on them, but only with the consent of the original issuer of such bonds. The municipality or redevelopment agency may issue and sell warrants which give to their holders the right to purchase refunding bonds issuable under this subdivision prior to a stipulated date. The warrants are not required to be sold at public sale and all or any agreed portion of the proceeds of the warrants may be paid to the contracting party under the revenue agreement required by subdivision 5 or to its designee under the conditions the municipality or redevelopment agency shall agree upon. Warrants shall not be issued which obligate a municipality or redevelopment agency to issue refunding bonds that are or will be subject to federal tax law as defined in section 474A.02, subdivision 8. The warrants may provide a stipulated exercise price or a price that depends on the tax exempt status of interest on the refunding bonds at the time of issuance. The average interest rate on refunding bonds issued upon the exercise of the warrants to refund fixed rate bonds shall not exceed the average interest rate on fixed rate bonds to be refunded. The municipality *or redevelopment agency* may appoint a bank or trust company to serve as agent for the warrant holders and enter into agreements deemed necessary or incidental to the issuance of the warrants.

Sec. 7. Minnesota Statutes 1991 Supplement, section 475.66, subdivision 3, is amended to read:

Subd. 3. Subject to the provisions of any resolutions or other instruments securing obligations payable from a debt service fund, any balance in the fund may be invested

(a) in governmental bonds, notes, bills, mortgages, and other securities, which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, or in certificates of deposit secured by letters of credit issued by federal home loan banks,

(b) in shares of an investment company (1) registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and (2) whose only investments are in (i) securities described in the preceding clause, (ii) general obligation tax-exempt securities rated A or better by a national bond rating service, and (iii) repurchase agreements or reverse repurchase agreements fully collateralized by those securities, if the repurchase agreements or reverse repurchase agreements are entered into only with those primary reporting dealers that report to the Federal Reserve Bank of New York and with the 100 largest United States commercial banks,

(c) in any security which is (1) a general obligation of the state of Minnesota or any of its municipalities, or *(2)* a general obligation of another state or local government with taxing powers which is rated A or better by a national bond rating service, or ~~(2)~~ *(3)* a general obligation of the Minnesota housing finance agency, or ~~(3)~~ *(4)* a general obligation of a housing finance

agency of any state if it includes a moral obligation of the state, or ~~(4)~~ *(5)* a general or revenue obligation of any agency or authority of the state of Minnesota other than a general obligation of the Minnesota housing finance agency~~, provided that~~. Investments under clauses ~~(2)~~ *(3)* and ~~(3)~~ *(4)* must be in obligations that are rated A or better by a national bond rating service and ~~provided that~~ investments under clause ~~(4)~~ *(5)* must be in obligations that are rated AA or better by a national bond rating service.

(d) in bankers acceptances of United States banks eligible for purchase by the Federal Reserve System,

(e) in commercial paper issued by United States corporations or their Canadian subsidiaries that is of the highest quality and matures in 270 days or less, or

(f) in guaranteed investment contracts issued or guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies or their Canadian or United States subsidiaries; provided that the investment contracts rank on a parity with the senior unsecured debt obligations of the issuer or guarantor and, (1) in the case of long-term investment contracts, either (i) the long-term senior unsecured debt of the issuer or guarantor is rated, or obligations backed by letters of credit of the issuer or guarantor if forming the primary basis of a rating of such obligations would be rated, in the highest or next highest rating category of Standard & Poor's Corporation, Moody's Investors Service, Inc., or a similar nationally recognized rating agency, or (ii) if the issuer is a bank with headquarters in Minnesota, the long-term senior unsecured debt of the issuer is rated, or obligations backed by letters of credit of the issuer if forming the primary basis of a rating of such obligations would be rated in one of the three highest rating categories of Standard & Poor's Corporation, Moody's Investors Service, Inc., or similar nationally recognized rating agency, or (2) in the case of short-term investment contracts, the short-term unsecured debt of the issuer or guarantor is rated, or obligations backed by letters of credit of the issuer or guarantor if forming the primary basis or a rating of such obligations would be rated, in the highest two rating categories of Standard and Poor's Corporation, Moody's Investors Service, Inc., or similar nationally recognized rating agency.

The fund may also be used to purchase any obligation, whether general or special, of an issue which is payable from the fund, at such price, which may include a premium, as shall be agreed to by the holder, or may be used to redeem any obligation of such an issue prior to maturity in accordance with its terms. The securities representing any such investment may be sold or hypothecated by the municipality at any time, but the money so received remains a part of the fund until used for the purpose for which the fund was created.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 3 are effective March 1, 1993. Sections 4 to 7 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to economic development and housing; changing procedures for allocating bonding authority; modifying provisions of rehabilitation loans, lease-purchase housing, urban and rural homesteading, publicly owned transitional housing program, and neighborhood land trusts; modifying limitations on the use of bond proceeds; limiting the use of

emergency rules; defining acceptable securities for use by self-insurers for workers' compensation; providing an exemption from competitive bidding for certain HRA projects; correcting and clarifying provisions relating to public obligations; amending Minnesota Statutes 1990, sections 136A.29, subdivision 9; 176.181, subdivision 2, and by adding a subdivision; 429.091, subdivision 2; 462A.03, subdivision 7; 462A.05, subdivision 14a, and by adding a subdivision; 462A.06, subdivision 11; 462A.202, subdivisions 1, 2, and by adding subdivisions; and 469.015, subdivision 4; Minnesota Statutes 1991 Supplement, sections 462A.05, subdivisions 20a, 36, and 37; 462A.073, subdivisions 1 and 2; 462A.30, subdivisions 6, 8, and 9; 462A.31, by adding subdivisions; 469.155, subdivision 12; 474A.03, subdivision 4; 474A.04, subdivision 1a; 474A.047, subdivision 1; 474A.061, subdivisions 1 and 3; 474A.091, subdivisions 2 and 3; and 475.66, subdivision 3; repealing Minnesota Statutes 1990, sections 462A.057, subdivisions 2 to 10; 462A.202, subdivisions 3 to 5; Laws 1991, chapter 292, article 9, section 35."

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

House Conferees: (Signed) Ann H. Rest, John J. Sarna, Jerry J. Bauerly

Senate Conferees: (Signed) Lawrence J. Pogemiller, Ember D. Reichgott, LeRoy A. Stumpf

Mr. Pogemiller moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2884 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Mr. Morse moved that the recommendations and Conference Committee Report on H.F. No. 2884 be rejected and that the bill be re-referred to the Conference Committee as formerly constituted for further consideration.

The question was taken on the adoption of the motion of Mr. Morse.

The roll was called, and there were yeas 39 and nays 14, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnston	Merriam	Piper
Beckman	Finn	Knaak	Metzen	Price
Benson, D.D.	Frank	Kroening	Moe, R.D.	Samuelson
Berg	Frederickson, D.R.	Laidig	Mondale	Solon
Bernhagen	Hottinger	Lessard	Morse	Stumpf
Bertram	Hughes	Luther	Novak	Traub
Chmielewski	Johnson, D.E.	McGowan	Olson	Vickerman
Dahl	Johnson, J.B.	Mehrkens	Pariseau	

Those who voted in the negative were:

Belanger	Cohen	Flynn	Kelly	Ranum
Berglin	Davis	Halberg	Pappas	Terwilliger
Brataas	DeCramer	Johnson, D.J.	Pogemiller	

The motion prevailed.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2147, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2147 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

CONFERENCE COMMITTEE REPORT ON 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.

April 16, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 2147, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 2147 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [115A.932] [MERCURY PROHIBITION.]

Subdivision 1. [PROHIBITIONS.] *(a) A person may not 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 solid waste; or

(2) in a wastewater disposal system.

(b) 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, as defined in section 115.01, subdivision 8.

Subd. 2. [ENFORCEMENT.] *(a) Except as provided in paragraph (b), a violation of subdivision 1 is subject to enforcement under sections 115.071 and 116.072.*

(b) A violation of subdivision 1 by a generator of household hazardous waste, as defined in section 115A.96, is not subject to enforcement under section 115.071, subdivision 3.

(c) An administrative penalty imposed under section 116.072 for a violation of subdivision 1 by a generator of household hazardous waste, as

defined in section 115A.96, may not exceed $700.

Sec. 2. Minnesota Statutes 1991 Supplement, section 115A.9561, subdivision 2, is amended to read:

Subd. 2. [RECYCLING REQUIRED.] Major appliances must be recycled or reused. Each county shall ensure that its residents have the opportunity to recycle used major appliances. For the purposes of this section, recycling includes:

(1) the removal of capacitors that may contain PCBs;

(2) the removal of ballasts that may contain PCBs;

(3) the removal of chlorofluorocarbon refrigerant gas; and

(4) the recycling or reuse of the metals, *including mercury*.

Sec. 3. [116.92] [MERCURY EMISSIONS REDUCTION.]

Subdivision 1. [SALES.] *A person may not sell mercury to another person in this state without providing a material safety data sheet, as defined in United States Code, title 42, section 11049, and requiring the purchaser to sign a statement that the purchaser:*

(1) will use the mercury only for a medical, dental, instructional, research, or manufacturing purpose; and

(2) understands the toxicity of mercury and will appropriately store and use it and will not place, or allow anyone under the purchaser's control to place, the mercury in the solid waste stream or in a wastewater disposal system, as defined in section 115.01, subdivision 8.

Subd. 2. [USE OF MERCURY.] *A person who uses mercury in any application may not place, or deliver the mercury to another person who places residues, particles, scrapings, or other materials that contain mercury in solid waste or wastewater, except for traces of materials that may inadvertently pass through a filtration system during a dental procedure.*

Subd. 3. [LABELING; PRODUCTS CONTAINING MERCURY.] *A manufacturer or wholesaler may not sell and a retailer may not knowingly sell any of the following items in this state that contain mercury unless the item is labeled in a manner to clearly inform a purchaser or consumer that mercury is present in the item and that the item may not be placed in the garbage until the mercury is removed and reused, recycled, or otherwise managed to ensure that it does not become part of solid waste or wastewater:*

(1) a thermostat or thermometer;

(2) an electric switch, individually or as part of another product, other than a motor vehicle;

(3) an appliance; and

(4) a medical or scientific instrument.

Subd. 4. [REMOVAL FROM SERVICE; PRODUCTS CONTAINING MERCURY.] *(a) When an item listed in subdivision 3 is removed from service the mercury in the item must be reused, recycled, or otherwise managed to ensure compliance with section 1.*

(b) A person who is in the business of replacing or repairing an item listed in subdivision 3 in households shall ensure, or deliver the item to a facility that will ensure, that the mercury contained in an item that is replaced

or repaired is reused or recycled or otherwise managed in compliance with section 1.

Subd. 5. [THERMOSTATS.] *A manufacturer of thermostats that contain mercury or that may replace thermostats that contain mercury shall, in addition to the requirements of subdivision 3, provide incentives for and sufficient information to purchasers and consumers of the thermostats for the purchasers or consumers to ensure that mercury in thermostats being removed from service is reused or recycled or otherwise managed in compliance with section 1. A manufacturer that has complied with this subdivision is not liable for improper disposal by purchasers or consumers of thermostats.*

Subd. 6. [THERMOMETERS.] *A medical facility may not routinely distribute thermometers containing mercury.*

Subd. 7. [FLUORESCENT AND HIGH INTENSITY DISCHARGE LAMPS; LARGE USE APPLICATIONS.] *(a) A person who sells fluorescent or high intensity discharge lamps that contain mercury to the owner or manager of an industrial, commercial, office, or multiunit residential building, or to any person who replaces or removes from service outdoor lamps that contain mercury, shall clearly inform the purchaser in writing on the invoice for the lamps, or in a separate writing, that the lamps contain mercury, a hazardous substance that is regulated by federal or state law. This paragraph does not apply to a person who incidentally sells fluorescent or high intensity discharge lamps at retail to the specified purchasers.*

(b) A person who contracts with the owner or manager of an industrial, commercial, office, or multiunit residential building, or with a person responsible for outdoor lighting, to remove from service fluorescent or high intensity discharge lamps that contain mercury shall clearly inform, in writing, the person for whom the work is being done that the lamps being removed from service contain mercury and what the contractor's arrangements are for the management of the mercury in the removed lamps.

Subd. 8. [BAN; TOYS OR GAMES.] *A person may not sell for resale or at retail in this state a toy or game that contains mercury.*

Subd. 9. [ENFORCEMENT; GENERATORS OF HOUSEHOLD HAZARDOUS WASTE.] *(a) A violation of subdivision 2 or 4, paragraph (a), by a generator of household hazardous waste, as defined in section 115A.96, is not subject to enforcement under section 115.071, subdivision 3.*

(b) An administrative penalty imposed under section 116.072 for a violation of subdivision 2 or 4, paragraph (a), by a generator of household hazardous waste, as defined in section 115A.96, may not exceed $700.

Sec. 4. [FLUORESCENT AND HIGH INTENSITY DISCHARGE LAMPS; REPORT.]

The office of waste management, in consultation with the pollution control agency and manufacturers of fluorescent or high intensity discharge lamps that contain mercury, shall study and report to the legislative commission on waste management by January 1, 1993, with recommendations for fully implementing, by January 1, 1996, a system for ensuring that the toxic materials contained in lamps that are replaced are reused, recycled, or otherwise managed to ensure they are not placed in the solid waste stream or a wastewater disposal system, as defined in Minnesota Statutes, section 115.01, subdivision 8. The director of the office of waste management shall

submit a preliminary report to the commission by October 1, 1992.

Sec. 5. [EFFECTIVE DATES.]

Section 3, subdivisions 1, 3, and 5, are effective January 1, 1993, and subdivision 3 applies to items manufactured on and after that date. Section 3, subdivision 4, paragraph (b), is effective July 1, 1993."

Delete the title and insert:

"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; requiring a report on fluorescent and high intensity discharge lamps; amending Minnesota Statutes 1991 Supplement, section 115A.9561, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 115A; and 116."

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

House Conferees: (Signed) Jean Wagenius, Sidney Pauly, Alice Hausman

Senate Conferees: (Signed) Gregory L. Dahl, LeRoy A. Stumpf, Gary W. Laidig

Mr. Dahl moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2147 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2147 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Adkins	Dicklich	Johnston	Metzen	Riveness
Belanger	Finn	Kelly	Moe, R.D.	Sams
Benson, D.D.	Flynn	Knaak	Mondale	Solon
Benson, J.E.	Frank	Kroening	Morse	Spear
Berg	Frederickson, D.J.	Laidig	Neuville	Stumpf
Berglin	Frederickson, D.R.	Langseth	Novak	Terwilliger
Bernhagen	Gustafson	Larson	Olson	Traub
Bertram	Halberg	Lessard	Pappas	Vickerman
Cohen	Hottinger	Luther	Pariseau	Waldorf
Dahl	Hughes	Marty	Piper	
Davis	Johnson, D.E.	McGowan	Price	
Day	Johnson, D.J.	Mehrkens	Ranum	
DeCramer	Johnson, J.B.	Merriam	Reichgott	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1681, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1681 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

CONFERENCE COMMITTEE REPORT ON 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.

April 16, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 1681, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 1681 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. Minnesota Statutes 1990, section 45.012, is amended to read:

45.012 [COMMISSIONER.]

(a) The department of commerce is under the supervision and control of the commissioner of commerce. The commissioner is appointed by the governor in the manner provided by section 15.06.

(b) Data that is received by the commissioner or the commissioner's designee by virtue of membership or participation in an association, group, or organization that is not otherwise subject to chapter 13 is confidential or protected nonpublic data but may be shared with the department employees as the commissioner considers appropriate. The commissioner may release the data to any person, agency, or the public if the commissioner determines that the access will aid the law enforcement process, promote public health or safety, or dispel widespread rumor or unrest.

Sec. 2. Minnesota Statutes 1991 Supplement, section 45.027, subdivision 1, is amended to read:

Subdivision 1. [GENERAL POWERS.] In connection with the administration of chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98, the commissioner of commerce may:

(1) make public or private investigations within or without this state as the commissioner considers necessary to determine whether any person has violated or is about to violate chapters 45 to 83, 309, and 332, sections 326.83 to 326.98, or any rule *adopted* or order *issued* under those chapters, or to aid in the enforcement of chapters 45 to 83, 309, and 332, sections 326.83 to 326.98, or in the prescribing of rules or forms under those chapters;

(2) require or permit any person to file a statement in writing, under oath or otherwise as the commissioner determines, as to all the facts and circumstances concerning the matter being investigated;

(3) hold hearings, upon reasonable notice, in respect to any matter arising out of the administration of chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98;

(4) conduct investigations and hold hearings for the purpose of compiling information with a view to recommending changes in chapters 45 to 83,

309, and 332, and sections 326.83 to 326.98, to the legislature;

(5) examine the books, accounts, records, and files of every licensee under chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98, and of every person who is engaged in any activity regulated under chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98; the commissioner or a designated representative shall have free access during normal business hours to the offices and places of business of the person, and to all books, accounts, papers, records, files, safes, and vaults maintained in the place of business;

(6) publish information which is contained in any order issued by the commissioner; and

(7) require any person subject to chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98, to report all sales or transactions that are regulated under chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98. The reports must be made within ten days after the commissioner has ordered the report. The report is accessible only to the respondent and other governmental agencies unless otherwise ordered by a court of competent jurisdiction.

Sec. 3. Minnesota Statutes 1990, section 45.027, is amended by adding a subdivision to read:

Subd. 1a. [RESPONSE TO DEPARTMENT REQUESTS.] *An applicant, registrant, certificate holder, licensee, or other person subject to the jurisdiction of the commissioner shall comply with requests for information, documents, or other requests from the department within the time specified in the request, or, if no time is specified, within 30 days of the mailing of the request by the department. Applicants, registrants, certificate holders, licensees, or other persons subject to the jurisdiction of the commissioner shall appear before the commissioner or the commissioner's representative when requested to do so and shall bring all documents or materials that the commissioner or the commissioner's representative has requested.*

Sec. 4. Minnesota Statutes 1991 Supplement, section 45.027, subdivision 2, is amended to read:

Subd. 2. [POWER TO COMPEL PRODUCTION OF EVIDENCE.] For the purpose of any investigation, hearing, ~~or~~ proceeding, *or inquiry* under chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98, the commissioner or a designated representative may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of books, papers, correspondence, memoranda, agreements, or other documents or records that the commissioner considers relevant or material to the inquiry.

Sec. 5. Minnesota Statutes 1991 Supplement, section 45.027, subdivision 5, is amended to read:

Subd. 5. [LEGAL ACTIONS; INJUNCTIONS; CEASE AND DESIST ORDERS.] Whenever it appears to the commissioner that any person has engaged or is about to engage in any act or practice constituting a violation of chapters 45 to 83, 309, and 332, sections 326.83 to 326.98, or any rule ~~or order~~ adopted *or order issued* under those chapters, the commissioner has the following powers: (1) the commissioner may bring an action in the name of the state in the district court of the appropriate county to enjoin the acts or practices and to enforce compliance with chapters 45 to 83, 309,

and 332, sections 326.83 to 326.98, or any rule or order adopted or issued under those chapters, or the commissioner may refer the matter to the attorney general or the county attorney of the appropriate county. Upon a proper showing, a permanent or temporary injunction, restraining order, or other appropriate relief must be granted; (2) the commissioner may issue and cause to be served upon the person an order requiring the person to cease and desist from violations of chapters 45 to 83, 309, and 332, sections 326.83 to 326.98, or any rule or order adopted or issued under those chapters. The order must be calculated to give reasonable notice of the rights of the person to request a hearing and must state the reasons for the entry of the order. A hearing must be held not later than seven days after the request for the hearing is received by the commissioner, unless the person requesting the hearing and the department of commerce agree the hearing be scheduled after the seven-day period. After the hearing and within 20 days after receiving the administrative law judge's report, the commissioner shall issue a further order vacating the cease and desist order or making it permanent as the facts require. If no hearing is requested within 30 days of service of the order, the order will become final and will remain in effect until it is modified or vacated by the commissioner. Unless otherwise provided, all hearings must be conducted in accordance with 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 is in default, and the proceeding may be determined against that person upon consideration of the cease and desist order, the allegations of which may be considered to be true. The commissioner may adopt rules of procedure concerning all proceedings conducted under this subdivision.

Sec. 6. Minnesota Statutes 1991 Supplement, section 45.027, subdivision 6, is amended to read:

Subd. 6. [VIOLATIONS AND PENALTIES.] The commissioner may impose a civil penalty not to exceed $2,000 per violation upon a person who violates chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98, *or any rule adopted or order issued under those chapters* unless a different penalty is specified.

Sec. 7. Minnesota Statutes 1991 Supplement, section 45.027, subdivision 7, is amended to read:

Subd. 7. [ACTIONS AGAINST LICENSEES.] In addition to any other actions authorized by this section, the commissioner may, by order, deny, suspend, or revoke the authority or license of a person subject to chapters 45 to 83, 155A, 309, or 332, or sections 326.83 to 326.98, or censure that person if the commissioner finds that:

(1) the order is in the public interest; and

(2) the person has violated chapters 45 to 83, 155A, 309, or 332, or sections 326.83 to 326.98 *or any rule adopted or order issued under those chapters*.

Except for information classified as confidential under sections 60A.03, subdivision 9; 60A.031; 60A.93; and 60D.22, the commissioner may make any data otherwise classified as private or confidential pursuant to this section accessible to an appropriate person or agency if the commissioner determines that the access will aid the law enforcement process, promote public health or safety, or dispel widespread rumor or unrest. If the commissioner determines that private or confidential information should be

disclosed, the commissioner shall notify the attorney general as to the information to be disclosed, the purpose of the disclosure, and the need for the disclosure. The attorney general shall review the commissioner's determination. If the attorney general believes that the commissioner's determination does not satisfy the purpose and intent of this provision, the attorney general shall advise the commissioner in writing that the information may not be disclosed. If the attorney general believes the commissioner's determination satisfies the purpose and intent of this provision, the attorney general shall advise the commissioner in writing, accordingly.

After disclosing information pursuant to this provision, the commissioner shall advise the chairs of the senate and house of representatives judiciary committees of the disclosure and the basis for it.

Sec. 8. Minnesota Statutes 1990, section 45.027, is amended by adding a subdivision to read:

Subd. 10. [REHABILITATION OF CRIMINAL OFFENDERS.] *Chapter 364 does not apply to an applicant for a license or to a licensee where the underlying conduct on which the conviction is based would be grounds for denial, censure, suspension, or revocation of the license.*

Sec. 9. Minnesota Statutes 1990, section 59A.08, subdivision 1, is amended to read:

Subdivision 1. A premium finance agreement shall:

(a) Be dated and signed by or on behalf of the insured, and the printed portion thereof shall be in at least eight point type;

(b) Contain the name and place of business of the insurance agent or insurance broker negotiating the related insurance contract, the name and residence or the place of business of the insured as specified, the name and place of business of the premium finance company to which installments or other payments are to be made, *the name of the insurer issuing the related insurance contract,* a description of the insurance contracts including the term and type of policy, the premiums for which are advanced or are to be advanced under the agreement and the amount of the premiums therefor; and

(c) Set forth the following items where applicable:

(1) The total amount of the premiums,

(2) The amount of the down payment,

(3) The balance of premiums due, the amount financed (the difference between items (1) and (2)),

(4) The amount of the finance charge,

(5) The amount of the flat service fee,

(6) The total of payments (sum of items (3), (4) and (5)).

Sec. 10. Minnesota Statutes 1990, section 59A.08, subdivision 4, is amended to read:

Subd. 4. The premium finance company or the insurance agent shall deliver to the insured, or mail to the insured at the address shown in the agreement, a completed copy of that agreement. *Within 15 days of receiving the policy number of the policy being financed, the premium finance company shall mail to the insurer a notice of financed premium, which contains the*

term, amount of premium, and type of policy being financed.

Sec. 11. Minnesota Statutes 1990, section 59A.11, subdivision 4, is amended to read:

Subd. 4. Where statutory, regulatory or contractual restrictions provide that the insurance contract may not be canceled unless notice is given to a governmental agency, mortgagee, or other third party, the insurer shall give the prescribed notice on behalf of itself or the insured to the governmental agency, mortgagee or other third party within ~~a reasonable time~~ *ten days* after the day it receives the notice of cancellation from the premium finance company. When the above restrictions require the continuation of insurance beyond the effective date of cancellation specified by the premium finance company, the insurance shall be limited to the coverage to which the restrictions relate and to the persons they are designed to protect.

Sec. 12. Minnesota Statutes 1990, section 59A.12, subdivision 1, is amended to read:

Subdivision 1. Whenever a financed insurance contract is canceled, within 30 days of the effective date of cancellation, *if the premium finance company has notified the insurer that the premiums are financed,* the insurer shall return whatever gross unearned premiums, computed pro rata, are due under the insurance contract to the premium finance company for the account of the insured or insureds. This action by the insurer satisfies the insurer's obligations under the insurance contract which relate to the return of the unearned premiums.

Sec. 13. Minnesota Statutes 1990, section 60A.02, is amended by adding a subdivision to read:

Subd. 1a. [ASSOCIATION OR ASSOCIATIONS.] *(a) "Association" or "associations" means an organized body of people who have some interest in common and that has at the onset a minimum of 100 persons; is organized and maintained in good faith for purposes other than that of obtaining insurance; and has a constitution and bylaws which provide that: (1) the association or associations hold regular meetings not less frequently than annually to further purposes of the members; (2) except for credit unions, the association or associations collect dues or solicit contributions from members; (3) the members have voting privileges and representation on the governing board and committees, which provide the members with control of the association including the purchase and administration of insurance products offered to members; and (4) the members are not, within the first 30 days of membership, directly solicited, offered, or sold an insurance policy if the policy is available as an association benefit.*

(b) An association may apply to the commissioner for a waiver of the 30-day waiting period to that association. The commissioner may grant the waiver upon a finding of all of the following: (1) the association is in full compliance with this subdivision; (2) sanctions have not been imposed against the association as a result of significant disciplinary action by the commissioner; and (3) at least 80 percent of the association's income comes from dues, contributions, or sources other than income from the sale of insurance.

Sec. 14. Minnesota Statutes 1990, section 60A.03, subdivision 2, is amended to read:

Subd. 2. [POWERS OF COMMISSIONER.] ~~(1) [ENFORCEMENT.]~~ The

commissioner shall have and exercise the power to enforce all the laws of this state relating to insurance, and shall enforce all the provisions of the laws of this state relating to insurance.

~~(2) [DEPARTMENT OF COMMERCE.] The commissioner shall have and possess all the rights and powers and perform all the duties heretofore vested by law in the commissioner of commerce, except that applications for registrations of securities and brokers' licenses under sections 80A.01 to 80A.31, and all matters pertaining to such registrations and licenses, application for the organization and establishment of new financial institutions under sections 46.041, 46.043, and 46.044, applications by insuring companies for licenses to carry on business within the state, and all matters pertaining to such licenses, and applications for the consolidation of insuring companies transacting business within the state, shall be determined by the commissioner~ in the manner provided by the laws defining the powers and duties of the commissioner of commerce, ~~and the state securities commission, respectively,~~ or, in the absence of any law prescribing the procedure, by ~~such~~ *any* reasonable procedure ~~as~~ the ~~commission, as defined in chapter 45, may prescribe~~ *commissioner prescribes*.

Sec. 15. Minnesota Statutes 1990, section 60A.07, subdivision 1, is amended to read:

Subdivision 1. [INCORPORATION.] Except when the manner of organization is specifically otherwise provided in sections dealing with these insurers, domestic insurance corporations shall be organized under and governed by chapter 300. The articles or certificate of incorporation must meet the requirements of section 300.025, ~~except~~ *other than:*

(1) the requirement that a majority of board members shall always be residents of this state; and

(2) the requirements of section 300.025, clause (7).

Sec. 16. Minnesota Statutes 1990, section 60A.07, subdivision 10, is amended to read:

Subd. 10. [SPECIAL PROVISIONS AS TO LIFE COMPANIES.] (1) [PREREQUISITES OF LIFE COMPANIES.] No mutual life company shall be qualified to issue any policy until applications for at least $200,000 of insurance, upon lives of at least 200 separate residents, have been actually and in good faith made, accepted, and entered upon its books and at least one full annual premium thereunder, based upon the authorized table of mortality, received in cash or in absolutely payable and collectible notes. A duplicate receipt for each premium, conditioned for the return thereof unless the policy be issued within one year thereafter, shall be issued, and one copy delivered to the applicant and the other filed with the commissioner, together with the certificate of a solvent authorized bank in the state, of the deposit therein of such cash and notes, aggregating the amount aforesaid, specifying the maker, payee, date, maturity, and amount of each. Such cash and notes shall be held by it not longer than one year, and at or before the expiration thereof to be by it paid or delivered, upon the written order of the commissioner, to such company or applicants, respectively.

(2) [FOREIGN COMPANIES MAY BECOME DOMESTIC.] Any company organized under the laws of any other state or country, which might have been originally incorporated under the laws of this state, and which has been admitted to do business therein for either or both the purpose of life or accident insurance, upon complying with all the requirements of law

relative to the execution, filing, recording and publishing of original certificates and payment of incorporation fees by like domestic corporations, therein designating its principal place of business at a place in this state, may become a domestic corporation, and be entitled to like certificates of its corporate existence and license to transact business in this state, and be subject in all respects to the authority and jurisdiction thereof.

(3) [TEMPORARY CAPITAL STOCK OF MUTUAL LIFE COMPANIES.] A new mutual life insurance company which has complied with the provisions of clause (1) or an existing mutual life insurance company may establish, a temporary capital of, such amount not less than $100,000, as may be approved by the commissioner. Such temporary capital shall be invested by the company in the same manner as is provided for the investment of its other funds. Out of the net surplus of the company the holders of the temporary capital stock may receive a dividend of not more than eight percent per annum, which may be cumulative. This capital stock shall not be a liability of the company ~~except that it~~ *but* shall be retired ~~as soon as, but not before, the surplus of the company remaining after its retirement shall be not less than the temporary capital so established~~ *within a reasonable time and according to terms approved by the commissioner*. At the time for the retirement of this capital stock, the holders shall be entitled to receive from the company the par value thereof and any dividends thereon due and unpaid, and thereupon the stock shall be surrendered and canceled~~, and the right to vote thereon shall cease~~. *In the event of the liquidation of the company, the holders of temporary capital stock shall have the same preference in the assets of the company as shareholders have in a stock insurance company.*

Temporary capital stock may be issued with or without voting rights. If issued with voting rights, the holders shall, at all meetings, be entitled to one vote for each $10 of temporary capital stock held.

Sec. 17. Minnesota Statutes 1990, section 60A.12, subdivision 4, is amended to read:

Subd. 4. [UNEARNED PREMIUMS RESERVE.] (1) [FOR COMPANIES OTHER THAN LIFE OR TITLE.] To determine the policy liability of any company other than life or title insurance, and the amount the company shall hold as reserve, the commissioner shall take 50 percent of the aggregate premiums, on policies running one year or less from date of policy, and a pro rata rate amount on policies running more than one year from date of policy, except upon inland and marine risks, which the commissioner shall compute by charging 50 percent of the amount of premium written in its policies upon yearly risks and upon risks covering more than one passage not terminated, and the full amount of premiums written in policies upon all other inland and marine risks not terminated. In case of any fire and marine company with less than $200,000 capital admitted to transact in this state fire business only, the full amount of premiums written in its marine and inland navigation and transportation policies shall be charged as liability.

(2) [SPECIAL PROVISIONS FOR MUTUAL FIRE COMPANIES WITH A CONTINGENT LIABILITY.] In case of a mutual fire insurance company with a policyholders' contingent liability fixed by its bylaws and in its policies as provided by law, to determine the amount of this reinsurance reserve, the commissioner shall take 25 percent of the aggregate premiums running one year or less from date of policy, and 50 percent of the pro rata amount on policies running more than one year from date of policy.

(3) [CASUALTY COMPANIES WRITING LIABILITY OR WORKERS' COMPENSATION.] In case of a casualty insurance company writing insurance against loss or damage resulting from accident to or injuries suffered by an employee or other person and for which the insured is liable, and under insurance against loss from liability on account of the death of or injury to an employee not caused by the negligence of an employer, the commissioner shall charge as a liability, in addition to the capital stock and all other outstanding indebtedness of the corporation:

~~The premium reserve on policies in force, equal to 50 percent of the gross premiums charged for covering the risks; provided, that the commissioner may charge a premium reserve equal to the unearned portions of the gross premiums charged, computed on each respective risk from the date of the issuance of the policy.~~ *Notwithstanding any other provision of this subdivision, an unearned premium reserve shall be required based only on the timing and the amount of the recorded written premium.*

(4) [PROVISION FOR ANNUAL PAYMENT TERM POLICIES.] A policy for a term of years on which the premium is payable annually shall be considered a policy for one year.

Sec. 18. Minnesota Statutes 1991 Supplement, section 60A.13, subdivision 3a, is amended to read:

Subd. 3a. [ANNUAL AUDIT.] Every insurance company doing business in this state, including fraternal ~~beneficiary associations~~ *benefit societies*, reciprocal exchanges, service plan corporations licensed pursuant to chapter 62C, and legal service plans licensed pursuant to chapter 62G, unless exempted by the commissioner pursuant to subdivision 4a or by subdivision 7 shall have an annual audit of the financial activities of the most recently completed fiscal year performed by an independent certified public accountant as prescribed by the commissioner, and shall file the report of this audit with the commissioner not more that six months following the close of the company's fiscal year. ~~Any insurer required by this subdivision to file an annual audit which does not currently have its financial statement audited shall file its first audit with the commissioner not later than June 30, 1983. All other insurers shall file their annual audits beginning June 30, 1982.~~

Sec. 19. Minnesota Statutes 1990, section 60A.1701, subdivision 3, is amended to read:

Subd. 3. [EXEMPTIONS.] This section does not apply to:

(a) persons soliciting or selling solely on behalf of companies organized and operating according to chapter 67A; or

(b) persons holding life and health, or property and casualty licenses who, ~~by February 28 of each year~~ *at the time of license renewal*, certify to the commissioner in writing that they will sell only credit life, credit health, and credit property insurance, during that year and do in fact so limit their sale of insurance.

Sec. 20. Minnesota Statutes 1990, section 60A.1701, subdivision 7, is amended to read:

Subd. 7. [CRITERIA FOR COURSE ACCREDITATION.] (a) The commissioner may accredit a course only to the extent it is designed to impart substantive and procedural knowledge of the insurance field. The burden of demonstrating that the course satisfies this requirement is on the individual or organization seeking accreditation. The commissioner shall

approve any educational program approved by Minnesota Continuing Legal Education relating to the insurance field.

(b) The commissioner shall approve or disapprove professional designation examinations that are recommended for approval by the advisory task force. In order for an agent to receive full continuing education credit for a professional designation examination, the agent must pass the examination. An agent may not receive credit for classroom instruction preparing for the professional designation examination and also receive continuing education credit for passing the professional designation examination.

(c) The commissioner may not accredit a course:

(1) that is designed to prepare students for a license examination;

(2) in mechanical office or business skills, including typing, speedreading, use of calculators, or other machines or equipment;

(3) in sales promotion, including meetings held in conjunction with the general business of the licensed agent;

(4) in motivation, the art of selling, psychology, or time management;

~~(5) unless the student attends classroom instruction conducted by an instructor approved by the department of commerce;~~ or

~~(6)~~ *(5)* which can be completed by the student at home or outside the classroom without the supervision of an instructor approved by the department of commerce, *except that home-study courses may be accredited by the commissioner if the student is a nonresident agent residing in a state which is not contiguous to Minnesota.*

Sec. 21. Minnesota Statutes 1990, section 60A.201, subdivision 4, is amended to read:

Subd. 4. [LISTS OF UNAVAILABLE LINES OF INSURANCE; MAINTENANCE.] The commissioner shall maintain on a current basis a list of those lines of insurance for which coverages are believed by the commissioner to be generally unavailable from licensed insurers. The commissioner shall republish a list and make *it* available to all licensees ~~the list every six months~~ *at least annually*. Any person may request in writing that the commissioner add or remove coverage from the current list at the next publication of the list. The commissioner's determinations of coverages to be added to or removed from the list shall not be subject to the administrative procedure act but prior to making determinations the commissioner shall provide opportunity for comment from interested parties.

Sec. 22. Minnesota Statutes 1990, section 60A.203, is amended to read:

60A.203 [~~LICENSEES TO FILE EVIDENCE OF TRANSACTIONS~~ *FILING REQUIREMENTS.*]

Each surplus lines licensee shall keep a separate account of each transaction entered into pursuant to sections 60A.195 to 60A.209. Evidence of these transactions shall be ~~filed with the commissioner~~ *documented* in the form~~,~~ *and* manner~~, and time~~ designated by the commissioner ~~or if designated by the commissioner, with an association~~ *and retained by the licensee for a minimum of five years. The forms must be readily available for review and audit by the commissioner.*

Sec. 23. Minnesota Statutes 1990, section 60A.206, subdivision 3, is amended to read:

Subd. 3. [STANDARDS TO BE MET BY INSURERS.] (a) The commissioner shall recognize the insurer as an eligible surplus lines insurer when satisfied that the insurer is in a stable, unimpaired financial condition and that the insurer is qualified to provide coverage in compliance with sections 60A.195 to 60A.209. If filed with full supporting documentation before July 1 of any year, applications submitted under subdivision 2 shall be acted upon by the commissioner before December 31 of the year of submission.

(b) The commissioner shall not authorize an insurer as an eligible surplus lines insurer unless the insurer continuously maintains capital and surplus of at least $3,000,000 and transaction of business by the insurer is not hazardous, financially or otherwise, to its policyholders, its creditors, or the public. Each alien surplus lines insurer shall have current financial data filed with the National Association of Insurance Commissioners Nonadmitted Insurers Information Office.

(c) Eligible surplus lines insurers domiciled within the United States shall file an annual statement and an annual financial audit, under the terms and conditions of section 60A.13, subdivisions 1, 3a, and 6, and are subject to the penalties of section 72A.061 in regard to those requirements. The commissioner also has the powers provided in section 60A.13, subdivision 2, in regard to eligible surplus lines insurers.

(d) Eligible surplus lines insurers domiciled outside the United States shall file an annual statement on the standard nonadmitted insurers information office financial reporting format as prescribed by the National Association of Insurance Commissioners and an annual financial audit performed by an independent accounting firm.

Sec. 24. Minnesota Statutes 1990, section 60B.03, is amended by adding a subdivision to read:

Subd. 20. [AFFILIATE OR AFFILIATED.] *An "affiliate" of, or a person "affiliated" with, a specific person is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.*

Sec. 25. 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;

(19) An affiliate of the insurer has been placed in conservatorship, rehabilitation, liquidation, or other court supervision such that the insurer's financial condition may be jeopardized.

Sec. 26. Minnesota Statutes 1990, section 60B.17, subdivision 1, is amended to read:

Subdivision 1. [SPECIAL DEPUTY COMMISSIONER.] The commissioner as rehabilitator shall ~~make every reasonable effort to employ an active or retired senior executive from a successful insurer to serve as~~ *employ a* special deputy commissioner to rehabilitate the insurer. The special deputy shall have all of the powers of the rehabilitator granted under this section. ~~To obtain a suitable special deputy, the commissioner may consult with and obtain the assistance and advice of executives of insurers doing business in this state.~~ Subject to court approval, the commissioner shall make ~~such~~ arrangements for compensation as are necessary to obtain a special deputy of proven ability. The special deputy shall serve at the pleasure of the commissioner.

Sec. 27. Minnesota Statutes 1991 Supplement, section 60D.15, subdivision 4, is amended to read:

Subd. 4. [CONTROL.] The term "control," including the terms "controlling," "controlled by," and "under common control with," means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise, unless the power is the result of an official position with ~~or~~, corporate office held by, *or court appointment of*, the person. Control is presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, ten percent or more of the voting securities of any other person. This presumption may be rebutted by a showing made in the manner provided by section 60D.19, subdivision 11, that control does not exist in fact. The commissioner may determine, after furnishing all persons in interest notice and opportunity to be heard and making specific findings of fact to support such determination, that control exists in fact, notwithstanding the absence of a presumption to that effect.

Sec. 28. Minnesota Statutes 1991 Supplement, section 60D.17, subdivision 4, is amended to read:

Subd. 4. [APPROVAL BY COMMISSIONER; HEARINGS.] (a) The commissioner shall approve any merger or other acquisition of control referred to in subdivision 1 unless, after a public hearing, the commissioner finds that:

(1) After the change of control, the domestic insurer referred to in subdivision 1 would not be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed, *unless the domestic insurer is in rehabilitation or other court-ordered supervision and the acquiring party commits to a plan that would enable the domestic insurer to satisfy the requirements for the issuance of a license within a reasonable amount of time*;

(2) The effect of the merger or other acquisition of control would be substantially to lessen competition in insurance in this state or tend to create a monopoly therein in applying the competitive standard in this subdivision:

(i) the informational requirements of section 60D.18, subdivision 3, paragraph (b), and the standards of section 60D.18, subdivision 4, paragraph (c), shall apply:

(ii) the merger or other acquisition shall not be disapproved if the commissioner finds that any of the situations meeting the criteria provided by section 60D.18, subdivision 4, paragraph (c), exist; and

(iii) the commissioner may condition the approval of the merger or other acquisition on the removal of the basis of disapproval within a specified period of time;

(3) The financial condition of any acquiring party is such as might jeopardize the financial stability of the insurer, or prejudice the interest of its policyholders;

(4) The plans or proposals that the acquiring party has to liquidate the insurer, sell its assets, or consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management, are unfair and unreasonable to policyholders of the insurer and not in the public interest;

(5) The competence, experience, and integrity of those persons who would control the operation of the insurer are such that it would not be in the interest of policyholders of the insurer and of the public to permit the merger or other acquisition of control; or

(6) The acquisition is likely to be hazardous or prejudicial to the insurance buying public.

(b) The public hearing referred to in paragraph (a) must be held 30 days after the statement required by subdivision 1 is filed, and at least 20 days notice of it shall be given by the commissioner to the person filing the statement. Not less than seven days notice of the public hearing shall be given by the person filing the statement to the insurer and to other persons designated by the commissioner. The commissioner shall make a determination within 30 days after the conclusion of the hearing. At the hearing, the person filing the statement, the insurer, any person to whom notice of hearing was sent, and any other person whose interest may be affected by it may present evidence, examine and cross-examine witnesses, and offer oral and written arguments and may conduct discovery proceedings in the same manner as is presently allowed in the district courts of this state. All discovery proceedings must be concluded not later than three days before the start of the public hearing.

(c) The commissioner may retain at the acquiring person's expense any attorneys, actuaries, accountants, and other experts not otherwise a part of the commissioner's staff as may be reasonably necessary to assist the commissioner in reviewing the proposed acquisition of control.

Sec. 29. Minnesota Statutes 1990, section 61A.011, is amended by adding a subdivision to read:

Subd. 7. [ACCIDENTAL DEATH BENEFITS.] *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).

Sec. 30. Minnesota Statutes 1990, section 62A.10, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS.] Group accident and health insurance is hereby declared to be that form of accident and health insurance covering not less than two employees nor less than ten members, and which may include the employee's or member's dependents, consisting of husband, wife, children, and actual dependents residing in the household, written under a master policy issued to any governmental corporation, unit, agency, or department thereof, or to any corporation, copartnership, individual, employer, or to any association ~~having a constitution or bylaws and formed in good faith for purposes other than that of obtaining insurance under the provisions of this chapter~~ *as defined by section 60A.02, subdivision 1a,* where officers, members, employees, or classes or divisions thereof, may be insured for their individual benefit.

Any insurer authorized to write accident and health insurance in this state shall have power to issue group accident and health policies.

Sec. 31. Minnesota Statutes 1990, section 62A.21, subdivision 2b, is amended to read:

Subd. 2b. [CONVERSION PRIVILEGE.] Every policy described in subdivision 1 shall contain a provision allowing a former spouse and dependent children of an insured, without providing evidence of insurability, to obtain from the insurer at the expiration of any continuation of coverage required under subdivision 2a or sections 62A.146 and 62A.20, conversion coverage providing at least the minimum benefits of a qualified plan as prescribed by section 62E.06 and the option of a number three qualified plan, a number two qualified plan, a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3, provided application is made to the insurer within 30 days following notice of the expiration of the continued coverage and upon payment of the appropriate premium. ~~A policy providing reduced benefits at a reduced premium rate may be accepted by the former spouse and dependent children in lieu of the optional coverage otherwise required by this subdivision.~~ The individual policy shall be renewable at the option of the ~~former spouse~~ *covered person* as long as the ~~former spouse~~ *covered person* is not covered under another qualified plan as defined in section 62E.02, subdivision 4. Any revisions in the table of rate for the individual policy shall apply to the ~~former spouse's~~ *covered person's* original age at entry and shall apply equally to all similar policies issued by the insurer.

A policy providing reduced benefits at a reduced premium rate may be accepted by the covered person in lieu of the optional coverage otherwise required by this subdivision.

Sec. 32. Minnesota Statutes 1990, section 62A.30, subdivision 1, is amended to read:

Subdivision 1. [SCOPE OF COVERAGE.] This section applies to all policies of accident and health insurance, health maintenance contracts regulated under chapter 62D, health benefit certificates offered through a fraternal beneficiary association regulated under chapter 64B, and ~~group~~ subscriber contracts offered by nonprofit health service plan corporations

regulated under chapter 62C, but does not apply to policies designed primarily to provide coverage payable on a per diem, fixed indemnity or nonexpense incurred basis, or policies that provide only accident coverage.

Sec. 33. Minnesota Statutes 1990, section 62A.54, is amended to read:

62A.54 [PROHIBITED PRACTICES.]

Unless otherwise provided for in ~~Laws 1986, chapter 397,~~ sections ~~2 to 8~~ *62A.46 to 62A.56*, the solicitation or sale of long-term care policies is subject to the requirements and penalties applicable to the sale of Medicare supplement insurance policies as set forth in sections 62A.31 to 62A.44.

It is misconduct for any agent or company to make any misstatements concerning eligibility or coverage under the medical assistance program, or about how long-term care costs will or will not be financed if a person does not have long-term care insurance. Any agent or company providing information on the medical assistance program shall also provide information about how to contact the county human services department or the state department of human services.

Sec. 34. 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. 35. 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. 36. 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. 37. Minnesota Statutes 1990, section 62E.14, is amended by adding a subdivision to read:

Subd. 7. [TERMINATIONS OF CONVERSION POLICIES.] *(a) A Minnesota resident who is covered by a conversion policy or contract of health coverage may enroll in the comprehensive health plan with a waiver of the preexisting condition limitation in subdivision 3 and a waiver of the evidence of rejection in subdivision 1, paragraph (c), at any time for any reason during the term of coverage.*

(b) A Minnesota resident who was covered by a conversion policy or contract of health coverage may enroll in the comprehensive health plan with a waiver of the preexisting condition limitation in subdivision 3 and a waiver of the evidence of rejection in subdivision 1, paragraph (c), if that person applies for coverage within 90 days after termination of the conversion policy or contract coverage regardless of: (1) the reasons for the termination; or (2) the party terminating coverage.

(c) Coverage under this subdivision is effective upon termination of prior coverage if the enrollee has submitted a completed application and paid the required premium or fee.

Sec. 38. Minnesota Statutes 1990, section 62E.15, subdivision 4, is amended to read:

Subd. 4. Every insurer *and health maintenance organization* which rejects or applies underwriting restrictions to an applicant for ~~accident and~~ *a plan of* health ~~insurance~~ *coverage* shall: (1) provide the applicant with a written notice of rejection or the underwriting restrictions applied to the applicant in a manner consistent with the requirements in section 72A.499; (2) notify the applicant of the existence of the state plan, the requirements for being accepted in it, and the procedure for applying to it; and (3) provide the applicant with written materials explaining the state plan in greater detail.

This written material shall be provided by the association to every insurer at no charge.

Sec. 39. Minnesota Statutes 1990, section 62E.15, is amended by adding a subdivision to read:

Subd. 5. [INITIAL NOTIFICATION.] *Every insurer and health maintenance organization before issuing a conversion policy or contract of health insurance shall:*

(1) notify the applicant of the existence of the state plan, the requirements for being accepted in it, the procedure for applying to it, and the plan rates; and

(2) provide the applicant with written materials explaining the state plan in greater detail. This written material shall be provided by the association to every insurer and health maintenance organization at no charge.

Sec. 40. Minnesota Statutes 1990, section 62E.15, is amended by adding a subdivision to read:

Subd. 6. [ANNUAL NOTIFICATION.] *Every insurer and health maintenance organization which provides health coverage to an insured through a conversion plan shall annually:*

(1) notify the insured of the existence of the state plan, the requirements for being accepted in it, the procedure for applying to it, and the plan rates; and

(2) provide the applicant with written materials explaining the state plan in greater detail. This written material shall be provided by the association to every insurer and health maintenance organization at no charge.

Sec. 41. Minnesota Statutes 1990, section 62E.15, is amended by adding a subdivision to read:

Subd. 7. [CONVERSION RATES.] *For Medicare supplement conversion policies issued prior to the effective date of this section, the requirements of subdivisions 5 and 6 apply only when the conversion rates offered to the applicant by the insurer or health maintenance organization exceed the association rates.*

Sec. 42. Minnesota Statutes 1990, section 62E.16, is amended to read:

62E.16 [*POLICY* CONVERSION ~~PRIVILEGES~~ *RIGHTS*.]

Every program of self-insurance, policy of group accident and health insurance or contract of coverage by a health maintenance organization written or renewed in this state, shall include, in addition to the provisions required by section 62A.17, the right to convert to an individual coverage qualified plan without the addition of underwriting restrictions if the individual insured leaves the group regardless of the reason for leaving the group *or if an employer member of a group ceases to remit payment so as to terminate coverage for its employees*, or upon cancellation or termination of the coverage for the group except where uninterrupted and continuous group coverage is otherwise provided to the group. If the health maintenance organization has canceled coverage for the group because of a loss of providers in a service area, the health maintenance organization shall arrange for other health maintenance or indemnity conversion options that shall be offered to enrollees without the addition of underwriting restrictions. The required conversion contract must treat pregnancy the same as any other

covered illness under the conversion contract. The person may exercise this right to conversion within 30 days of leaving the group or within 30 days following receipt of due notice of cancellation or termination of coverage of the group *or of the employer member of the group* and upon payment of premiums from the date of termination or cancellation. Due notice of cancellation or termination of coverage for a group *or of the employer member of the group* shall be provided to each employee having coverage in the group by the insurer, self-insurer or health maintenance organization canceling or terminating the coverage except where reasonable evidence indicates that uninterrupted and continuous group coverage is otherwise provided to the group. Every employer having a policy of group accident and health insurance, group subscriber or contract of coverage by a health maintenance organization shall, upon request, provide the insurer or health maintenance organization a list of the names and addresses of covered employees. Plans of health coverage shall also include a provision which, upon the death of the individual in whose name the contract was issued, permits every other individual then covered under the contract to elect, within the period specified in the contract, to continue coverage under the same or a different contract without the addition of underwriting restrictions until the individual would have ceased to have been entitled to coverage had the individual in whose name the contract was issued lived. An individual conversion contract issued by a health maintenance organization shall not be deemed to be an individual enrollment contract for the purposes of section 62D.10.

Sec. 43. 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. 44. [62I.121] [BENEFITS FOR EMPLOYEES.]

At the option of the board, employees may participate in the state retirement plan and the state deferred compensation plan for employees in the unclassified service, and an insurance plan administered by the commissioner of employee relations under chapter 43A.

Sec. 45. Minnesota Statutes 1990, section 65B.133, subdivision 4, is amended to read:

Subd. 4. [NOTIFICATION OF CHANGE.] No insurer may change its surcharge plan unless a surcharge disclosure statement is mailed or delivered to the named insured before the change is made. A surcharge disclosure statement disclosing a change applicable on the renewal of a policy, may

be mailed with an offer to renew the policy. ~~No~~ *Surcharges cannot be applied to accidents or traffic violations that occurred prior to a* change in a surcharge plan ~~may be applied retroactively~~ *except to the extent provided under the prior plan.*

Sec. 46. Minnesota Statutes 1990, section 72A.20, subdivision 23, is amended to read:

Subd. 23. [DISCRIMINATION IN AUTOMOBILE INSURANCE POLICIES.] (a) No insurer that offers an automobile insurance policy in this state shall:

(1) use the employment status of the applicant as an underwriting standard or guideline; or

(2) deny coverage to a policyholder for the same reason.

(b) No insurer that offers an automobile insurance policy in this state shall:

(1) use the applicant's status as a tenant, as the term is defined in section 566.18, subdivision 2, as an underwriting standard or guideline; or

(2) deny coverage to a policyholder for the same reason; *or*

(3) make any discrimination in offering or establishing rates, premiums, dividends, or benefits of any kind, or by way of rebate, for the same reason.

(c) No insurer that offers an automobile insurance policy in this state shall:

(1) use the failure of the applicant to have an automobile policy in force during any period of time before the application is made as an underwriting standard or guideline; or

(2) deny coverage to a policyholder for the same reason.

This provision does not apply if the applicant was required by law to maintain automobile insurance coverage and failed to do so.

An insurer may require reasonable proof that the applicant did not fail to maintain this coverage. The insurer is not required to accept the mere lack of a conviction or citation for failure to maintain this coverage as proof of failure to maintain coverage.

Sec. 47. Minnesota Statutes 1991 Supplement, section 72A.201, subdivision 8, is amended to read:

Subd. 8. [STANDARDS FOR CLAIM DENIAL.] The following acts by an insurer, adjuster, or self-insured, or self-insurance administrator constitute unfair settlement practices:

(1) denying a claim or any element of a claim on the grounds of a specific policy provision, condition, or exclusion, without informing the insured of the policy provision, condition, or exclusion on which the denial is based;

(2) denying a claim without having made a reasonable investigation of the claim;

(3) denying a liability claim because the insured has requested that the claim be denied;

(4) denying a liability claim because the insured has failed or refused to report the claim, unless an independent evaluation of available information

indicates there is no liability;

(5) denying a claim without including the following information:

(i) the basis for the denial;

(ii) the name, address, and telephone number of the insurer's claim service office or the claim representative of the insurer to whom the insured or claimant may take any questions or complaints about the denial; and

(iii) the claim number and the policy number of the insured;

(6) denying a claim because the insured or claimant failed to exhibit the damaged property unless:

(i) the insurer, within a reasonable time period, made a written demand upon the insured or claimant to exhibit the property; and

(ii) the demand was reasonable under the circumstances in which it was made;

(7) denying a claim by an insured or claimant based on the evaluation of a chemical dependency claim reviewer selected by the insurer unless the reviewer meets the qualifications specified under subdivision 8a. An insurer that selects chemical dependency reviewers to conduct claim evaluations must annually file with the commissioner of commerce a report containing the specific evaluation standards and criteria used in these evaluations. *The report must be filed at the same time its annual statement is submitted under section 60A.13.* The report must also include the number of evaluations performed on behalf of the insurer during the reporting period, the types of evaluations performed, the results, the number of appeals of denials based on these evaluations, the results of these appeals, and the number of complaints filed in a court of competent jurisdiction.

Sec. 48. Minnesota Statutes 1990, section 72B.02, is amended by adding a subdivision to read:

Subd. 14. [CROP HAIL ADJUSTER.] *"Crop hail adjuster" means a person who for money, commission, or other thing of value acts as an adjuster in regard to insurance policies against crop damage by hail.*

Sec. 49. Minnesota Statutes 1990, section 72B.03, subdivision 2, is amended to read:

Subd. 2. [CLASSES OF LICENSES.] *(a)* There shall be ~~three~~ *four* classes of licenses, as follows:

~~(a)~~ *(1)* independent adjuster's license~~.~~*;*

~~(b)~~ *(2)* public adjuster's license~~.~~*;*

~~(c)~~ *(3)* public adjuster solicitor's license*; and*

(4) crop hail adjuster's license.

(b) The independent adjuster and public adjuster licenses shall be issued in at least three fields each, as follows:

~~(a)~~ *(1)* fire and allied lines, inland marine lines and including all perils under homeowners policies~~.~~*;*

~~(b)~~ *(2)* all lines written as casualty insurance under section 60A.06, and including workers' compensation~~.~~*; and*

~~(c)~~ *(3)* a combination of the fields described in ~~(a)~~ *clauses (1)* and ~~(b),~~

~~above~~ *(2)*. Separate licenses shall be required for each field, but the same person may obtain licenses in more than one field. No person shall be licensed as both a public and independent adjuster. The license shall state the class for which the person is licensed and, where applicable, the field in which the person is licensed, and shall state the licensee's name and residence address, the date of issuance and the date of expiration of the license and any other information prescribed by the commissioner which is consistent with the purpose of the license.

Sec. 50. Minnesota Statutes 1990, section 72B.04, subdivision 6, is amended to read:

Subd. 6. [EXCEPTIONS.] A person who on January 1, 1972, meets all of the qualifications specified in subdivision 2 with regard to the class of license applied for and, if experience is one of the requisites, has gained the experience within the three years next preceding January 1, 1972, shall be eligible for the issuance of a license without taking an examination.

A person who has held a license of any given class or in any field or fields within three years prior to the application shall be entitled to a renewal of the license in the same class or in the same fields without taking an examination.

A person applying for a license as a crop hail adjuster shall not be required to comply with the requirements of subdivision 5.

The commissioner may issue a license under sections 72B.01 to 72B.14 without an examination, if the applicant presents sufficient and satisfactory evidence of having passed a similar examination in another state and if the commissioner, with the advice of the advisory board, has determined that the standards of such other state are equivalent to those in Minnesota for the class of license applied for. Any applicant who presents sufficient and satisfactory evidence of having successfully completed all six parts of the insurance institute of America program in adjusting shall be entitled to an adjuster's license without taking the examination prescribed in subdivision 5.

Sec. 51. Laws 1991, chapter 233, section 111, is amended to read:

Sec. 111. [EFFECTIVE DATE.]

(a) Sections 33 and 110, paragraph (a), are effective the day following final enactment.

(b) Sections 63; 64; 65; 66; 67; 68; 69; 70; 71; 72; 73; 74; 75; 76; 77; 78; 79; 80; 81; 82; 83; and 110, paragraph (b), are effective August 1, 1991.

(c) ~~Sections 43 and~~ *Section* 44 ~~are~~ *is* effective ~~July~~ *for the licensing year beginning June* 1, 1992.

Sec. 52. [REQUIRED PROPERTY AND CASUALTY COVERAGES INCLUDING BONDS; STUDY.]

The commissioner of commerce shall conduct a study of all property and casualty insurance coverages including bonds 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 and bonds;

(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 and bonds 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.

Sec. 53. [APPLICATION.]

Section 13 does not apply to policies in force on the effective date of that section and does not preclude renewals of those policies.

Section 20 applies to reports required to be filed in 1993 and subsequent years.

Sec. 54. [REVISOR INSTRUCTION.]

The revisor of statutes shall change the terms "fraternal beneficiary association," "association," or similar terms to "fraternal benefit society," "society," or similar terms wherever they appear in Minnesota Statutes and Minnesota Rules in connection with those entities regulated under Minnesota Statutes, chapter 64B.

Sec. 55. [REPEALER.]

Minnesota Statutes 1990, sections 65B.70; and 72A.13, subdivision 3, are repealed.

Sec. 56. [EFFECTIVE DATE.]

Section 44 is effective retroactive to the effective date of Laws 1989, chapter 260, section 25. The prohibition against solicitation of members within the first 30 days of membership in section 13 is effective August 1, 1993.

ARTICLE 2

Section 1. Minnesota Statutes 1990, section 45.028, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (a) When a person, including any nonresident of this state, engages in conduct prohibited or made actionable by chapters 45 to 83, 155A, 309, and 332, or any rule or order under those chapters, and the person has not filed a consent to service of process under chapters 45 to 83, 155A, 309, and 332, that conduct is equivalent to an appointment of the commissioner as the person's attorney to receive service of process in any noncriminal suit, action, or proceeding against the person which is based on that conduct and is brought under chapters 45 to 83, 155A, 309, and 332, or any rule or order under those chapters.

(b) Subdivision 2 ~~also~~ applies in all other cases under chapters 45 to 83, 155A, 309, and 332, or any rule or order under those chapters, in which a person, including a nonresident of this state, has filed a consent to service of process. This paragraph supersedes any inconsistent provision of law.

(c) Subdivision 2 applies in all cases in which service of process is allowed to be made on the commissioner of commerce.

Sec. 2. Minnesota Statutes 1990, section 48.185, subdivision 7, is amended to read:

Subd. 7. Any bank or savings bank extending credit in compliance with the provisions of this section, which is injured competitively by violations of this section by another bank or savings bank, may institute a civil action in the district court of this state against that bank or savings bank for an injunction prohibiting any violation of this section. The court, upon proper proof that the defendant has engaged in any practice in violation of this section, may enjoin the future commission of that practice. Proof of monetary damage or loss of profits shall not be required. Costs and attorneys' fees may be allowed to the plaintiff, unless the court directs otherwise. The relief provided in this subdivision is in addition to remedies otherwise available against the same conduct under the common law or statutes of this state.

Service of process shall be as in any other civil suit, except that if a defendant in the action is a foreign corporation or a national banking association with its principal place of business in another state, service of process may also be made by personal service outside the state, or in the manner provided by section 303.13, subdivision 1, clause (3), or in such manner as the court may direct, *or in accordance with section 45.028, subdivision 2*. Process is valid if it satisfies the requirements of due process of law, whether or not defendant is doing business in Minnesota regularly or habitually.

Sec. 3. Minnesota Statutes 1990, section 60A.19, subdivision 4, is amended to read:

Subd. 4. [FEES.] The commissioner shall be entitled to charge and receive a fee prescribed by section 60A.14, subdivision 1, paragraph (c), clause (4), for each notice, proof of loss, summons, or other process served under the provisions of this subdivision and subdivision 3, to be paid by the persons serving the same. The service of process ~~is~~ *authorized by this section shall be* made ~~by delivering to and leaving with the commissioner two copies thereof for each company being served~~ *in compliance with section 45.028, subdivision 2*.

Sec. 4. Minnesota Statutes 1990, section 60A.21, subdivision 2, is amended to read:

Subd. 2. [SERVICE OF PROCESS UPON UNAUTHORIZED INSURER.] (1) Any of the following acts in this state effected by mail or otherwise by an unauthorized foreign or alien insurer: (a) the issuance or delivery of contracts of insurance to residents of this state or to corporations authorized to do business therein; (b) the solicitation of applications for such contracts; (c) the collection of premiums, membership fees, assessments, or other considerations for such contracts; or (d) any other transaction of insurance business, is equivalent to and shall constitute an appointment by such insurer of the commissioner of commerce and the commissioner's successor or successors in office to be its true and lawful attorney upon whom may be served all lawful process in any action, suit, or proceeding instituted by or on behalf of an insured or beneficiary arising out of any such contract of insurance and any such act shall be signification of its agreement that such service of process is of the same legal force and validity as personal service of process in this state upon such insurer.

(2) Such service of process shall be made ~~by delivering to and leaving~~

~~with the commissioner of commerce or some person in apparent charge of that office two copies thereof~~ *in compliance with section 45.028, subdivision 2* and the payment ~~to that person~~ of a filing fee as prescribed by section 60A.14, subdivision 1, paragraph (c), clause (4). ~~The commissioner of commerce shall forthwith mail by certified mail one of the copies of such process to the defendant at its last known principal place of business and shall keep a record of all process so served upon the commissioner. Such service of process is sufficient provided notice of such service and a copy of the process are sent within ten days thereafter by certified mail by plaintiff or plaintiff's attorney to the defendant at its last known principal place of business and the defendant's receipt, or receipt issued by the post office with which the letter is certified showing the name of the sender of the letter and the name and address of the person to whom the letter is addressed, and the affidavit of the plaintiff or plaintiff's attorney showing a compliance herewith are filed with the court administrator of the court in which such action is pending on or before the date the defendant is required to appear or within such further time as the court may allow.~~

(3) Service of process in any such action, suit, or proceeding shall in addition to the manner provided in clause (2) of this subdivision be valid if served upon any person within this state who, in this state on behalf of such insurer, is: (a) soliciting insurance, or (b) making, issuing, or delivering any contract of insurance, or (c) collecting or receiving any premium, membership fee, assessment, or other consideration for insurance; and if a copy of such process is sent within ten days thereafter by certified mail by the plaintiff or plaintiff's attorney to the defendant at the last known principal place of business of the defendant and the defendant's receipt, or the receipt issued by the post office with which the letter is certified showing the name of the sender of the letter and the name and address of the person to whom the letter is addressed, and the affidavit of the plaintiff or plaintiff's attorney showing a compliance herewith are filed with the administrator of the court in which such action is pending on or before the date the defendant is required to appear or within such further time as the court may allow.

(4) No plaintiff or complainant shall be entitled to a judgment by default under this subdivision until the expiration of 30 days from the date of the filing of the affidavit of compliance.

(5) Nothing in this subdivision contained shall limit or abridge the right to serve any process, notice, or demand upon any insurer in any other manner now or hereafter permitted by law.

(6) The provisions of this section shall not apply to surplus line insurance lawfully effectuated under Minnesota law, or to reinsurance, nor to any action or proceeding against an unauthorized insurer arising out of:

(a) Wet marine and transportation insurance;

(b) Insurance on or with respect to subjects located, resident, or to be performed wholly outside this state, or on or with respect to vehicles or aircraft owned and principally garaged outside this state;

(c) Insurance on property or operations of railroads engaged in interstate commerce; or

(d) Insurance on aircraft or cargo of such aircraft, or against liability, other than employer's liability, arising out of the ownership, maintenance, or use of such aircraft, where the policy or contract contains a provision designating the commissioner as its attorney for the acceptance of service

of lawful process in any action or proceeding instituted by or on behalf of an insured or beneficiary arising out of any such policy, or where the insurer enters a general appearance in any such action.

Sec. 5. Minnesota Statutes 1990, section 64B.35, subdivision 2, is amended to read:

Subd. 2. [SERVICE.] Service *under this section* shall ~~only~~ be made ~~upon the commissioner, or if absent, upon the person in charge of the commissioner's office. It shall be made in duplicate and shall constitute sufficient service upon the society. When legal process against a society is served upon the commissioner, the commissioner shall immediately forward one of the duplicate copies by registered mail, prepaid, directed to the secretary or corresponding officer~~ *in compliance with section 45.028, subdivision 2*. No service shall require a society to file its answer, pleading, or defense in less than 30 days from the date of mailing the copy of the service to a society. Legal process shall not be served upon a society except in the manner herein provided. ~~At the time of serving any process upon the commissioner, the plaintiff or complainant in the action shall pay to the commissioner a fee as prescribed in section 60A.14.~~

Sec. 6. Minnesota Statutes 1990, section 71A.02, subdivision 3, is amended to read:

Subd. 3. [COMMISSIONER AS AGENT FOR SERVICE.] Concurrently with the filing of the declaration provided for by the terms of subdivision 2, the attorney shall execute and file with the commissioner an instrument in writing for the subscribers, conditioned that upon the issuance of the certificate of authority provided for in subdivision 1, service of process *in compliance with section 45.028, subdivision 2*, may be had upon the commissioner in all suits in this state arising out of these policies, contracts, or agreements, which service shall be valid and binding upon all subscribers exchanging at any time reciprocal or interinsurance contracts through such attorney. ~~Three copies of the process shall be served and the commissioner shall file one copy, forward one copy to the attorney, and return one copy with an admission of service.~~

Sec. 7. Minnesota Statutes 1990, section 72A.22, subdivision 5, is amended to read:

Subd. 5. [SERVICE.] Statements of charges, notices, orders, and other processes of the commissioner under sections 72A.17 to 72A.32 may be served by anyone duly authorized by the commissioner, either in the manner provided by law for service of process in civil actions or ~~by registering and mailing a copy thereof to the person affected by the statement, notice, order, or other process at the person's residence or principal office or place of business. A verified return by the person serving the statement, notice, order, or other process, setting forth the manner of such service, or the return postcard receipt for a copy of the statement, notice, order, or other process, registered and mailed as aforesaid, shall be proof of the service of the same~~ *in compliance with section 45.028, subdivision 2*.

Sec. 8. Minnesota Statutes 1990, section 72A.37, subdivision 2, is amended to read:

Subd. 2. [METHOD OF SERVICE.] Service of a statement of charges and notices under said unfair trade practice act shall be made by any deputy or employee of the department of commerce ~~delivering to and leaving with~~ *upon* the commissioner or some person in apparent charge of the office,

~~two copies thereof~~ *in compliance with section 45.028.* Service of process issued by any court in any action, suit or proceeding to collect any penalty under said act provided, shall be made ~~by delivering and leaving with the commissioner, or some person in apparent charge of the office, two copies thereof. The commissioner shall forthwith cause to be mailed by certified mail one of the copies of such statement of charges, notices or process to the defendant at its last known principal place of business, and shall keep a record of all statements of charges, notices and process so served. Such service of statement of charges, notices or process shall be sufficient provided they shall have been so mailed and the defendant's receipt or receipt issued by the post office with which the letter is certified, showing the name of the sender of the letter and the name and address of the person to whom the letter is addressed, and the affidavit of the person mailing such letter showing a compliance herewith are filed with the commissioner in the case of any statement of charges or notices, or with the court administrator of the court in which such action is pending in the case of any process, on or before the date the defendant is required to appear or within such further time as may be allowed~~ *in compliance with section 45.028, subdivision 2.*

Sec. 9. Minnesota Statutes 1990, section 72A.43, subdivision 2, is amended to read:

Subd. 2. Service of such process shall be made ~~by delivering and leaving with the commissioner two copies thereof and the payment to the commissioner of a $15 filing fee. The commissioner shall forthwith mail by certified mail one of the copies of such process to such company at its last known registered office, and shall keep a record of all process so served. The company's receipt, or receipt issued by the post office with which the letter is certified, and an affidavit of compliance herewith by or on behalf of the commissioner, shall be filed with the court administrator of the court in which such action or proceeding is pending on or before the return date of such process or within such further time as the court may allow~~ *in compliance with section 45.028, subdivision 2.*

Sec. 10. Minnesota Statutes 1990, section 80A.27, subdivision 7, is amended to read:

Subd. 7. Every applicant for registration under sections 80A.01 to 80A.31 and every issuer who proposes to offer a security in this state through any person acting on an agency basis in the common law sense shall file with the commissioner, in such form as the commissioner by rule prescribes, an irrevocable consent appointing the commissioner or a successor in office to be the attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against that person or a successor, executor, or administrator which arises under sections 80A.01 to 80A.31 or any rule or order hereunder after the consent has been filed, with the same force and validity as if served personally on the person filing the consent. The consent need not be filed by a person who has filed a consent in connection with a previous registration or license which is then in effect. Service may be made ~~by leaving a copy of the process in the office of the commissioner, but it is not effective unless (a) the plaintiff, who may be commissioner in a suit, action, or proceeding instituted by the commissioner, forthwith sends notice of the service and a copy of the process by certified mail to the defendant or respondent at the last address on file with the commissioner, and (b) the plaintiff's affidavit of compliance with this subsection is filed in the case on or before the return day of the process, if any, or within such further time as the court allows~~ *in compliance with section 45.028, subdivision 2.*

Sec. 11. Minnesota Statutes 1990, section 80A.27, subdivision 8, is amended to read:

Subd. 8. When any person, including any nonresident of this state, engages in conduct prohibited or made actionable by sections 80A.01 to 80A.31 or any rule or order hereunder, and has not filed a consent to service of process under subdivision 7 and personal jurisdiction cannot otherwise be obtained in this state, that conduct shall be considered equivalent to an appointment of the commissioner or a successor in office to be the attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against that person or a successor executor or administrator which grows out of that conduct and which is brought under sections 80A.01 to 80A.31 or any rule or order hereunder, with the same force and validity as if served personally. Service ~~may~~ *under this section shall* be made ~~by leaving a copy of the process in the office of the commissioner, and it is not effective unless (a) the plaintiff, who may be the commissioner in a suit, action, or proceeding instituted by the commissioner, forthwith sends notice of the service and a copy of the process by certified mail to the defendant or respondent at the last known address or takes other steps which are reasonably calculated to give actual notice, and (b) the plaintiff's affidavit of compliance with this subsection is filed in the case on or before the return day of the process, if any, or within such further time as the court allows~~ *in compliance with section 45.028, subdivision 2.*

Sec. 12. Minnesota Statutes 1990, section 80C.20, is amended to read:

80C.20 [SERVICE OF PROCESS.]

Every applicant for registration under sections 80C.01 to 80C.22 and every franchisor on whose behalf an application for registration is filed, except applicants and franchisors which are Minnesota corporations, shall file with the commissioner, in such form as the commissioner may prescribe, an irrevocable consent appointing the commissioner and successors in office to be the applicant's or franchisor's attorney to receive service of any lawful process in any civil action against the applicant or franchisor or a successor, executor or administrator, which arises under sections 80C.01 to 80C.22 or any rule or order thereunder after the consent has been filed, with the same force and validity as if served personally on the applicant or franchisor or a successor, executor or administrator. Service ~~may~~ *under this section shall* be made ~~by leaving a copy of the process in the office of the commissioner, but it is not effective unless the plaintiff, who may be the commissioner in an action instituted by the commissioner, forthwith sends notice of the service and a copy of the process by certified mail to the defendant or respondent at the last address on file with the commissioner, and the plaintiff's affidavit of compliance with this subsection is filed with the court at the time of the filing of the complaint~~ *in compliance with section 45.028, subdivision 2.*

When any person, including any nonresident of this state and any foreign corporation, engages in conduct prohibited or made actionable by sections 80C.01 to 80C.22, whether or not the person has filed a consent to service of process, and personal jurisdiction over the person cannot otherwise be obtained in this state, that conduct shall be considered equivalent to appointment of the commissioner and successors in office to be the person's agent to receive service of any lawful process in any suit against the person or a successor, executor or administrator which grows out of that conduct and which is brought under sections 80C.01 to 80C.22, with the same force

and validity as if served personally. Service ~~may~~ *under this section shall* be made ~~by leaving a copy of the process in the office of the commissioner but it is not effective unless the plaintiff, who may be the commissioner in an action instituted by the commissioner, forthwith sends notice of the service and a copy of the process by certified mail to the defendant or respondent at the last known address on file with the commissioner and the plaintiff's affidavit of compliance with this section is filed with the court at the time of the filing of the complaint~~ *in compliance with section 45.028, subdivision 2*.

Sec. 13. Minnesota Statutes 1990, section 82.31, subdivision 3, is amended to read:

Subd. 3. Service of process under this section ~~may~~ *shall* be made ~~by filing a copy of the process with the commissioner or a representative, but is not effective unless:~~

~~(a) The plaintiff, who may be the commissioner in an action or proceeding instituted by the commissioner, sends notice of the service and a copy of the process by certified mail to the defendant or respondent at the address as shown by the records at the office of the commissioner in the case of service made on the commissioner as attorney pursuant to appointment in compliance with subdivision 1, and at the defendant's or respondent's last known address in the case of service on the commissioner as attorney pursuant to appointment by virtue of subdivision 2; and~~

~~(b) The plaintiff's affidavit of compliance with this subdivision is filed in the action or proceeding on or before the return day of the process, if any, or within such further time as the court or administrative law judge allows~~ *in compliance with section 45.028, subdivision 2*.

Sec. 14. Minnesota Statutes 1990, section 82A.22, subdivision 1, is amended to read:

Subdivision 1. [CONSENT TO SERVICE.] Every membership camping operator or broker, on whose behalf an application for registration or exemption is filed, shall file with the commissioner, in such form as the commissioner may prescribe, an irrevocable consent appointing the commissioner and the commissioner's successors in office to be the membership camping operator's or broker's attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against the membership camping operator or broker or a successor, executor, or administrator which arises under this chapter or any rule or order thereunder after the consent has been filed, with the same force and validity as if served personally on the membership camping operator or the operator's successor, executor, or administrator. Service ~~may~~ *under this section shall* be made ~~by leaving a copy of the process in the office of the commissioner, but it is not effective unless:~~

~~(1) the plaintiff, who may be the commissioner in a suit, action, or proceeding instituted by the commissioner, sends notice of the service and a copy of the process by certified mail to the defendant or respondent at that person's last address on file with the commissioner; and~~

~~(2) the plaintiff's affidavit of compliance with this section is filed in the case on or before the return day of the process, if any, or within such further time as the court allows~~ *in compliance with section 45.028, subdivision 2*.

Sec. 15. Minnesota Statutes 1990, section 82A.22, subdivision 2, is

amended to read:

Subd. 2. [APPOINTMENT OF COMMISSIONER.] When any person, including any nonresident of this state, engages in conduct prohibited or made actionable by this chapter, or any rule or order thereunder, and the person has not filed a consent to service of process under subdivision 1 and personal jurisdiction over this person cannot otherwise be obtained in this state, that conduct shall be considered equivalent to the person's appointment of the commissioner or the commissioner's successor to be the person's attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against the person which grows out of that conduct and which is brought under this chapter or any rule or order thereunder, with the same force and validity as if served on the person personally. Service ~~may~~ *under this section shall* be made ~~by leaving a copy of the process in the office of the commissioner, and it is not effective unless:~~

~~(1) the plaintiff, who may be the commissioner in a suit, action, or proceeding instituted by the commissioner, forthwith sends notice of the service and a copy of the process by certified mail to the defendant or respondent at that person's last known address or takes other steps which are reasonably calculated to give actual notice; and~~

~~(2) the plaintiff's affidavit of compliance with this subdivision is filed in the case on or before the return day of the process, if any, or within such further time as the court allows~~ *in compliance with section 45.028, subdivision 2.*

Sec. 16. Minnesota Statutes 1991 Supplement, section 82B.15, subdivision 3, is amended to read:

Subd. 3. [PROCEDURE.] Service of process under this section ~~may~~ *shall* be made ~~under the provisions of~~ *in compliance with* section 45.028, *subdivision 2.*

Sec. 17. Minnesota Statutes 1990, section 83.39, subdivision 1, is amended to read:

Subdivision 1. [PROCEDURE.] Every applicant for registration under sections 83.20 to 83.42, 83.43 and 83.44 shall file with the commissioner, in a format as by rule may be prescribed, an irrevocable consent appointing the commissioner or commissioner's successor to be the applicant's attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against the applicant or a successor, executor, or administrator which arises under sections 83.20 to 83.42, 83.43 and 83.44 or any rule or order thereunder after the consent has been filed, with the same force and validity as if served personally on the person filing the consent. Service ~~may~~ *under this section shall* be made ~~by leaving a copy of the process in the office of the commissioner, but it is not effective unless (a) the plaintiff, who may be commissioner in a suit, action, or proceeding instituted by the commissioner, forthwith sends notice of the service and a copy of the process by registered mail to the defendant or respondent at that person's last address on file with the commissioner, and (b) the plaintiff's affidavit of compliance with this subdivision is filed in the case on or before the return day of the process, if any, or within such further time as the court allows~~ *in compliance with section 45.028, subdivision 2.*

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

Sec. 18. Minnesota Statutes 1990, section 83.39, subdivision 2, is amended to read:

Subd. 2. [SERVICE ON COMMISSIONER.] When any person, including any nonresident of this state, engages in conduct prohibited or made actionable by sections 83.20 to 83.42, 83.43 and 83.44, or any rule or order thereunder, and the person has not filed a consent to service of process under subdivision 1 and personal jurisdiction over this person cannot otherwise be obtained in this state, that conduct shall be considered equivalent to the person's appointment of the commissioner or the commissioner's successor to be the person's attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against the commissioner or the commissioner's successor, executor, or administrator which grows out of that conduct and which is brought under sections 83.20 to 83.42, 83.43 and 83.44 or any rule or order thereunder, with the same force and validity as if served on the person personally. Service ~~may~~ *under this section shall* be made ~~by leaving a copy of the process in the office of the commissioner, and it is not effective unless (a) the plaintiff, who may be the commissioner in a suit, action, or proceeding instituted by the commissioner, forthwith sends notice of the service and a copy of the process by registered mail to the defendant or respondent at that person's last known address or takes other steps which are reasonably calculated to give actual notice, and (b) the plaintiff's affidavit of compliance with this subdivision is filed in the case on or before the return day of the process, if any, or within such further time as the court allows~~ *in compliance with section 45.028, subdivision 2.*

Sec. 19. Minnesota Statutes 1990, section 543.08, is amended to read:

543.08 [SUMMONS, SERVICE UPON CERTAIN CORPORATIONS.]

If a private domestic corporation has no officer at the registered office of the corporation within the state upon whom service can be made, of which fact the return of the sheriff of the county in which that office is located, or the affidavit of a private person not a party, that none can be found in that county shall be conclusive evidence, service of the summons upon it may be made by depositing two copies, together with a fee of $35 with the secretary of state, which shall be deemed personal service upon the corporation. One of the copies shall be filed by the secretary, and the other forthwith mailed by the secretary to the corporation by certified mail, if the place of its main office is known to the secretary or is disclosed by the files in the office.

If the defendant is a foreign insurance corporation, the summons may be served ~~by two copies delivered to the commissioner of commerce, who shall file one in the commissioner's office and forthwith mail the other postage prepaid to the defendant at its home office~~ *in compliance with section 45.028, subdivision 2.*

ARTICLE 3

INSURANCE AGENTS

Section 1. Minnesota Statutes 1990, section 60A.02, subdivision 7, is amended to read:

Subd. 7. [INSURANCE AGENT OR INSURANCE AGENCY.] An "insurance agent" or "insurance agency" is a person acting under express authority from, and an appointment pursuant to section ~~60A.17~~ *60K.02* by, an insurer and on its behalf to solicit insurance, or to appoint other agents

to solicit insurance, or to write and countersign policies of insurance, or to collect premiums therefor within this state, or to exercise any or all these powers when so authorized by the insurer. The term "person" includes a natural person, a partnership, a corporation, or other entity, including an insurance agency.

Sec. 2. [60A.052] [DENIAL, REVOCATION, SUSPENSION OF CERTIFICATE OF AUTHORITY.]

Subdivision 1. [GROUNDS.] *The commissioner may by order take any or all of the following actions: (1) deny, suspend, or revoke a certificate of authority; (2) censure the insurance company; or (3) impose a civil penalty as provided for in section 45.027, subdivision 6. In order to take this action the commissioner must find that the order is in the public interest, and the insurance company:*

(1) has a board of directors or principal management that is incompetent, untrustworthy, or so lacking in insurance company managerial experience as to make its operation hazardous to policyholders, its stockholders, or to the insurance buying public;

(2) is controlled directly or indirectly through ownership, management, reinsurance transactions, or other business relations by any person or persons whose business operations are or have been marked by manipulation of any assets, reinsurance, or accounts as to create a hazard to the company's policyholders, stockholders, or the insurance buying public;

(3) is in an unsound or unsafe condition;

(4) has the actual liabilities that exceed the actual funds of the company;

(5) has filed an application for a license which is incomplete in any material respect or contains any statement which, in light of the circumstances under which it was made, contained any misrepresentation or was false, misleading, or fraudulent;

(6) has pled guilty, with or without explicitly admitting guilt, pled nolo contendere, or been convicted of a felony, gross misdemeanor, or misdemeanor involving moral turpitude, or similar conduct;

(7) is permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the insurance business;

(8) has violated or failed to comply with any order of the insurance regulator of any other state or jurisdiction;

(9) has had a certificate of authority denied, suspended, or revoked, has been censured or reprimanded, has been the subject of any other discipline imposed by, or has paid or has been required to pay a monetary penalty or fine to, another state;

(10) agents, officers, or directors refuse to submit to examination or perform any related legal obligation; or

(11) has violated or failed to comply with, any of the provisions of the insurance laws including chapter 45 or chapters 60A to 72A or any rule or order under those chapters.

Subd. 2. [SUMMARY SUSPENSION OR REVOCATION OF AUTHORITY OR CENSURE.] *If the commissioner determines that one of the conditions listed in subdivision 1 exists, the commissioner may issue an order*

requiring the insurance company to show cause why any or all of the following should not occur: (1) revocation or suspension of any or all certificates of authority granted to the foreign or domestic insurance company or its agent; (2) censuring of the insurance company; or (3) the imposition of a civil penalty. The order shall be calculated to give reasonable notice of the time and place for hearing thereon, and shall state the reasons for the entry of the order. The commissioner may by order summarily suspend or revoke a certificate pending final determination of any order to show cause. If a certificate is suspended or revoked pending final determination of an order to show cause, a hearing on the merits shall be held within 30 days of the issuance of the summary order. All hearings shall be conducted in accordance with chapter 14. After the hearing, the commissioner shall enter an order disposing of the matter as the facts require. If the insurance company fails to appear at a hearing after having been duly notified of it, the company shall be considered in default, and the proceeding may be determined against the company upon consideration of the order to show cause, the allegations of which may be considered to be true.

Subd. 3. [APPLICANTS.] *Whenever it appears to the commissioner that an application for a certificate of authority should be denied pursuant to subdivision 1, the commissioner shall promptly give a written notice to the applicant of the denial. The notice must state the grounds for the denial and give reasonable notice of the rights of the applicant to request a hearing. A hearing must be held not later than 30 days after the request for hearing is received by the commissioner unless the applicant and the department of commerce agree that the hearing may be held at a later date. If no hearing is requested within 30 days of service of the notice, the denial will become final. All hearings shall be conducted in accordance with chapter 14. After the hearing, the commissioner shall enter an order disposing of the matter as the facts require. If the applicant fails to appear at a hearing after having been duly notified of it, the applicant shall be considered in default, and the proceeding may be determined against the applicant upon consideration of the notice denying the application, the allegations of which may be considered to be true.*

Subd. 4. [ACTIONS AGAINST LAPSED CERTIFICATE OF AUTHORITY.] *If a certificate of authority lapses, is surrendered, withdrawn, terminated, or otherwise becomes ineffective, the commissioner may institute a proceeding under this subdivision within two years after the certificate of authority was last effective and enter a revocation or suspension order as of the last date on which the certificate of authority was in effect, or impose a civil penalty as provided for in section 45.027, subdivision 6.*

Sec. 3. [60K.01] [DEFINITIONS.]

Unless the language or context clearly indicates that a different meaning is intended, the definitions in section 60A.01 are applicable to this chapter.

Sec. 4. [60K.02] [INSURANCE AGENTS; SOLICITORS LICENSE.]

Subdivision 1. [REQUIREMENT.] *No person shall act or assume to act as an insurance agent in the solicitation or procurement of applications for insurance, nor in the sale of insurance or policies of insurance, nor in any manner aid as an insurance agent in the negotiation of insurance by or with an insurer, including resident agents or reciprocal or interinsurance exchanges and fraternal benefit societies, until that person obtains from the commissioner a license for that purpose. The license must specifically set forth the name of the person authorized to act as an agent and the class*

or classes of insurance for which that person is authorized to solicit or countersign policies. An insurance agent may qualify for a license in the following classes: (1) life and health; and (2) property and casualty.

No insurer shall appoint or reappoint a natural person, partnership, or corporation to act as an insurance agent on its behalf until that natural person, partnership, or corporation obtains a license as an insurance agent.

Subd. 2. [PARTNERSHIPS AND CORPORATIONS.] *A license issued to a partnership or corporation must be solely in the name of the entity to which it is issued; provided that each partner, director, officer, stockholder, or employee of the licensed entity who is personally engaged in the solicitation or negotiation of a policy of insurance on behalf of the licensed entity shall be personally licensed as an insurance agent.*

Upon request by the commissioner, each partnership and corporation licensed as an insurance agent shall provide the commissioner with a list of the names of each partner, director, officer, stockholder, and employee who is required to hold a valid insurance agent's license.

Subd. 3. [TRANSITION.] *(a) Any agent who is qualified for life or accident and health as of June 1, 1981, is qualified for a life and health license under Laws 1981, chapter 307, and is appointed by an insurer which has submitted a written requisition for a license for that agent as of June 1, 1981.*

(b) Any agent who is qualified for one or more lines of insurance, excluding life or accident and health and farm property liability as of June 1, 1981, is qualified for a property and casualty license under Laws 1981, chapter 307, and is appointed by any insurer which has submitted a written requisition for a license for that agent as of June 1, 1981.

Subd. 4. [CRIMINAL PENALTIES.] *A person who acts or assumes to act as an insurance agent without a valid license issued by the commissioner is guilty of a gross misdemeanor.*

Sec. 5. [60K.03] [LICENSE APPLICATION.]

Subdivision 1. [PROCEDURE.] *An application for a license to act as an insurance agent shall be made to the commissioner by the person who seeks to be licensed. The application for license shall be accompanied by a written appointment from an admitted insurer authorizing the applicant to act as its agent under one or both classes of license. The insurer must also submit its check payable to the state treasurer for the amount of the appointment fee prescribed by section 60A.14, subdivision 1, paragraph (c), clause (9), at the time the agent becomes licensed. The application and appointment must be on forms prescribed by the commissioner.*

If the applicant is a natural person, no license shall be issued until that natural person has become qualified.

If the applicant is a partnership or corporation, no license shall be issued until at least one natural person who is a partner, director, officer, stockholder, or employee shall be licensed as an insurance agent.

Subd. 2. [RESIDENT AGENT.] *The commissioner shall issue a resident insurance agent's license to a qualified resident of this state as follows:*

(a) A person may qualify as a resident of this state if that person resides in this state or the principal place of business of that person is maintained in this state. Application for a license claiming residency in this state for

licensing purposes constitutes an election of residency in this state. A license issued upon an application claiming residency in this state is void if the licensee, while holding a resident license in this state, also holds, or makes application for, a resident license in, or thereafter claims to be a resident of, any other state or jurisdiction or if the licensee ceases to be a resident of this state; provided, however, if the applicant is a resident of a community or trade area, the border of which is contiguous with the state line of this state, the applicant may qualify for a resident license in this state and at the same time hold a resident license from the contiguous state.

(b) The commissioner shall subject each applicant who is a natural person to a written examination as to the applicant's competence to act as an insurance agent. The examination must be held at a reasonable time and place designated by the commissioner.

(c) The examination shall be approved for use by the commissioner and shall test the applicant's knowledge of the lines of insurance, policies, and transactions to be handled under the class of license applied for, of the duties and responsibilities of the licensee, and pertinent insurance laws of this state.

(d) The examination shall be given only after the applicant has completed a program of classroom studies in a school, which shall not include a school sponsored by, offered by, or affiliated with an insurance company or its agents; except that this limitation does not preclude a bona fide professional association of agents, not acting on behalf of an insurer, from offering courses. The course of study shall consist of 30 hours of classroom study devoted to the basic fundamentals of insurance for those seeking a Minnesota license for the first time, 15 hours devoted to specific life and health topics for those seeking a life and health license, and 15 hours devoted to specific property and casualty topics for those seeking a property and casualty license. The program of studies or study course shall have been approved by the commissioner in order to qualify under this clause. If the applicant has been previously licensed for the particular line of insurance in the state of Minnesota, the requirement of a program of studies or a study course shall be waived. A certification of compliance by the organization offering the course shall accompany the applicant's license application. This program of studies in a school or a study course shall not apply to farm property perils and farm liability applicants, or to agents writing such other lines of insurance as the commissioner may exempt from examination by order.

(e) The applicant must pass the examination with a grade determined by the commissioner to indicate satisfactory knowledge and understanding of the class or classes of insurance for which the applicant seeks qualification. The commissioner shall inform the applicant as to whether or not the applicant has passed.

(f) An applicant who has failed to pass an examination may take subsequent examinations. Examination fees for subsequent examinations shall not be waived.

(g) Any applicant for a license covering the same class or classes of insurance for which the applicant was licensed under a similar license in this state, other than a temporary license, within the three years preceding the date of the application shall be exempt from the requirement of a written examination, unless the previous license was revoked or suspended by the commissioner. An applicant whose license is not renewed under section 60K.12 is exempt from the requirement of a written examination.

Subd. 3. [NONRESIDENT AGENT.] *The commissioner shall issue a nonresident insurance agent's license to a qualified person who is a resident of another state or country as follows:*

(a) A person may qualify for a license under this section as a nonresident only if that person holds a license in another state, province of Canada, or other foreign country which, in the opinion of the commissioner, qualifies that person for the same activity as that for which a license is sought.

(b) The commissioner shall not issue a license to a nonresident applicant until that person files with the commissioner a designation of the commissioner and the commissioner's successors in office as the applicant's true and lawful attorney upon whom may be served all lawful process in an action, suit, or proceeding instituted by or on behalf of an interested person arising out of the applicant's insurance business in this state. This designation constitutes an agreement that this service of process is of the same legal force and validity as personal service of process in this state upon that applicant.

Service of process upon a licensee in an action or proceeding begun in a court of competent jurisdiction of this state may be made in compliance with section 45.028, subdivision 2.

(c) A nonresident license terminates automatically when the resident license for that class of license in the state, province, or foreign country in which the licensee is a resident is terminated for any reason.

Subd. 4. [TERM.] *All licenses issued pursuant to this section remain in force until voluntarily terminated by the licensee, not renewed as prescribed in section 60K.06, or until suspended or revoked by the commissioner. A voluntary termination occurs when the license is surrendered to the commissioner with the request that it be terminated or when the licensee dies, or when the licensee is dissolved or its existence is terminated. In the case of a nonresident license, a voluntary termination also occurs upon the happening of the event described in subdivision 3, paragraph (c).*

Every licensed agent shall notify the commissioner within 30 days of a change of name, address, or information contained in the application.

Subd. 5. [SUBSEQUENT APPOINTMENTS.] *A person who holds a valid agent's license from this state may solicit applications for insurance on behalf of an admitted insurer with which the licensee does not have a valid appointment on file with the commissioner; provided that the licensee has permission from the insurer to solicit insurance on its behalf and, provided further, that the insurer upon receipt of the application for insurance submits a written notice of appointment to the commissioner accompanied by its check payable to the state treasurer in the amount of the appointment fee prescribed by section 60A.14, subdivision 1, paragraph (c), clause (9). The notice of appointment must be on a form prescribed by the commissioner.*

Subd. 6. [AMENDMENT OF LICENSE.] *An application to the commissioner to amend a license to reflect a change of name, or to include an additional class of license, or for any other reason, shall be on forms provided by the commissioner and shall be accompanied by the applicant's surrendered license and a check payable to the state treasurer for the amount of fee specified in section 60A.14, subdivision 1, paragraph (c).*

An applicant who surrenders an insurance license pursuant to this subdivision retains licensed status until an amended license is received.

Subd. 7. [EXCEPTIONS.] *The following are exempt from the general licensing requirements prescribed by this section:*

(1) agents of township mutuals who are exempted pursuant to section 60K.04;

(2) fraternal benefit society representatives exempted pursuant to section 60K.05;

(3) any regular salaried officer or employee of a licensed insurer, without license or other qualification, may act on behalf of that licensed insurer in the negotiation of insurance for that insurer, provided that a licensed agent must participate in the sale of the insurance;

(4) employers and their officers or employees, and the trustees or employees of any trust plan, to the extent that the employers, officers, employees, or trustees are engaged in the administration or operation of any program of employee benefits for the employees of the employers or employees of their subsidiaries or affiliates involving the use of insurance issued by a licensed insurance company; provided that the activities of the officers, employees and trustees are incidental to clerical or administrative duties and their compensation does not vary with the volume of insurance or applications for insurance;

(5) employees of a creditor who enroll debtors for life or accident and health insurance; provided the employees receive no commission or fee for it;

(6) clerical or administrative employees of an insurance agent who take insurance applications or receive premiums in the office of their employer, if the activities are incidental to clerical or administrative duties and the employee's compensation does not vary with the volume of the applications or premiums; and

(7) rental vehicle companies and their employees in connection with the offer of rental vehicle personal accident insurance under section 72A.125.

Sec. 6. [60K.04] [TOWNSHIP MUTUAL AGENTS.]

No agent for a township mutual shall be required to take an examination to become eligible for an agent's license in farm property perils and farm liability if it is certified by one or more township mutual companies that the agent has been acting in the capacity of an agent at least since January 1, 1971, and no new examination shall be required for eligibility for a license in farm property perils and farm liability for a licensed agent in farm windstorm and hail insurance who was licensed prior to January 1, 1971.

Sec. 7. [60K.05] [FRATERNAL BENEFIT SOCIETY REPRESENTATIVES.]

Representatives of fraternal benefit societies who solicit and negotiate insurance contracts shall be deemed to be insurance agents and subject to the licensing requirements as set forth in section 60K.03 subdivision 1; provided, that no insurance agent's license shall be required of:

(1) any officer, employee, or secretary of a fraternal benefit society or of any subordinate lodge or branch who devotes substantially all of that person's time to activities other than the solicitation or negotiation of insurance contracts and who receives no commission or other compensation directly dependent upon the number or amount of contracts solicited or

negotiated; or

(2) any agent or representative of a fraternal benefit society who devotes, or intends to devote, less than 50 percent of that person's time to the solicitation and procurement of insurance contracts for that society. Any person who in the preceding calendar year has solicited and procured life insurance in excess of $50,000 face amount, or, in the case of any other kinds of insurance which the society may write, on the persons of more than 25 individuals, and who has received or will receive a commission or other compensation in the total amount of $1,000 or more, shall be presumed to be devoting, or intending to devote, 50 percent of that person's time to the solicitation or procurement of insurance contracts for that society.

Sec. 8. [60K.06] [RENEWAL FEE.]

(a) Each agent licensed pursuant to section 60K.03 shall annually pay in accordance with the procedure adopted by the commissioner a renewal fee as prescribed by section 60A.14, subdivision 1, paragraph (c), clause (10).

(b) Every agent, corporation, and partnership license expires on October 31 of the year for which period a license is issued.

(c) Persons whose applications have been properly and timely filed who have not received notice of denial of renewal are approved for renewal and may continue to transact business whether or not the renewed license has been received on or before November 1. Applications for renewal of a license are timely filed if received by the commissioner on or before October 15 of the year due, on forms duly executed and accompanied by appropriate fees. An application mailed is considered timely filed if addressed to the commissioner, with proper postage, and postmarked by October 15.

(d) The commissioner may issue licenses for agents, corporations, or partnerships for a three-year period. If three-year licenses are issued, the fee is three times the annual license fee.

Sec. 9. [60K.07] [TEMPORARY LICENSES.]

Subdivision 1. [EXAMINATION.] *The commissioner may grant a temporary insurance agent's license to a person who has successfully completed the examination, if any, required by the commissioner. The temporary license may be granted as of the date upon which the applicant receives written notice from the commissioner that the person has passed any required examination. A temporary license will permit the applicant to act as an insurance agent for the original appointing insurer for the class of business specified therein until the earlier of (1) receipt by the applicant of the resident license, or (2) the expiration of 90 days from the date on which the temporary license was granted.*

Subd. 2. [PERMISSIVE TEMPORARY LICENSE.] *The commissioner may issue a temporary license to a person to act as an insurance agent for a period not to exceed 90 days, which may be extended as determined by the commissioner, without requiring an examination if the commissioner considers a temporary license necessary for the servicing of an insurance business in the following cases:*

(1) to an agent licensed as a resident agent in another state where the commissioner determines that the foreign license is substantially the equivalent of that being applied for from the state of Minnesota and where the agent has been transferred into this state with the intention of becoming a

resident, working as an insurance agent, and obtaining a resident license from the state of Minnesota;

(2) to the surviving spouse or next of kin, or to the administrator or executor, or to an employee of a deceased licensed insurance agent, or to the spouse, next of kin, an employee, or legal guardian of a disabled licensed insurance agent;

(3) to the designee of a licensed insurance agent entering upon active service in the armed forces of the United States; or

(4) in any other circumstance where the commissioner considers that the public interest will best be served by the issuance of a temporary license.

Sec. 10. [60K.08] [BROKERAGE BUSINESS.]

Every insurance agent duly licensed to transact business in this state shall have the right to procure the insurance of risks, or parts of risks, in the class or classes of insurance for which the agent is licensed in other insurers duly authorized to transact business in this state, but the insurance shall only be consummated through a duly appointed resident agent of the insurer taking the risk. If the law of another state requires a nonresident agent who is a resident agent of Minnesota to pay a portion of the premium to or share commissions with a licensed resident agent of that state, then the licensed resident agent of Minnesota when consummating and countersigning for a licensed nonresident agent of that state shall receive five percent of the total premium or 25 percent of the commission, whichever is less.

Sec. 11. [60K.09] [UNFIT PERSON NOT TO BE EMPLOYED BY INSURER.]

No insurer, its officers, agents, or managers shall knowingly make application to the commissioner for appointment of a person as its agent where that person is known to the insurer, its officers, agents, or managers making the application, to be unfit or disqualified to be licensed as an insurance agent, and immediately upon the discovery by the insurer, its officers, agents, or managers having supervision of the agent, of the unfitness or disqualification, the insurer, or the officers agents, or managers shall forthwith inform the commissioner in writing of their decision to terminate their appointment of this agent; nor shall any insurer retain in its employ any agent known by it to be disqualified or unfit to be licensed as an insurance agent.

Sec. 12. [60K.10] [TERM OF APPOINTMENTS.]

All appointments of agents by insurers pursuant to this section shall remain in force until terminated voluntarily by the appointing insurer or the license of the agent has for any reason been terminated during the appointment. The original appointing insurer, as well as any subsequent appointing insurer, may terminate the appointment of an agent at any time by giving written notice thereof to the commissioner and by sending a copy thereof to the last known address of the agent. The effective date of the termination shall be the date of receipt of the notice by the commissioner unless another date is specified by the insurer in the notice. Within 30 days after the insurer gives notice of termination to the commissioner, the insurer shall furnish the agent with a current statement of the agent's commission account.

Accompanying the notice of a termination given to the commissioner by

the insurer shall be a statement of the specific reasons constituting the cause of termination. Any document, record, or statement relating to the agent which is disclosed or furnished to the commissioner contemporaneously with, or subsequent to, the notice of termination shall be deemed confidential by the commissioner and a privileged communication. The document, record, or statement furnished to the commissioner shall not be admissible in whole or in part for any purpose in any action or proceeding against (1) the insurer or any of its officers, employees, or representatives submitting or providing the document, record, or statement, or (2) any person, firm, or corporation furnishing in good faith to the insurer the information upon which the reasons for termination are based.

Sec. 13. [60K.11] [DENIAL, REVOCATION, SUSPENSION, AND CENSURE OF LICENSES.]

Subdivision 1. [GROUNDS.] *The commissioner may by order take any or all of the following actions:*

(1) deny, suspend, or revoke an insurance agent or agency license;

(2) censure the licensee; or

(3) impose a civil penalty as provided for in section 45.027, subdivision 6.

In order to take this action the commissioner must find that the order is in the public interest and that the applicant, licensee, or in the case of an insurance agency, partner, director, shareholder, officer, or agent of that insurance agency:

(i) does not intend to or is not in good faith carrying on the business of an insurance agent;

(ii) has filed an application for a license which is incomplete in any material respect or contains any statement which, in light of the circumstances under which it is made, contains any misrepresentation, or is false, misleading, or fraudulent;

(iii) has engaged in an act or practice, whether or not such act or practice involves the business of insurance, which demonstrates that the applicant or licensee is untrustworthy, financially irresponsible, or otherwise incompetent or unqualified to act as an insurance agent or agency;

(iv) has pled guilty, with or without explicitly admitting guilt, pled nolo contendere, or been convicted of a felony, gross misdemeanor, or misdemeanor involving moral turpitude, including, but not limited to, assault or similar conduct;

(v) has violated or failed to comply with any of the provisions of the insurance laws including chapter 45 or chapters 60A to 72A or any rule or order under those chapters;

(vi) is permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the insurance business;

(vii) has violated or failed to comply with any order of the insurance regulator of any other state or jurisdiction;

(viii) has had an insurance agent or agency license denied, suspended, or revoked, has been censured or reprimanded, has been the subject of any other discipline imposed by, or has paid or has been required to pay a

monetary penalty or fine to, another state or jurisdiction;

(ix) has misrepresented the terms of any actual or proposed insurance contract;

(x) has engaged in any fraudulent, coercive, deceptive, or dishonest act or practice whether or not such act or practice involves the business of insurance;

(xi) has improperly withheld, misappropriated, or converted to the licensee's or applicant's own use any money belonging to a policyholder, insurer, beneficiary, or other person; or

(xii) has forged another's name to any document whether or not the document relates to an application for insurance or a policy of insurance.

Subd. 2. [LICENSEES.] *If the commissioner determines that one of the conditions listed in subdivision 1 exists, the commissioner may issue an order requiring a licensee to show cause why any or all of the following should not occur: (1) the license revocation or suspension; (2) censuring of the licensee; or (3) the imposition of a civil penalty. The order shall be calculated to give reasonable notice of the time and place for hearing on the matter, and shall state the reasons for the entry of the order. The commissioner may by order summarily suspend a license pending final determination of any order to show cause. If a license is suspended pending final determination of an order to show cause, a hearing on the merits shall be held within 30 days of the issuance of the order of suspension. All hearings shall be conducted in accordance with the provisions of chapter 14. After the hearing, the commissioner shall enter an order disposing of the matter as the facts require. If the licensee fails to appear at a hearing after having been duly notified of it, the licensee shall be considered in default, and the proceeding may be determined against the licensee upon consideration of the order to show cause, the allegations of which may be considered to be true.*

Subd. 3. [APPLICANTS.] *Whenever it appears to the commissioner that a license application should be denied pursuant to subdivision 1, the commissioner shall promptly give a written notice to the applicant of the denial. The notice must state the grounds for the denial and give reasonable notice of the rights of the applicant to request a hearing. A hearing must be held not later than 30 days after the request for the hearing is received by the commissioner unless the applicant and the department of commerce agree that the hearing may be held at a later date. If no hearing is requested within 30 days of service of the notice, the denial will become final. All hearings shall be conducted in accordance with the provisions of chapter 14. After the hearing, the commissioner shall enter an order making such disposition as the facts require. If the applicant fails to appear at a hearing after having been duly notified of it, the person shall be considered in default, and the proceeding may be determined against the applicant upon consideration of the notice denying application, the allegations of which may be considered to be true. All fees accompanying the application and appointment are considered earned and are not refundable.*

Subd. 4. [ACTIONS AGAINST LAPSED LICENSE.] *If a license lapses, is surrendered, withdrawn, terminated, or otherwise becomes ineffective, the commissioner may institute a proceeding under this subdivision within two years after the license was last effective and enter a revocation or suspension order as of the last date on which the license was in effect, or*

impose a civil penalty as provided for in section 45.027, subdivision 6.

Subd. 5. [NOTIFICATION OF ACTION TAKEN BY OTHER STATE.] *An insurance agent shall notify the commissioner within 30 days of any fine imposed on that agent by another state or of a suspension or revocation of license by the commissioner of commerce of this state or the commissioner of insurance of any other state.*

Subd. 6. [CONDITIONS FOR RELICENSURE.] *A revocation of a license shall prohibit the licensee from making a new application for a license for at least two years from the effective date of the revocation. Further, the commissioner shall, as a condition of reapplication, require the applicant to obtain a performance bond issued by an insurer authorized to transact business in this state in the amount of $20,000 or a greater amount the commissioner considers appropriate for the protection of citizens of this state in the event the commissioner grants the application. The bond shall be filed with the commissioner, with the state of Minnesota as obligee, conditioned for the prompt payment to any aggrieved person entitled to payment of any amounts received by the licensee or to protect any aggrieved person from loss resulting from fraudulent, deceptive, dishonest, or other prohibited practices arising out of any transaction when the licensee was licensed or performed acts for which a license is required under this chapter. The bond shall remain operative for as long as that licensee is licensed. The bond required by this subdivision must provide coverage for all matters arising during the period of licensure.*

Sec. 14. [60K.12] [TAX CLEARANCE CERTIFICATE.]

Subdivision 1. [REQUIREMENT FOR ISSUANCE OR RENEWAL OF LICENSE.] *In addition to the provisions of section 60K.11, the commissioner may not issue or renew a license if the commissioner of revenue notifies the commissioner and the licensee or applicant for a license that the licensee or applicant owes the state delinquent taxes in the amount of $500 or more. The commissioner may issue or renew the license only if: (1) the commissioner of revenue issues a tax clearance certificate; and (2) the commissioner of revenue or the licensee or applicant forwards a copy of the clearance certificate to the commissioner. The commissioner of revenue may issue a clearance certificate only if the licensee or applicant does not owe the state any uncontested delinquent taxes.*

Subd. 2. [DEFINITIONS.] *For purposes of this section, the following terms have the meanings given them:*

(1) "taxes" are all taxes payable to the commissioner of revenue, including penalties and interest due on those taxes; and

(2) "delinquent taxes" do not include a tax liability if (i) an administrative or court action that contests the amount or validity of the liability has been filed or served, (ii) the appeal period to contest the tax liability has not expired, or (iii) the licensee or applicant has entered into a payment agreement to pay the liability and is current with the payments.

Subd. 3. [CONTESTED CASE HEARING.] *In lieu of the notice and hearing requirements of section 60K.11, when a licensee or applicant is required to obtain a clearance certificate under this section, a contested case hearing must be held if the licensee or applicant requests a hearing in writing to the commissioner of revenue within 30 days of the date of the notice provided in subdivision 1. The hearing must be held within 45 days of the date the commissioner of revenue refers the case to the office of*

administrative hearings. Notwithstanding any law to the contrary, the licensee or applicant must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the licensee or applicant. The notice may be served personally or by mail.

Subd. 4. [IDENTIFICATION REQUIRED.] *The commissioner shall require all licensees or applicants to provide their social security number and Minnesota business identification number on all license applications. Upon request of the commissioner of revenue, the commissioner must provide to the commissioner of revenue a list of all licensees and applicants, including the name and address, social security number, and business identification number. The commissioner of revenue may request a list of the licensees and applicants no more than once each calendar year.*

Sec. 15. [60K.13] [SURRENDER, LOSS, OR DESTRUCTION OF LICENSE.]

Subdivision 1. [NOTIFICATION.] *The commissioner shall promptly notify the licensee and all appointing insurers, where applicable, of any suspension, revocation, or termination of the licensee's agent's license by the commissioner. Upon receipt of the notice of suspension or revocation of a license, the licensee shall immediately deliver it to the commissioner.*

Subd. 2. [RETURN OF LICENSE.] *An agent whose resident or nonresident license is terminated, as provided in section 60K.11, shall deliver the terminated license to the commissioner by personal delivery or by mail within 30 days after the date of termination.*

Subd. 3. [DUPLICATE LICENSE.] *The commissioner may issue a duplicate license for any lost, stolen, or destroyed license issued pursuant to this section upon an affidavit of the licensee concerning the facts of the loss, theft, or destruction, and the payment of a fee of $3 by money order or cashier's check payable to the state treasurer.*

Sec. 16. [60K.14] [PROHIBITED ACTS.]

Subdivision 1. [PERSONAL SOLICITATION OF INSURANCE SALES.] *(a)* [DEFINITIONS.] *For the purposes of this section, the following terms have the meanings given them:*

(1) "agent" means a person, copartnership, or corporation required to be licensed pursuant to section 60K.02; and

(2) "personal solicitation" means any contact by an agent, or any person acting on behalf of an agent, made for the purpose of selling or attempting to sell insurance, when either the agent or a person acting for the agent contacts the buyer by telephone or in person, except: (i) an attempted sale in which the buyer personally knows the identity of the agent, the name of the general agency, if any, which the agent represents, and the fact that the agent is an insurance agent; (ii) an attempted sale in which the prospective purchaser of insurance initiated the contact; or (iii) a personal contact which takes place at the agent's place of business.

(b) [DISCLOSURE REQUIREMENT.] *Before a personal solicitation, the agent or person acting for an agent shall, at the time of initial personal contact or communication with the potential buyer, clearly and expressly disclose:*

(1) the name of the person making the contact or communication;

(2) the name of the agent, general agency, or insurer that person represents; and

(3) the fact that the agent, agency, or insurer is in the business of selling insurance.

(c) [FALSE REPRESENTATION OF GOVERNMENT AFFILIATION.] *No agent or person acting for an agent shall make any communication to a potential buyer that indicates or gives the impression that the agent is acting on behalf of a government agency.*

Subd. 2. [FEES FOR SERVICES.] *No person shall charge a fee for any services rendered in connection with the solicitation, negotiation, or servicing of any insurance contract unless:*

(1) before rendering the services, a written statement is provided disclosing:

(i) the services for which fees are charged;

(ii) the amount of the fees;

(iii) that the fees are charged in addition to premiums; and

(iv) that premiums include a commission; and

(2) all fees charged are reasonable in relation to the services rendered.

Subd. 3. [COMMISSIONS OR COMPENSATION.] *No commission or other compensation shall be paid or allowed by any person, firm, or corporation to any other person, firm, or corporation acting, or assuming to act, as an insurance agent without a license therefor. A duly licensed agent may pay commissions or assign or direct that commissions be paid to a partnership of which the agent is a member, employee, or agent, or to a corporation of which the agent is an officer, employee, or agent. This subdivision does not prevent the payment or receipt of renewal or other deferred commissions to or by any person solely because the person has ceased to hold a license to act as an insurance agent.*

Subd. 4. [SUITABILITY OF INSURANCE.] *In recommending the purchase of any life, endowment, long-term care, annuity, life-endowment, or Medicare supplement insurance to a customer, an agent must have reasonable grounds for believing that the recommendation is suitable for the customer and must make reasonable inquiries to determine suitability. The suitability of a recommended purchase of insurance will be determined by reference to the totality of the particular customer's circumstances, including, but not limited to, the customer's income, the customer's need for insurance, and the values, benefits, and costs of the customer's existing insurance program, if any, when compared to the values, benefits, and costs of the recommended policy or policies.*

Subd. 5. [PREMIUMS.] *All premiums or other money received by an agent from an insured or applicant for insurance must be forthwith deposited directly in a business checking, savings, or other similar account maintained by the agent or agency, unless the money is forwarded directly to the designated insurer.*

Subd. 6. [PRIVACY OF CLIENT.] *Except as otherwise provided by law, no insurance agent may disclose nor cause to be disclosed to any other person the identity of a person insured through the agent without the consent of the insured.*

Sec. 17. [60K.15] [INSURER'S AGENT.]

Any person who solicits insurance is the agent of the insurer and not the agent of the insured.

Sec. 18. [60K.16] [LIABILITY FOR PLACING INSURANCE IN UNAUTHORIZED COMPANY.]

Any person, regardless of whether that person is required to be licensed as an insurance agent, who participates in any manner in the sale of any insurance policy or certificate, or any other contract providing benefits, for or on behalf of any company which is required to be, but which is not authorized to engage in the business of insurance in this state, other than pursuant to sections 60A.195 to 60A.209, shall be personally liable for all premiums, whether earned or unearned, paid by the insured, and the premiums may be recovered by the insured. In addition, that person shall be personally liable for any loss the insured has sustained or may sustain if the loss is one resulting from a risk or hazard covered in the issued policy, certificate, or contract or which would have been covered if the policy, certificate, or contract had been issued to the purchaser of the insurance.

Sec. 19. [60K.17] [AGENTS: VARIABLE CONTRACTS.]

Subdivision 1. [LICENSE REQUIRED.] *No person shall sell or offer for sale a contract on a variable basis unless prior to making any solicitation or sale the person has obtained from the commissioner a license therefor. The license shall only be granted, upon the written requisition of an insurer, to a qualified person who holds a current license authorizing the person to solicit and sell life insurance and annuity contracts in this state. To become qualified, a person shall complete a written application on a form prescribed by the commissioner and shall take and pass an examination prescribed by the commissioner.*

Subd. 2. [EXCEPTIONS.] *(a) Any regularly salaried officer or employee of a licensed insurer may, without license or other qualification, act on behalf of that licensed insurer in the negotiation of a contract on a variable basis, provided that a licensed agent must participate in the sale of any contract.*

(b) Any person who holds a valid license to solicit and sell life insurance and annuity contracts may solicit and sell contracts on a variable basis without acquiring a license under this subdivision if the contract is based on an account which is excluded from the definition of investment company under the Investment Company Act of 1940, United States Code, title 15, section 80a-3(11).

Subd. 3. [RULES.] *The commissioner may by rule waive or modify any of the requirements in this section or prescribe additional requirements considered necessary for the proper sale and solicitation of contracts on a variable basis.*

Sec. 20. [60K.18] [ALTERING EXISTING POLICIES; WRITTEN BINDERS REQUIRED.]

An insurance agent having express authority to bind coverage, who orally agrees on behalf of an insurer to provide insurance coverage, or to alter an existing insurance agreement, shall execute and deliver a written memorandum or binder containing the terms of the oral agreement to the insured within three business days from the time the oral agreement is entered.

Sec. 21. Minnesota Statutes 1990, section 62A.41, subdivision 4, is amended to read:

Subd. 4. [UNLICENSED SALES.] Notwithstanding section ~~60A.17~~ *60K.02*, subdivision 1, ~~paragraph (d),~~ a person who acts or assumes to act as an insurance agent without a valid license for the purpose of selling or attempting to sell Medicare supplement insurance, and the person who aids or abets the actor, is guilty of a felony and is subject to a civil penalty of not more than $5,000 per violation.

Sec. 22. Minnesota Statutes 1990, section 62C.17, subdivision 5, is amended to read:

Subd. 5. A person shall not be qualified for a license if upon examination or reexamination it is determined that the person is incompetent to act as an agent or solicitor, if the person has acted in any manner which would disqualify a person to hold a license as an insurance agent or solicitor under ~~section 60A.17, subdivision 6~~ *sections 60K.01 to 60K.18*, or if the person fails to produce documents subpoenaed by the commissioner, or fails to appear at a hearing to which the person is a party or has been subpoenaed, if the production of documents or appearance is lawfully required.

Sec. 23. Minnesota Statutes 1990, section 62D.22, subdivision 8, is amended to read:

Subd. 8. All agents, solicitors, and brokers engaged in soliciting or dealing with enrollees or prospective enrollees of a health maintenance organization, whether employees or under contract to the health maintenance organization, shall be subject to the provisions of ~~section 60A.17~~ *sections 60K.01 to 60K.18*, concerning the licensure of health insurance agents, solicitors, and brokers, and lawful rules thereunder. Medical doctors and others who merely explain the operation of health maintenance organizations shall be exempt from the provisions of ~~section 60A.17~~ *sections 60K.01 to 60K.18*. Section ~~60A.17~~ *60K.03*, subdivision ~~1a~~ *2*, ~~paragraph (b)~~ shall not apply except as to provide for an examination of an applicant in the applicant's knowledge concerning the operations and benefits of health maintenance organizations and related insurance matters.

Sec. 24. Minnesota Statutes 1990, section 64B.33, is amended to read:

64B.33 [LICENSING OF AGENTS.]

Agents of societies shall be licensed in accordance with the provisions of ~~chapter~~ *chapters* 60A *and 60K* regulating the licensing, revocation, suspension, or termination of license of resident and nonresident agents, except as otherwise provided in section ~~60A.17, subdivision 1c~~ *60K.05*.

Sec. 25. Minnesota Statutes 1990, section 72A.07, is amended to read:

72A.07 [VIOLATIONS OF LAWS RELATING TO AGENTS, PENALTIES.]

Any person, firm, or corporation violating, or failing to comply with, any of the provisions of ~~section 60A.17~~ *sections 60K.01 to 60K.18* and any person who acts in any manner in the negotiation or transaction of unlawful insurance with an insurance company not licensed to do business in the state, or who, as principal or agent, violates any provision of law relating to the negotiation or effecting of contracts of insurance, shall be guilty of a misdemeanor. Upon the filing of a complaint by the commissioner of commerce in a court of competent jurisdiction against any person violating

any provisions of this section, the county attorney of the county in which the violation occurred shall prosecute the person. Upon the conviction of any agent of any violation of the provisions of ~~section 60A.17~~ *sections 60K.01 to 60K.18*, the commissioner shall suspend the authority of the agent to transact any insurance business within the state for a period of not less than three months. Any insurer employing an agent and failing to procure an appointment, as required by ~~section 60A.17~~ *sections 60K.01 to 60K.18*, or allowing the agent to transact business for it within the state before an appointment has been procured, shall pay the commissioner, for the use of the state, a penalty of $25 for each offense. Each sale of an insurance policy by an agent who is not appointed by an insurance company shall constitute a separate offense, but no insurer shall be required to pay more than $300 in penalties as a result of the activities of a single unappointed agent. In the event of failure to pay a penalty within ten days after notice from the commissioner, the authority of the insurer to do business in this state shall be revoked by the commissioner until the penalty is paid. No insurer whose authority is revoked shall be readmitted until it shall have complied with all the terms and conditions imposed for admission in the first instance. Any action taken by the commissioner under this section shall be subject to review by the district court of the county in which the office of the commissioner is located.

Sec. 26. Minnesota Statutes 1990, section 72A.125, subdivision 2, is amended to read:

Subd. 2. [SALE BY AUTO RENTAL COMPANIES.] An auto rental company that offers or sells rental vehicle personal accident insurance in this state in conjunction with the rental of a vehicle shall only sell these products if the forms and rates have met the relevant requirements of section 62A.02, taking into account the possible infrequency and severity of loss that may be incurred. Sections ~~60A.17 and~~ 60A.1701 *and 60K.01 to 60K.18* do not apply if the persons engaged in the sale of these products are employees of the auto rental company who do not receive commissions or other remuneration for selling the product in addition to their regular compensation. Compensation may not be determined in any part by the sale of insurance products. The auto rental company before engaging in the sale of the product must file with the commissioner the following documents:

(1) an appointment of the commissioner as agent for service of process;

(2) an agreement that the auto rental company assumes all responsibility for the authorized actions of all unlicensed employees who sell the insurance product on its behalf in conjunction with the rental of its vehicles;

(3) an agreement that the auto rental company with respect to itself and its employees will be subject to this chapter regarding the marketing of the insurance products and the conduct of those persons involved in the sale of insurance products in the same manner as if it were a licensed agent.

An auto rental company failing to file the documents in clauses (1) to (3) is guilty of an individual violation as to the unlicensed sale of insurance for each sale that occurs after August 1, 1987, until they make the required filings. Each individual sale after August 1, 1987, and prior to the filing required by this section is subject to, in addition to any other penalties allowable by law, up to a $200 per violation fine. Further, the sale of the insurance product by an auto rental company or any employee or agent of the company after August 1, 1987, without having complied with this section shall be deemed to be in acceptance of the provisions of this section.

Insurance sold pursuant to this subdivision must be limited in availability to rental vehicle customers though coverage may extend to the customer, other drivers, and passengers using or riding in the rented vehicles; and limited in duration to a period equal to and concurrent with that of the vehicle rental.

Persons purchasing rental vehicle personal accident insurance may be provided a certificate summarizing the policy provisions in lieu of a copy of the policy if a copy of the policy is available for inspection at the place of sale and a free copy of the policy may be obtained from the auto rental company's home office.

The commissioner may, after a hearing, revoke an auto rental company's right to operate under this section if the company has repeatedly violated the insurance laws of this state and the revocation is in the public interest.

Sec. 27. Minnesota Statutes 1990, section 72A.201, subdivision 3, is amended to read:

Subd. 3. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given them.

(1) Adjuster or adjusters. "Adjuster" or "adjusters" is as defined in section 72B.02.

(2) Agent. "Agent" means insurance agents or insurance agencies licensed pursuant to ~~section 60A.17~~ *sections 60K.01 to 60K.18*, and representatives of these agents or agencies.

(3) Claim. "Claim" means a request or demand made with an insurer for the payment of funds or the provision of services under the terms of any policy, certificate, contract of insurance, binder, or other contracts of temporary insurance. The term does not include a claim under a health insurance policy made by a participating provider with an insurer in accordance with the participating provider's service agreement with the insurer which has been filed with the commissioner of commerce prior to its use.

(4) Claim settlement. "Claim settlement" means all activities of an insurer related directly or indirectly to the determination of the extent of liabilities due or potentially due under coverages afforded by the policy, and which result in claim payment, claim acceptance, compromise, or other disposition.

(5) Claimant. "Claimant" means any individual, corporation, association, partnership, or other legal entity asserting a claim against any individual, corporation, association, partnership, or other legal entity which is insured under an insurance policy or insurance contract of an insurer.

(6) Complaint. "Complaint" means a communication primarily expressing a grievance.

(7) Insurance policy. "Insurance policy" means any evidence of coverage issued by an insurer including all policies, contracts, certificates, riders, binders, and endorsements which provide or describe coverage. The term includes any contract issuing coverage under a self-insurance plan, group self-insurance plan, or joint self-insurance employee health plans.

(8) Insured. "Insured" means an individual, corporation, association, partnership, or other legal entity asserting a right to payment under their insurance policy or insurance contract arising out of the occurrence of the contingency or loss covered by the policy or contract. The term does not apply to a person who acquires rights under a mortgage.

(9) Insurer. "Insurer" includes any individual, corporation, association, partnership, reciprocal exchange, Lloyds, fraternal benefits society, self-insurer, surplus line insurer, self-insurance administrator, and nonprofit service plans under the jurisdiction of the department of commerce.

(10) Investigation. "Investigation" means a reasonable procedure adopted by an insurer to determine whether to accept or reject a claim.

(11) Notification of claim. "Notification of claim" means any communication to an insurer by a claimant or an insured which reasonably apprises the insurer of a claim brought under an insurance contract or policy issued by the insurer. Notification of claim to an agent of the insurer is notice to the insurer.

(12) Proof of loss. "Proof of loss" means the necessary documentation required from the insured to establish entitlement to payment under a policy.

(13) Self-insurance administrator. "Self-insurance administrator" means any vendor of risk management services or entities administering self-insurance plans, licensed pursuant to section 60A.23, subdivision 8.

(14) Self-insured or self-insurer. "Self-insured" or "self-insurer" means any entity authorized pursuant to section 65B.48, subdivision 3; chapter 62H; section 176.181, subdivision 2; Laws of Minnesota 1983, chapter 290, section 171; section 471.617; or section 471.981 and includes any entity which, for a fee, employs the services of vendors of risk management services in the administration of a self-insurance plan as defined by section 60A.23, subdivision 8, clause (2), subclauses (a) and (d).

Sec. 28. Minnesota Statutes 1990, section 270B.07, subdivision 1, is amended to read:

Subdivision 1. [DISCLOSURE TO LICENSING AUTHORITIES.] The commissioner may disclose return information with respect to returns filed under Minnesota tax laws to licensing authorities of the state or political subdivisions of the state to the extent necessary to enforce the license clearance programs under sections ~~60A.17~~ *60K.12*, 82.27, 147.091, 148.10, 150A.08, and 270.72.

Sec. 29. [REVISOR INSTRUCTION.]

(a) The revisor shall recodify Minnesota Statutes, section 60A.1701, as Minnesota Statutes, section 60K.19, and shall make the necessary cross-reference changes in Minnesota Statutes and Minnesota Rules.

(b) If a provision of Minnesota Statutes, chapter 60A, repealed by this article is also amended in the 1992 regular legislative session by other law, the revisor shall recodify the amendment to be part of the recodification, notwithstanding Minnesota Statutes, section 645.30.

Sec. 30. [REPEALER.]

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; and Minnesota Statutes 1991 Supplement, section 60A.17, subdivision 1d, are repealed.

Sec. 31. [EFFECTIVE DATE.]

Section 8 is effective for the licensing year beginning June 1, 1992.

ARTICLE 4

MISCELLANEOUS

Section 1. [45.0291]

Bonds issued under chapters 45 to 83, 309, 332, and sections 326.83 to 326.98, are not state bonds or contracts for purposes of sections 8.05 and 16B.06, subdivision 2.

Sec. 2. Minnesota Statutes 1990, section 46.03, is amended to read:

46.03 [SEAL OF DEPARTMENT OF COMMERCE.]

The commissioner of commerce, in chapters 46 to 59, called the commissioner, shall devise a seal for official use, which shall continue to be the seal of the department of commerce. *The seal must be capable of being legibly reproduced under photographic methods.* A description of the seal~~: with an impression thereof~~, *and a copy of it,* shall be filed in the office of the secretary of state.

Sec. 3. [60A.085] [CANCELLATION OF GROUP COVERAGE; NOTIFICATION TO COVERED PERSONS.]

(a) No cancellation of any group life, group accidental death and dismemberment, group disability income, or group medical expense policy, plan, or contract is effective unless the insurer has made a good faith effort to notify all covered persons of the cancellation at least 30 days before the effective cancellation date. For purposes of this section, an insurer has made a good faith effort to notify all covered persons if the insurer has notified all the persons included on the list required by paragraph (b) at the home address given and only if the list has been updated within the last 12 months.

(b) At the time of the application for coverage subject to paragraph (a), the insurer shall obtain an accurate list of the names and home addresses of all persons to be covered. The insurer shall obtain an update of the list at least once during each subsequent 12-month period while the policy, plan, or contract is in force.

Sec. 4. Minnesota Statutes 1990, section 60A.23, subdivision 8, is amended to read:

Subd. 8. [SELF-INSURANCE OR INSURANCE PLAN ADMINISTRATORS WHO ARE VENDORS OF RISK MANAGEMENT SERVICES.] (1) [SCOPE.] This subdivision applies to any vendor of risk management services and to any entity which administers, for compensation, a self-insurance or insurance plan. This subdivision does not apply (a) to an insurance company authorized to transact insurance in this state, as defined by section 60A.06, subdivision 1, clauses (4) and (5); (b) to a service plan corporation, as defined by section 62C.02, subdivision 6; (c) to a health maintenance organization, as defined by section 62D.02, subdivision 4; (d) to an employer directly operating a self-insurance plan for its employees' benefits; or (e) to an entity which administers a program of health benefits established pursuant to a collective bargaining agreement between an employer, or group or association of employers, and a union or unions.

(2) [DEFINITIONS.] For purposes of this subdivision the following terms have the meanings given them.

(a) "Administering a self-insurance or insurance plan" means (i) processing, reviewing or paying claims, (ii) establishing or operating funds and accounts, or (iii) otherwise providing necessary administrative services in connection with the operation of a self-insurance or insurance plan.

(b) "Employer" means an employer, as defined by section 62E.02, subdivision 2.

(c) "Entity" means any association, corporation, partnership, sole proprietorship, trust, or other business entity engaged in or transacting business in this state.

(d) "Self-insurance or insurance plan" means a plan providing life, medical or hospital care, accident, sickness or disability insurance, as an employee fringe benefit, or a plan providing liability coverage for any other risk or hazard, which is or is not directly insured or provided by a licensed insurer, service plan corporation, or health maintenance organization.

(e) "Vendor of risk management services" means an entity providing for compensation actuarial, financial management, accounting, legal or other services for the purpose of designing and establishing a self-insurance or insurance plan for an employer.

(3) [LICENSE.] No vendor of risk management services or entity administering a self-insurance or insurance plan may transact this business in this state unless it is licensed to do so by the commissioner. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license may be granted only when the commissioner is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner may issue a license subject to restrictions or limitations upon the authorization, including the type of services which may be supplied or the activities which may be engaged in. The license fee is $100. All licenses are for a period of two years.

(4) [REGULATORY RESTRICTIONS; POWERS OF THE COMMISSIONER.] To assure that self-insurance or insurance plans are financially solvent, are administered in a fair and equitable fashion, and are processing claims and paying benefits in a prompt, fair, and honest manner, vendors of risk management services and entities administering insurance or self-insurance plans are subject to the supervision and examination by the commissioner. Vendors of risk management services, entities administering insurance or self-insurance plans, and insurance or self-insurance plans established or operated by them are subject to the trade practice requirements of sections 72A.19 to 72A.30. *In lieu of an unlimited guarantee from a parent corporation for a vendor of risk management services or an entity administering insurance or self-insurance plans, the commissioner may accept a fidelity bond in a form satisfactory to the commissioner in an amount equal to 120 percent of the total amount of claims handled by the applicant in the prior year. If at any time the total amount of claims handled during a year exceeds the amount upon which the bond was calculated, the administrator shall immediately notify the commissioner. The commissioner may require that the bond be increased accordingly.*

(5) [RULEMAKING AUTHORITY.] To carry out the purposes of this subdivision, the commissioner may adopt rules, including emergency rules, pursuant to sections 14.001 to 14.69. These rules may:

(a) establish reporting requirements for administrators of insurance or self-insurance plans;

(b) establish standards and guidelines to assure the adequacy of financing, reinsuring, and administration of insurance or self-insurance plans;

(c) establish bonding requirements or other provisions assuring the financial integrity of entities administering insurance or self-insurance plans; or

(d) establish other reasonable requirements to further the purposes of this subdivision.

Sec. 5. Minnesota Statutes 1990, section 62A.146, is amended to read:

62A.146 [CONTINUATION OF BENEFITS TO SURVIVORS.]

No policy, *contract*, or plan of accident and health protection issued by an insurer, nonprofit health service plan corporation, or health maintenance organization, providing coverage of hospital or medical expense on either an expense incurred basis or other than an expense incurred basis which in addition to coverage of the insured, subscriber, or enrollee, also provides coverage to dependents, shall, except upon the written consent of the survivor or survivors of the deceased insured, subscriber, or enrollee, terminate, suspend, or otherwise restrict the participation in or the receipt of benefits otherwise payable under the policy, *contract*, or plan to the survivor or survivors until the earlier of the following dates:

(a) the date the surviving spouse becomes covered under another group health plan; or

(b) the date coverage would have terminated under the policy, *contract*, or plan had the insured, subscriber, or enrollee lived.

The survivor or survivors, in order to have the coverage and benefits extended, may be required to pay the entire cost of the protection on a monthly basis. *The policy, contract, or plan must require the group policyholder or contract holder to, upon request, provide the insured, subscriber, or enrollee with written verification from the insurer of the cost of this coverage promptly at the time of eligibility for this coverage and at any time during the continuation period.* In no event shall the amount of premium or fee contributions charged exceed 102 percent of the cost to the plan for such period of coverage for other similarly situated spouses and dependent children who are not the survivors of a deceased insured, without regard to whether such cost is paid by the employer or employee. Failure of the survivor to make premium or fee payments within 90 days after notice of the requirement to pay the premiums or fees shall be a basis for the termination of the coverage without written consent. In event of termination by reason of the survivor's failure to make required premium or fee contributions, written notice of cancellation must be mailed to the survivor's last known address at least 30 days before the cancellation. If the coverage is provided under a group policy, *contract*, or plan, any required premium or fee contributions for the coverage shall be paid by the survivor to the group policyholder or contract holder for remittance to the insurer, nonprofit health service plan corporation, or health maintenance organization.

Sec. 6. Minnesota Statutes 1990, section 62A.17, subdivision 2, is amended to read:

Subd. 2. [RESPONSIBILITY OF EMPLOYEE.] Every covered employee electing to continue coverage shall pay the former employer, on a monthly

basis, the cost of the continued coverage. *The policy, contract, or plan must require the group policyholder or contract holder to, upon request, provide the employee with written verification from the insurer of the cost of this coverage promptly at the time of eligibility for this coverage and at any time during the continuation period.* If the policy, contract, or health care plan is administered by a trust, every covered employee electing to continue coverage shall pay the trust the cost of continued coverage according to the eligibility rules established by the trust. In no event shall the amount of premium charged exceed 102 percent of the cost to the plan for such period of coverage for similarly situated employees with respect to whom neither termination nor layoff has occurred, without regard to whether such cost is paid by the employer or employee. The employee shall be eligible to continue the coverage until the employee becomes covered under another group health plan, or for a period of 18 months after the termination of or lay off from employment, whichever is shorter. If the employee becomes covered under another group policy, contract, or health plan and the new group policy, contract, or health plan contains any preexisting condition limitations, the employee may, subject to the 18-month maximum continuation limit, continue coverage with the former employer until the preexisting condition limitations have been satisfied. The new policy, contract, or health plan is primary except as to the preexisting condition. In the case of a newborn child who is a dependent of the employee, the new policy, contract, or health plan is primary upon the date of birth of the child, regardless of which policy, contract, or health plan coverage is deemed primary for the mother of the child.

Sec. 7. Minnesota Statutes 1990, section 62A.21, subdivision 2a, is amended to read:

Subd. 2a. [CONTINUATION PRIVILEGE.] Every policy described in subdivision 1 shall contain a provision which permits continuation of coverage under the policy for the insured's former spouse and dependent children upon entry of a valid decree of dissolution of marriage. The coverage shall be continued until the earlier of the following dates:

(a) the date the insured's former spouse becomes covered under any other group health plan; or

(b) the date coverage would otherwise terminate under the policy.

If the coverage is provided under a group policy, any required premium contributions for the coverage shall be paid by the insured on a monthly basis to the group policyholder for remittance to the insurer. *The policy must require the group policyholder to, upon request, provide the insured with written verification from the insurer of the cost of this coverage promptly at the time of eligibility for this coverage and at any time during the continuation period.* In no event shall the amount of premium charged exceed 102 percent of the cost to the plan for such period of coverage for other similarly situated spouses and dependent children with respect to whom the marital relationship has not dissolved, without regard to whether such cost is paid by the employer or employee.

Sec. 8. [62A.285] [PROHIBITED UNDERWRITING; BREAST IMPLANTS.]

Subdivision 1. [SCOPE OF COVERAGE.] *This section applies to all policies of accident and health insurance regulated under this chapter, 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. This section does not apply to policies, plans, certificates, or contracts payable on a fixed indemnity or nonexpense incurred basis, or policies, plans, certificates, or contracts that provide only accident coverage.

Subd. 2. [REQUIRED COVERAGE.] *No policy, plan, certificate, or contract referred to in subdivision 1 shall be issued or renewed to provide coverage to a Minnesota resident if it provides an exclusion, reduction, or other limitation as to coverage, deductible, coinsurance, or copayment applicable solely to conditions caused by breast implants.*

Subd. 3. [REFUSAL TO ISSUE OR RENEW.] *No issuer of a policy, plan, certificate, or contract referred to in subdivision 1 shall refuse to issue or renew at standard premium rates a policy, plan, certificate, or contract referred to in subdivision 1 solely because the prospective insured or enrollee has breast implants.*

Subd. 4. [EXCLUSION PERMITTED.] *A policy, plan, certificate, or contract referred to in subdivision 1 may limit or exclude coverage for conditions caused by breast implants, if the conditions were diagnosed prior to the date that coverage for the person begins.*

Sec. 9. Minnesota Statutes 1990, section 62C.142, subdivision 2a, is amended to read:

Subd. 2a. [CONTINUATION PRIVILEGE.] Every subscriber contract, other than a contract whose continuance is contingent upon continued employment or membership, shall contain a provision which permits continuation of coverage under the contract for the subscriber's former spouse and children upon entry of a valid decree of dissolution of marriage, if the decree requires the subscriber to provide continued coverage for those persons. The coverage may be continued until the earlier of the following dates:

(a) the date of remarriage of either the subscriber or the subscriber's former spouse; or

(b) the date coverage would otherwise terminate under the subscriber contract.

The contract must require the group contract holder to, upon request, provide the insured with written verification from the insurer of the cost of this coverage promptly at the time of eligibility for this coverage and at any time during the continuation period. In no event shall the amount of premium charged exceed 102 percent of the cost to the plan for such period of coverage for other similarly situated spouses and dependent children with respect to whom the marital relationship has not dissolved, without regard to whether such cost is paid by the employer or employee.

Sec. 10. Minnesota Statutes 1990, section 62D.101, subdivision 2a, is amended to read:

Subd. 2a. [CONTINUATION PRIVILEGE.] Every health maintenance contract as described in subdivision 1 shall contain a provision which permits continuation of coverage under the contract for the enrollee's former spouse and children upon entry of a valid decree of dissolution of marriage. The coverage shall be continued until the earlier of the following dates:

(a) the date the enrollee's former spouse becomes covered under another group plan or Medicare; or

(b) the date coverage would otherwise terminate under the health maintenance contract.

If coverage is provided under a group policy, any required premium contributions for the coverage shall be paid by the enrollee on a monthly basis to the group contract holder to be paid to the health maintenance organization. *The contract must require the group contract holder to, upon request, provide the enrollee with written verification from the insurer of the cost of this coverage promptly at the time of eligibility for this coverage and at any time during the continuation period.* In no event shall the fee charged exceed 102 percent of the cost to the plan for the period of coverage for other similarly situated spouses and dependent children when the marital relationship has not dissolved, regardless of whether the cost is paid by the employer or employee.

Sec. 11. Minnesota Statutes 1991 Supplement, section 62E.10, subdivision 9, is amended to read:

Subd. 9. [EXPERIMENTAL DELIVERY METHOD.] The association may petition the commissioner of commerce for a waiver to allow the experimental use of alternative means of health care delivery. The commissioner may approve the use of the alternative means the commissioner considers appropriate. The commissioner may waive any of the requirements of this chapter and chapters 60A, 62A, and 62D in granting the waiver. The commissioner may also grant to the association any additional powers as are necessary to facilitate the specific waiver, including the power to implement a provider payment schedule.

This subdivision is effective until August 1, ~~1992~~ *1993*.

Sec. 12. Minnesota Statutes 1991 Supplement, section 62E.12, is amended to read:

62E.12 [MINIMUM BENEFITS OF COMPREHENSIVE HEALTH INSURANCE PLAN.]

The association through its comprehensive health insurance plan shall offer policies which provide the benefits of a number one qualified plan~~,~~ *and* a number two qualified plan, *except that the maximum lifetime benefit on these plans shall be $1,000,000,* and basic and extended basic Medicare supplement plans. The requirement that a policy issued by the association must be a qualified plan is satisfied if the association contracts with a preferred provider network and the level of benefits for services provided within the network satisfies the requirements of a qualified plan. If the association uses a preferred provider network, payments to nonparticipating providers must meet the minimum requirements of section 72A.20, subdivision 15. They shall offer health maintenance organization contracts in those areas of the state where a health maintenance organization has agreed to make the coverage available and has been selected as a writing carrier. Notwithstanding the provisions of section 62E.06 the state plan shall exclude coverage of services of a private duty nurse other than on an inpatient basis and any charges for treatment in a hospital located outside of the state of Minnesota in which the covered person is receiving treatment for a mental or nervous disorder, unless similar treatment for the mental or nervous disorder is medically necessary, unavailable in Minnesota and provided upon referral by a licensed Minnesota medical practitioner.

Sec. 13. Minnesota Statutes 1990, section 65A.29, subdivision 11, is amended to read:

Subd. 11. [NONRENEWAL PLAN.] Every insurer shall establish a plan that sets out the minimum number and amount of claims during an experience period that may result in a nonrenewal. A clear and concise written statement of this plan must be provided to the insured ~~at the time claim forms and instructions are provided to the insured or a claimant under section 72A.201, subdivision~~ 4 *when any future losses may result in nonrenewal of the policy*.

The plan must, at a minimum, comply with the requirements of subdivision 8 and the rules adopted by the commissioner.

Sec. 14. Minnesota Statutes 1990, section 72A.20, is amended by adding a subdivision to read:

Subd. 28. [CONVERSION FEES PROHIBITED.] *An issuer providing health coverage through conversion policies, plans, or contracts shall not impose a fee or charge, other than the premium, for issuing these policies, plans, or contracts.*

Sec. 15. Minnesota Statutes 1990, section 332.15, subdivision 4, is amended to read:

Subd. 4. [BOND.] Every applicant shall submit to the commissioner at the time of the application for a license, a surety bond ~~to be approved by the attorney general~~ in which the applicant shall be the obligor, in a sum to be determined by the commissioner but not less than $5,000, and in which an insurance company, which is duly authorized by the state of Minnesota to transact the business of fidelity and surety insurance, shall be a surety; provided, however, the commissioner may accept a deposit in cash, or securities such as may legally be purchased by savings banks or for trust funds of an aggregate market value equal to the bond requirement, in lieu of the surety bond, such cash or securities to be deposited with the state treasurer. The commissioner may also require a fidelity bond in an appropriate amount covering employees of any applicant. Each branch office or additional place of business of an applicant shall be bonded as provided herein. In determining the bond amount necessary for the maintenance of any office be it surety, fidelity or both the commissioner shall consider the financial responsibility, experience, character and general fitness of the agency and its operators and owners; the volume of business handled or proposed to be handled; the location of the office and the geographical area served or proposed to be served; and such other information the commissioner may deem pertinent based upon past performance, previous examinations, annual reports and manner of business conducted in other states.

Sec. 16. Minnesota Statutes 1991 Supplement, section 332.55, is amended to read:

332.55 [BOND.]

A credit services organization must submit to the commissioner at the time of registration, a surety bond of $10,000 ~~to be approved by the attorney general~~ and in which an insurance company, which is authorized by the state of Minnesota to transact the business of fidelity and surety insurance, is a surety. The credit services organization must be the obligor. The bond must benefit the state of Minnesota and any person who may have a cause of action against the obligor arising out of the obligor's activities as a credit

services organization. The commissioner may accept a deposit in cash, or securities that may be legally purchased by savings banks or for trust funds of an aggregate market value equal to the bond requirement, in lieu of the surety bond. The cash or securities must be deposited with the state treasurer.

Sec. 17. Minnesota Statutes 1991 Supplement, section 345.485, is amended to read:

345.485 [*RECOVERY OF* PROPERTY ~~IN OTHER STATES~~ *BY OTHERS.*]

The commissioner may request that the attorney general of another state or another person or entity in the other state make a demand or bring an action to recover unclaimed property in the name of the commissioner in the other state. *The commissioner may request that another person or entity make a demand or bring an action to recover unclaimed property in this state in the name of the commissioner.* This state shall pay all expenses including attorney fees incurred under this section. The commissioner may agree to pay fees to the person or entity making the demand or bringing the action based in whole or in part on a percentage of the value of any property recovered. Expenses paid under this section shall not reduce the amount to which the claimant is entitled.

Sec. 18. [MINIMUM LOSS RATIO STUDY.]

The commissioner of commerce shall study the effect of minimum loss ratios required under Minnesota Statutes, section 62A.135, and report to the legislature by January 31, 1993.

Sec. 19. [EFFECTIVE DATE.]

Section 8 is effective the day following final enactment.

ARTICLE 5

Section 1. Minnesota Statutes 1990, section 62B.07, is amended by adding a subdivision to read:

Subd. 8. [ANNUAL REPORT.] *Each insurer that sold insurance regulated under this chapter in this state or to a Minnesota resident during the preceding calendar year shall file, as a supplement to its annual statement, a report covering that calendar year. The report must include the following data for coverage regulated by this chapter and sold in this state or to a Minnesota resident, all shown separately for each rate for each policy form or certificate form used for credit insurance regulated under chapter 62B:*

(1) claims incurred;

(2) premiums earned;

(3) expenses other than claims;

(4) the data described in clauses (1), (2), and (3), shown separately for policies sold at each premium rate used by the insurer;

(5) a statement as to whether the insurer applies or has applied underwriting criteria to coverage sold under this chapter, a description of any such criteria and the specific policies or certificates to which the criteria are applied;

(6) information as to the compensation paid in regard to the sale of credit insurance regulated under chapter 62B as follows:

(i) the name and address of each person or company to whom compensation

was paid;

(ii) the total compensation paid to each person or company; and

(iii) the total premiums written by each person or company for which the compensation in clause (2) was paid; and

(7) any other information requested by the commissioner.

For purposes of this section, "compensation" includes pecuniary or non-pecuniary remuneration of any kind relating to the sale or renewal of the policy or certificate, including but not limited to bonuses, gifts, prizes, awards, dividends, experience refunds, retrospective commissions, finder's fees, and increased or decreased prices for other transactions with the insurer.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective for the annual report due after January 1, 1993."

Delete the title and insert:

"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; regulating annual reports on credit insurance; making various technical changes; amending Minnesota Statutes 1990, sections 45.012; 45.027, by adding subdivisions; 45.028, subdivision 1; 46.03; 48.185, subdivision 7; 59A.08, subdivisions 1 and 4; 59A.11, subdivision 4; 59A.12, subdivision 1; 60A.02, subdivision 7, and by adding a subdivision; 60A.03, subdivision 2; 60A.07, subdivisions 1 and 10; 60A.12, subdivision 4; 60A.1701, subdivisions 3 and 7; 60A.19, subdivision 4; 60A.201, subdivision 4; 60A.203; 60A.206, subdivision 3; 60A.21, subdivision 2; 60A.23, subdivision 8; 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.07, by adding a subdivision; 62C.142, subdivision 2a; 62C.17, subdivision 5; 62D.101, subdivision 2a; 62D.22, subdivision 8; 62E.02, subdivision 23; 62E.10, subdivision 1; 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; 65A.29, subdivision 11; 65B.133, subdivision 4; 71A.02, subdivision 3; 72A.07; 72A.125, subdivision 2; 72A.20, subdivisions 23, 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; 332.15, subdivision 4; and 543.08; Minnesota Statutes 1991 Supplement, sections 45.027, subdivisions 1, 2, 5, 6, and 7; 60A.13, subdivision 3a; 60D.15, subdivision 4; 60D.17, subdivision 4; 62E.10, subdivision 9; 62E.12; 72A.201, subdivision 8; 82B.15, subdivision 3; 332.55; and 345.485; Laws 1991, chapter 233, section 111; proposing

coding for new law in Minnesota Statutes, chapters 45; 60A; 62A; 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."

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

House Conferees: (Signed) Wesley J. "Wes" Skoglund, Ted Winter, Jerry Knickerbocker

Senate Conferees: (Signed) Sam G. Solon, Allan H. Spear, William V. Belanger, Jr.

Mr. Solon moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1681 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 1681 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, D.J.	Mehrkens	Price
Beckman	DeCramer	Johnson, J.B.	Metzen	Ranum
Belanger	Dicklich	Johnston	Moe, R.D.	Reichgott
Benson, D.D.	Finn	Kelly	Mondale	Sams
Benson, J.E.	Flynn	Knaak	Morse	Samuelson
Berglin	Frank	Kroening	Neuville	Solon
Bernhagen	Frederickson, D.J.	Laidig	Novak	Spear
Bertram	Frederickson, D.R.	Langseth	Olson	Stumpf
Brataas	Halberg	Lessard	Pappas	Terwilliger
Cohen	Hottinger	Luther	Pariseau	Traub
Dahl	Hughes	Marty	Piper	Vickerman
Davis	Johnson, D.E.	McGowan	Pogemiller	Waldorf

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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.

Senate File No. 1644 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

CONCURRENCE AND REPASSAGE

Mr. Finn moved that the Senate concur in the amendments by the House to S.F. No. 1644 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1644 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, J.B.	Merriam	Ranum
Beckman	Dicklich	Johnston	Metzen	Riveness
Benson, D.D.	Finn	Kelly	Moe, R.D.	Sams
Benson, J.E.	Flynn	Knaak	Mondale	Samuelson
Berg	Frank	Kroening	Morse	Spear
Berglin	Frederickson, D.J.	Laidig	Neuville	Stumpf
Bernhagen	Frederickson, D.R.	Langseth	Olson	Terwilliger
Bertram	Gustafson	Larson	Pappas	Traub
Chmielewski	Hottinger	Lessard	Pariseau	Vickerman
Cohen	Hughes	Marty	Piper	Waldorf
Davis	Johnson, D.E.	McGowan	Pogemiller	
Day	Johnson, D.J.	Mehrkens	Price	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Beckman moved that the name of Mr. Davis be added as a co-author to S.F. No. 1524. The motion prevailed.

CONFIRMATION

Mr. Metzen moved that the report from the Committee on Economic Development and Housing, reported March 4, 1992, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Metzen moved that the foregoing report be now adopted. The motion prevailed.

Mr. Metzen moved that in accordance with the report from the Committee on Economic Development and Housing, reported March 4, 1992, the Senate, having given its advice, do now consent to and confirm the appointment of:

MINNESOTA HOUSING FINANCE AGENCY
COMMISSIONER

James J. Solem, 1975 Autumn Street, Falcon Heights, Ramsey County, Minnesota, effective September 26, 1991, for a term expiring on the first Monday in January, 1995.

The motion prevailed. So the appointment was confirmed.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 2432: 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.

Senate File No. 2432 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

CONCURRENCE AND REPASSAGE

Mr. Berg moved that the Senate concur in the amendments by the House to S.F. No. 2432 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2432 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 58 and nays 5, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnston	Merriam	Renneke
Beckman	Day	Kelly	Moe, R.D.	Riveness
Belanger	DeCramer	Knaak	Morse	Sams
Benson, D.D.	Flynn	Kroening	Neuville	Samuelson
Benson, J.E.	Frank	Laidig	Olson	Spear
Berg	Frederickson, D.J.	Langseth	Pappas	Stumpf
Berglin	Frederickson, D.R.	Larson	Pariseau	Terwilliger
Bernhagen	Gustafson	Lessard	Piper	Traub
Bertram	Halberg	Luther	Pogemiller	Vickerman
Brataas	Hottinger	Marty	Price	Waldorf
Cohen	Hughes	McGowan	Ranum	
Dahl	Johnson, D.E.	Mehrkens	Reichgott	

Those who voted in the negative were:

Chmielewski	Dicklich	Finn	Johnson, D.J.	Johnson, J.B.

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2848, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2848 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

CONFERENCE COMMITTEE REPORT ON 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.

April 16, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 2848, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 2848 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. [RATIFICATIONS.]

Subdivision 1. [COUNCIL 6.] *The labor agreement between the state of Minnesota and state bargaining units 2, 3, 4, 6, and 7, represented by the American Federation of State, County, and Municipal Employees, Council*

6, approved by the legislative commission on employee relations on July 30, 1991, is ratified.

Subd. 2. [COUNCIL 6.] *The labor agreement between the state of Minnesota and state bargaining unit 8, represented by the American Federation of State, County, and Municipal Employees, Council 6, approved by the legislative commission on employee relations on September 12, 1991, is ratified.*

Subd. 3. [PROFESSIONAL EMPLOYEES.] *The labor agreement between the state of Minnesota and the Minnesota Association of Professional Employees, approved by the legislative commission on employee relations on September 12, 1991, is ratified.*

Subd. 4. [SUPERVISORS.] *The labor agreement between the state of Minnesota and the Middle Management Association, approved by the legislative commission on employee relations on September 12, 1991, is ratified.*

Subd. 5. [ENGINEERS.] *The labor agreement between the state of Minnesota and the Minnesota Government Engineers Council, approved by the legislative commission on employee relations on September 12, 1991, is ratified.*

Subd. 6. [MANAGERIAL PLAN.] *The commissioner of employee relations' plan for managerial employees, approved by the legislative commission on employee relations on September 12, 1991, is ratified.*

Subd. 7. [COMMISSIONER'S PLAN.] *The commissioner of employee relations' plan for unrepresented employees, approved by the legislative commission on employee relations on September 12, 1991, is ratified.*

Subd. 8. [SPECIAL TEACHERS.] *The labor agreement between the state of Minnesota and the State Residential Schools Education Association, approved by the legislative commission on employee relations on November 19, 1991, is ratified.*

Subd. 9. [UNCLASSIFIED EMPLOYEES; HIGHER EDUCATION COORDINATING BOARD.] *The plan for unclassified employees of the higher education coordinating board, as approved by the department of employee relations on November 14, 1991, and by the legislative commission on employee relations on November 19, 1991, is ratified.*

Subd. 10. [NURSES.] *The labor agreement between the state of Minnesota and the Minnesota Nurses Association, approved by the legislative commission on employee relations on January 6, 1992, is ratified.*

Subd. 11. [COMMUNITY COLLEGE FACULTY.] *The labor agreement between the state of Minnesota and the Minnesota Community College Faculty Association, approved by the legislative commission on employee relations on January 6, 1992, is ratified.*

Subd. 12. [UNCLASSIFIED EMPLOYEES, COMMUNITY COLLEGE SYSTEM.] *The plan for unclassified employees of the community college system, as approved by the department of employee relations on December 27, 1991, and by the legislative commission on employee relations on January 6, 1992, is ratified.*

Subd. 13. [UNCLASSIFIED EMPLOYEES; TECHNICAL COLLEGE BOARD.] *The plan for unclassified employees of the technical college board, as approved by the department of employee relations on November 14, 1991, and by the legislative commission on employee relations on January 16,*

1992, is ratified.

Subd. 14. [ADMINISTRATIVE LAW JUDGES; OFFICE OF ADMINISTRATIVE HEARINGS.] *The plan for administrative law judges of the office of administrative hearings, as approved by the department of employee relations on December 27, 1991, and by the legislative commission on employee relations on January 16, 1992, is ratified.*

Subd. 15. [CHANCELLOR; TECHNICAL COLLEGE SYSTEM.] *The salary for the chancellor of the technical college system, approved by the legislative commission on employee relations on January 16, 1992, is ratified.*

Subd. 16. [CHANCELLOR; COMMUNITY COLLEGE SYSTEM.] *The salary for the chancellor of the community college system, approved by the legislative commission on employee relations on January 16, 1992, is ratified.*

Subd. 17. [DIRECTOR; HIGHER EDUCATION COORDINATING BOARD.] *The salary for the director of the higher education coordinating board, approved by the legislative commission on employee relations on January 16, 1992, is ratified.*

Subd. 18. [CHANCELLOR; HIGHER EDUCATION BOARD.] *The salary for the chancellor of the higher education board, approved by the legislative commission on employee relations on January 16, 1992, is ratified.*

Subd. 19. [STATE UNIVERSITY FACULTY.] *The labor agreement between the state of Minnesota and the inter-faculty organization, approved by the legislative commission on employee relations on March 9, 1992, is ratified.*

Subd. 20. [STATE UNIVERSITY ADMINISTRATIVE UNIT.] *The labor agreement between the state of Minnesota and the Minnesota state university association of administrative and service faculty, approved by the legislative commission on employee relations on March 9, 1992, is ratified.*

Subd. 21. [STATE UNIVERSITY UNREPRESENTED EMPLOYEES PLAN.] *The plan for unrepresented employees of the state university system, as approved by the department of employee relations on March 9, 1992, and by the legislative commission on employee relations on March 9, 1992, is ratified.*

Sec. 2. [INTERIM APPROVAL.]

After adjournment of the 1992 session, but before the 1993 session of the legislature, the legislative commission on employee relations may give interim approval to any negotiated agreement, arbitration award, salary, or compensation plan submitted to it under other law. The commission shall submit the agreement, award, salary, or plan to the entire legislature for ratification in the same manner and with the same effect as provided for agreements, awards, salaries, and plans submitted after adjournment of the legislature in an odd-numbered year.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment.

ARTICLE 2

Section 1. [REPORT ON QUASI-STATE AGENCY HEADS.]

The commissioner of employee relations shall evaluate and submit a report to the chair of the legislative commission on employee relations and the chairs of the house and senate governmental operations committees on the appropriate salary ranges for the director of the state high school league. The report must include an analysis of the policy implications and appropriateness of establishing salary ranges for agency heads and employees of quasi-state agencies. This report must be submitted by December 15, 1992.

ARTICLE 3

Section 1. Minnesota Statutes 1990, section 15A.083, subdivision 4, is amended to read:

Subd. 4. [RANGES FOR OTHER JUDICIAL POSITIONS.] Salaries or salary ranges are provided for the following positions in the judicial branch of government. The appointing authority of any position for which a salary range has been provided shall fix the individual salary within the prescribed range, considering the qualifications and overall performance of the employee. The supreme court shall set the salary of the state court administrator and the salaries of district court administrators. The salary of the state court administrator or a district court administrator may not exceed the salary of a district court judge. If district court administrators die, the amounts of their unpaid salaries for the months in which their deaths occur must be paid to their estates. The salaries of the district administrators of the second, fourth, and sixth judicial districts may be supplemented by the appropriate county board in an amount not to exceed $10,000 per year. The salary supplement may be made effective only until January 1, 1988. The salary of the state public defender shall be 95 percent of the salary of the attorney general.

	Salary or Range Effective July 1, ~~1987~~ *1992*
Board on judicial standards executive director	~~$34,000-$48,000~~ *$44,000-$60,000*

Sec. 2. Minnesota Statutes 1990, section 21.85, subdivision 2, is amended to read:

Subd. 2. [SEED LABORATORY.] The commissioner shall establish and maintain a seed laboratory for seed testing, employing necessary agents and assistants to administer and enforce sections 21.80 to 21.92, ~~none of whom, except those~~ who ~~are employed on a regular full-time basis,~~ shall ~~come within or~~ be governed by chapter 43A. ~~The compensation for the unclassified employees shall be on the basis of a rating and salary scale determined by the commissioner's plan of the department of employee relations or the appropriate bargaining unit contract.~~

Sec. 3. Minnesota Statutes 1991 Supplement, section 43A.08, subdivision 1, is amended to read:

Subdivision 1. [UNCLASSIFIED POSITIONS.] Unclassified positions are held by employees who are:

(1) chosen by election or appointed to fill an elective office;

(2) heads of agencies required by law to be appointed by the governor or other elective officers, and the executive or administrative heads of departments, bureaus, divisions, and institutions specifically established by law in the unclassified service;

(3) deputy and assistant agency heads and one confidential secretary in the agencies listed in subdivision 1a *and in the office of strategic and long-range planning*;

(4) the confidential secretary to each of the elective officers of this state and, for the secretary of state, state auditor, and state treasurer, an additional deputy, clerk, or employee;

(5) intermittent help employed by the commissioner of public safety to assist in the issuance of vehicle licenses;

(6) employees in the offices of the governor and of the lieutenant governor and one confidential employee for the governor in the office of the adjutant general;

(7) employees of the Washington, D.C., office of the state of Minnesota;

(8) employees of the legislature and of legislative committees or commissions; provided that employees of the legislative audit commission, except for the legislative auditor, the deputy legislative auditors, and their confidential secretaries, shall be employees in the classified service;

(9) presidents, vice-presidents, deans, other managers and professionals in academic and academic support programs, administrative or service faculty, teachers, research assistants, and student employees eligible under terms of the federal economic opportunity act work study program in the school and resource center for the arts, state universities and community colleges, but not the custodial, clerical, or maintenance employees, or any professional or managerial employee performing duties in connection with the business administration of these institutions;

(10) officers and enlisted persons in the national guard;

(11) attorneys, legal assistants, ~~examiners,~~ and three confidential employees appointed by the attorney general or employed with the attorney general's authorization;

(12) judges and all employees of the judicial branch, referees, receivers, jurors, and notaries public, except referees and adjusters employed by the department of labor and industry;

(13) members of the state patrol; provided that selection and appointment of state patrol troopers must be made in accordance with applicable laws governing the classified service;

(14) chaplains employed by the state;

(15) examination monitors and intermittent training instructors employed by the departments of employee relations and commerce and by professional examining boards;

(16) student workers;

(17) ~~one position in the hazardous substance notification and response activity in the department of public safety~~ *executive directors or executive*

secretaries appointed by and reporting to any policy-making board or commission established by statute;

(18) employees unclassified pursuant to other statutory authority;

(19) intermittent help employed by the commissioner of agriculture to perform duties relating to pesticides, fertilizer, and seed regulation; and

(20) the administrators and the deputy administrators at the state academies for the deaf and the blind.

Sec. 4. Minnesota Statutes 1991 Supplement, section 43A.08, subdivision 1a, is amended to read:

Subd. 1a. [ADDITIONAL UNCLASSIFIED POSITIONS.] Appointing authorities *for the following agencies* may designate additional unclassified positions according to this subdivision: the departments of administration; agriculture; commerce; corrections; jobs and training; education; employee relations; trade and economic development; finance; ~~gaming;~~ health; human rights; labor and industry; natural resources; office of administrative hearings; public safety; public service; human services; revenue; transportation; and veterans affairs; the housing finance, ~~state planning,~~ and pollution control agencies; the state lottery division; the state board of investment; the office of waste management; the offices of the attorney general, secretary of state, state auditor, and state treasurer; the state board of technical colleges; the higher education coordinating board; the Minnesota center for arts education; and the Minnesota zoological board.

A position designated by an appointing authority according to this subdivision must meet the following standards and criteria:

(1) the designation of the position would not be contrary to other law relating specifically to that agency;

(2) the person occupying the position would report directly to the agency head or deputy agency head and would be designated as part of the agency head's management team;

(3) the duties of the position would involve significant discretion and substantial involvement in the development, interpretation, and implementation of agency policy;

(4) the duties of the position would not require primarily personnel, accounting, or other technical expertise where continuity in the position would be important;

(5) there would be a need for the person occupying the position to be accountable to, loyal to, and compatible with the governor and the agency head, *the employing statutory board or commission*, or the employing constitutional officer;

(6) the position would be at the level of division or bureau director or assistant to the agency head; and

(7) the commissioner has approved the designation as being consistent with the standards and criteria in this subdivision.

Sec. 5. Minnesota Statutes 1991 Supplement, section 349A.02, subdivision 4, is amended to read:

Subd. 4. [EMPLOYEES.] The director may appoint other personnel as necessary to operate the state lottery. ~~All professional employees as defined~~

~~in section 179A.03, subdivision 13, whose primary responsibilities are in marketing are in the unclassified service. All other employees of the division are in the classified service~~ *in accordance with chapter 43A*. At least one position in the division must be an attorney position and the director shall employ in that position an attorney to perform legal services for the division.

Sec. 6. [CLASSIFICATION OF CERTAIN POSITIONS.]

Notwithstanding Laws 1987, chapter 404, section 26, subdivision 6, professional positions associated with the outdoor recreation program in the department of trade and economic development that do not meet the criteria established in Minnesota Statutes, section 43A.08, subdivision 1a or 2a, are in the classified service.

Sec. 7. [TRANSFER OF INCUMBENT EMPLOYEES.]

Employees who, on the effective date of this section, hold or are on leave from positions that are transferred to the classified service are appointed to the classified civil service without competitive or qualifying examination. The commissioner of employee relations shall place the employees in the proper classifications in the classified service. Each employee is appointed at no loss in salary or accrued leave benefits. An employee so appointed shall begin on the effective date of this act to serve a probationary period appropriate to the class of their position.

Sec. 8. [RETIREMENT PLANS.]

A person who on the day before the effective date of this section is a participant in the state unclassified employees retirement program and whose position is placed in the classified service under this article or as a result of a plan required by Laws 1991, chapter 238, article 1, section 20 or 21, may elect to maintain membership in the unclassified program as long as the person holds the position or a position in a higher class in the same agency. When an unclassified position that entitles a person to participate in the unclassified retirement program is placed in the classified service, the commissioner of employee relations shall send written notice to the incumbent of the position, and to the director of the Minnesota state retirement system. The notice must state the incumbent's option under this section. A person eligible to maintain membership in the unclassified plan must notify the executive director of the state retirement system of the person's election to maintain membership in the unclassified plan within 60 days of the date on which the commissioner sends the notice stating that the position has been placed in the classified service. A person who does not send notice is deemed to have waived the right to remain in the unclassified plan.

Sec. 9. [APPROPRIATION.]

$10,000 is appropriated from the general fund to the board of judicial standards, to be added to the appropriation in Laws 1991, chapter 345, article 1, section 6, for fiscal year 1993."

Delete the title and insert:

"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; raising the salary range for the executive director of the board on judicial standards; appropriating money; amending Minnesota Statutes 1990, sections 15A.083, subdivision 4; 21.85, subdivision 2; Minnesota Statutes 1991 Supplement, sections 43A.08, subdivisions 1 and 1a; and 349A.02, subdivision 4."

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

House Conferees: (Signed) Leo J. Reding, Jerry Knickerbocker, Phyllis Kahn

Senate Conferees: (Signed) Gene Waldorf, Carol Flynn, Nancy Brataas

Mr. Waldorf moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2848 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2848 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	McGowan	Ranum
Beckman	Day	Johnson, D.J.	Merriam	Reichgott
Belanger	DeCramer	Johnson, J.B.	Moe, R.D.	Renneke
Benson, D.D.	Dicklich	Johnston	Mondale	Riveness
Benson, J.E.	Finn	Kelly	Morse	Sams
Berg	Flynn	Knaak	Neuville	Solon
Berglin	Frank	Kroening	Novak	Spear
Bernhagen	Frederickson, D.J.	Laidig	Olson	Stumpf
Bertram	Frederickson, D.R.	Langseth	Pappas	Terwilliger
Brataas	Gustafson	Larson	Pariseau	Traub
Chmielewski	Halberg	Lessard	Piper	Vickerman
Cohen	Hottinger	Luther	Pogemiller	Waldorf
Dahl	Hughes	Marty	Price	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2199 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON 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.

April 16, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2199, 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. 2199 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. Minnesota Statutes 1990, section 16B.121, is amended to read:

16B.121 [PURCHASE OF RECYCLED, REPAIRABLE, AND DURABLE MATERIALS.]

The commissioner shall take the recycled content and recyclability of commodities to be purchased into consideration in bid specifications. ~~The commissioner shall apply weighting factors to the recycled content and recyclability criteria in order to give a preferential treatment to those criteria. State agencies shall purchase recycled materials when specifications allow the practical use of the recycled materials and the price does not exceed the price of nonrecycled materials by more than ten percent. If possible, state agencies should purchase materials recycled from waste generated in this state.~~ *When feasible and when the price of recycled materials does not exceed the price of nonrecycled materials by more than ten percent, the commissioner, and state agencies when purchasing under delegated authority, shall purchase recycled materials. In order to maximize the quantity and quality of recycled materials purchased, the commissioner, and state agencies when purchasing under delegated authority, may also use other appropriate procedures to acquire recycled materials at the most economical cost to the state.*

When purchasing commodities and services, the commissioner, and state agencies when purchasing under delegated authority, shall apply and promote the preferred waste management practices listed in section 115A.02, with special emphasis on reduction of the quantity and toxicity of materials in waste. The commissioner, and state agencies when purchasing under

delegated authority, in developing bid specifications, shall consider the extent to which a commodity or product is durable, reusable, or recyclable and marketable through the state resource recovery program.

Sec. 2. Minnesota Statutes 1991 Supplement, section 16B.122, subdivision 2, is amended to read:

Subd. 2. [PURCHASES; PRINTING.] (a) Whenever practicable, a public entity shall:

(1) purchase uncoated office paper and printing paper;

(2) purchase recycled content paper with at least ten percent postconsumer material by weight;

(3) purchase paper which has not been dyed with colors, excluding pastel colors;

(4) purchase recycled content paper that is manufactured using little or no chlorine bleach or chlorine derivatives;

(5) use no more than two colored inks, standard or processed, except in formats where they are necessary to convey meaning;

(6) use reusable binding materials or staples and bind documents by methods that do not use glue;

(7) use soy-based inks; and

(8) produce reports, publications, and periodicals that are readily recyclable within the state ~~resources~~ *resource* recovery program.

(b) Paragraph (a), clause (1), does not apply to coated paper that is made with at least 50 percent ~~fiber that has been recycled after use by a consumer~~ *postconsumer material*.

(c) A public entity shall print documents on both sides of the paper where commonly accepted publishing practices allow.

Sec. 3. [16B.123] [PACKING MATERIALS.]

Whenever technically feasible, a public entity shall purchase and use degradable loose foam packing material manufactured from vegetable starches or other renewable resources, unless the cost of the packing material is more than ten percent greater than the cost of packing material made from nonrenewable resources. For the purposes of this section, "packing material" means loose foam material, other than an exterior packaging shell, that is used to stabilize, protect, cushion, or brace the contents of a package.

Sec. 4. Minnesota Statutes 1991 Supplement, section 115A.02, is amended to read:

115A.02 [LEGISLATIVE DECLARATION OF POLICY; PURPOSES.]

(a) It is the goal of this chapter to improve waste management in the state to serve the following purposes:

(1) Reduction in *the amount and toxicity of* waste generated;

(2) Separation and recovery of materials and energy from waste;

(3) Reduction in indiscriminate dependence on disposal of waste;

(4) Coordination of solid waste management among political subdivisions;

and

(5) Orderly and deliberate development and financial security of waste facilities including disposal facilities.

(b) The waste management goal of the state is to foster an integrated waste management system in a manner appropriate to the characteristics of the waste stream. The following waste management practices are in order of preference:

(1) waste reduction and reuse;

(2) waste recycling;

(3) composting of yard waste and food waste;

(4) resource recovery through mixed municipal solid waste composting or incineration; and

(5) land disposal.

Sec. 5. Minnesota Statutes 1990, section 115A.03, is amended by adding a subdivision to read:

Subd. 6a. [COMMISSIONER.] *"Commissioner" means the commissioner of the pollution control agency.*

Sec. 6. Minnesota Statutes 1990, section 115A.03, is amended by adding a subdivision to read:

Subd. 24b. [POSTCONSUMER MATERIAL.] *"Postconsumer material" means a finished material that would normally be discarded as a solid waste having completed its life cycle as a consumer item.*

Sec. 7. Minnesota Statutes 1990, section 115A.03, subdivision 36a, is amended to read:

Subd. 36a. [WASTE REDUCTION; *SOURCE REDUCTION.*] "Waste reduction" *or "source reduction"* means an activity that prevents generation of waste *or the inclusion of toxic materials in waste,* including*:*

(1) reusing a product in its original form~~,~~*;*

(2) increasing the life span of a product~~,~~*;*

(3) reducing material *or the toxicity of material* used in production or packaging~~,~~*;* or

(4) changing procurement, consumption, or waste generation habits to result in smaller quantities *or lower toxicity* of waste generated.

Sec. 8. [115A.034] [ENFORCEMENT.]

Chapter 115A may be enforced under section 116.072.

Sec. 9. Minnesota Statutes 1990, section 115A.07, is amended by adding a subdivision to read:

Subd. 3. [UNIFORM WASTE STATISTICS; RULES.] *The director, after consulting with the commissioner, the metropolitan council, local government units, and other interested persons, may adopt rules to establish uniform methods for collecting and reporting waste reduction, generation, collection, transportation, storage, recycling, processing, and disposal statistics necessary for proper waste management and for reporting required by law. Prior to publishing proposed rules, the director shall submit draft*

rules to the legislative commission on waste management for review and comment. Rules adopted under this subdivision apply to all persons and units of government in the state for the purpose of collecting and reporting waste-related statistics requested under or required by law.

Sec. 10. Minnesota Statutes 1991 Supplement, section 115A.15, subdivision 9, is amended to read:

Subd. 9. [RECYCLING GOAL.] By December 31, 1993, the commissioner shall recycle at least 40 percent by weight of the solid waste generated by state offices and other state operations located in the metropolitan area. By ~~August~~ *March* 1 of each year the commissioner shall report to the office and the metropolitan council the *estimated* recycling rates by county for state offices and other state operations in the metropolitan area for the previous ~~fiscal~~ *calendar* year. The office shall incorporate these figures into the reports submitted by the counties under section 115A.557, subdivision 3, to determine each county's progress toward the goal in section 115A.551, subdivision 2.

Each state agency in the metropolitan area shall work to meet the recycling goal individually. If the goal is not met by an agency, the commissioner shall notify that agency that the goal has not been met and the reasons the goal has not been met and shall provide information to the employees in the agency regarding recycling opportunities and expectations.

Sec. 11. Minnesota Statutes 1990, section 115A.32, is amended to read:

115A.32 [RULES.]

The ~~office~~ *board* shall promulgate rules pursuant to chapter 14 to govern its activities under sections 115A.32 to 115A.39. *For the purposes of sections 115A.32 to 115A.39, "board" means the environmental quality board established in section 116C.03. In all of its activities and deliberations under sections 115A.32 to 115A.39, the board shall consult with the director of the office of waste management.*

Sec. 12. Minnesota Statutes 1991 Supplement, section 115A.411, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY; PURPOSE.] The director with assistance from the commissioner shall prepare and adopt a report on solid waste management policy excluding the metropolitan area. The report must be submitted by the director to the legislative commission on waste management by ~~November 15~~ *July 1* of each even-numbered year and may include reports required under sections 115A.551, subdivision 4, and 115A.557, subdivision 4.

Sec. 13. [115A.5501] [REDUCTION OF PACKAGING IN WASTE.]

Subdivision 1. [STATEWIDE WASTE PACKAGING REDUCTION GOAL.] *It is the goal of the state that there be a minimum 25 percent statewide per capita reduction in the amount of discarded packaging delivered to solid waste composting, incineration, refuse derived fuel and disposal facilities by December 31, 1995, based on a reasonable estimate of the amount of packaging that was delivered to solid waste composting, incineration, and disposal facilities in calendar year 1992.*

Subd. 2. [MEASUREMENT; PROCEDURES.] *To measure the overall percentage of packaging in the statewide solid waste stream, the commissioner and the chair of the metropolitan council, in consultation with the*

director, shall each conduct an annual four-season solid waste composition study in the nonmetropolitan and metropolitan areas respectively or shall develop an alternative method that is as statistically reliable as a waste composition study to measure the percentage of packaging in the waste stream.

Beginning in 1993, the chair of the council shall submit the results from the metropolitan area to the commissioner by March 1 of each year. The commissioner shall average the nonmetropolitan and metropolitan results and submit the statewide percentage, along with a statistically reliable margin of error, to the director by April 1 of each year. The director shall report the information to the legislative commission on waste management by July 1 of each year.

Subd. 3. [FACILITY COOPERATION AND REPORTS.] *The owner or operator of a solid waste composting, incineration, refuse derived fuel or disposal facility shall allow access upon reasonable notice to authorized office, agency, or metropolitan council staff for the purpose of conducting waste composition studies or otherwise assessing the amount of total packaging in the waste delivered to the facility under this section.*

Beginning in 1993, by February 1 of each year the owner or operator of a facility governed by this subdivision shall submit a report to the commissioner, on a form prescribed by the commissioner, information specifying the total amount of solid waste received by the facility between January 1 and December 31 of the previous year. The commissioner shall calculate the total amount of solid waste delivered to solid waste facilities from the reports received from the facility owners or operators and shall report the aggregate amount to the director by April 1 of each year. The commissioner shall assess a nonforgivable administrative penalty under section 116.072 of $500 plus any forgivable amount necessary to enforce this subdivision on any owner or operator who fails to submit a report required by this subdivision.

Subd. 4. [REPORT.] *The director shall apply the statewide percentage determined under subdivision 2 to the aggregate amount of solid waste determined under subdivision 3 to determine the amount of packaging in the waste stream. By July 1, 1996, the director shall submit to the legislative commission on waste management an analysis of the extent to which the waste packaging reduction goal in subdivision 1 has been met. In determining whether the goal has been met, the margin of error must be applied in favor of meeting the goal.*

Sec. 14. Minnesota Statutes 1991 Supplement, section 115A.551, subdivision 2a, is amended to read:

Subd. 2a. [SUPPLEMENTARY RECYCLING GOALS.] By ~~July~~ *December* 31, 1996, each county will have as a goal to recycle the following amounts:

(1) for a county outside of the metropolitan area, 30 percent by weight of total solid waste generation;

(2) for a metropolitan county, 45 percent by weight of total solid waste generation.

Each county will develop and implement or require political subdivisions within the county to develop and implement programs, practices, or methods designed to meet its recycling goal. Nothing in this section or in any other

law may be construed to prohibit a county from establishing a higher recycling goal. For the purposes of this subdivision "*recycle*" *and* "total solid waste generation" ~~has~~ *have* the ~~meaning~~ *meanings* given ~~it~~ *them* in subdivision 1, except that ~~it does not include~~ *neither includes* yard waste.

Sec. 15. Minnesota Statutes 1991 Supplement, section 115A.551, subdivision 4, is amended to read:

Subd. 4. [INTERIM MONITORING.] The office, for counties outside of the metropolitan area, and the metropolitan council, for counties within the metropolitan area, shall monitor the progress of each county toward meeting the recycling ~~goal~~ *goals* in ~~subdivision~~ *subdivisions* 2 *and 2a* and shall report to the legislative commission on waste management on the progress of the counties by November 15 of each year. If the office or the council finds that a county is not progressing toward the ~~goal~~ *goals* in ~~subdivision~~ *subdivisions* 2 *and 2a*, it shall negotiate with the county to develop and implement solid waste management techniques designed to assist the county in meeting the ~~goal~~ *goals*, such as organized collection, curbside collection of source-separated materials, and volume-based pricing.

In even-numbered years the progress report may be included in the solid waste management policy report required under section 115A.411.

Sec. 16. Minnesota Statutes 1990, section 115A.551, subdivision 5, is amended to read:

Subd. 5. [FAILURE TO MEET GOAL.] (a) A county failing to meet the interim goals in subdivision 3 shall, as a minimum:

(1) notify county residents of the failure to achieve the goal and why the goal was not achieved; and

(2) provide county residents with information on recycling programs offered by the county.

(b) If, based on the recycling monitoring described in subdivision 4, the office or the metropolitan council finds that a county will be unable to meet the recycling ~~goal~~ *goals* established in ~~subdivision~~ *subdivisions* 2 *and 2a*, the office or council shall, after consideration of the reasons for the county's inability to meet the ~~goal~~ *goals*, recommend legislation for consideration by the legislative commission on waste management to establish mandatory recycling standards and to authorize the office or council to mandate appropriate solid waste management techniques designed to meet the standards in those counties that are unable to meet the ~~goal~~ *goals*.

Sec. 17. Minnesota Statutes 1990, section 115A.557, subdivision 3, is amended to read:

Subd. 3. [ELIGIBILITY TO RECEIVE MONEY.] (a) To be eligible to receive money distributed by the office under this section, a county shall within one year of October 4, 1989:

(1) create a separate account in its general fund to credit the money; and

(2) set up accounting procedures to ensure that money in the separate account is spent only for the purposes in subdivision 2.

(b) In each following year, each county shall also:

(1) have in place an approved solid waste management plan or master plan including a recycling implementation strategy under section 115A.551,

subdivision 7, or 473.803, subdivision 1e, and a household hazardous waste management plan under section 115A.96, subdivision 6, by the dates specified in those provisions;

(2) submit a report by ~~August~~ *March* 1 of each year to the office detailing how the money was spent and the resulting gains achieved in solid waste management practices during the previous ~~fiscal~~ *calendar* year; and

(3) provide evidence to the office that local revenue equal to 25 percent of the money sought for distribution under this section will be spent for the purposes in subdivision 2.

(c) The office shall withhold all or part of the funds to be distributed to a county under this section if the county fails to comply with this subdivision and subdivision 2.

Sec. 18. [115A.56] [RECYCLED CONTENT; LABELS.]

A person may not label or otherwise indicate on a product or package for sale or distribution that the product or package contains recycled material unless the label or other indication states the minimum percentage of postconsumer material in the product or package:

(1) by weight for a finished nonpaper product or package; and

(2) by fiber content for a finished paper product or package.

For the purposes of this section "product" includes advertising materials and campaign material as defined in section 211B.01, subdivision 2.

Sec. 19. Minnesota Statutes 1990, section 115A.63, subdivision 3, is amended to read:

Subd. 3. [RESTRICTIONS.] No waste district shall be established within the boundaries of the Western Lake Superior Sanitary District established by Laws 1971, chapter 478, as amended. No waste district shall be established wholly within one county. The ~~office~~ *director* shall not establish a waste district within or extending into the metropolitan area, nor define or alter the powers or boundaries of a district, without the approval of the metropolitan council. The council shall not approve a district unless the articles of incorporation of the district require that the district will have the same procedural and substantive responsibilities, duties, and relationship to the metropolitan agencies as a metropolitan county. ~~The office shall not establish a district unless the petitioners demonstrate that they are unable to fulfill the purposes of a district through joint action under section 471.59.~~ The ~~office~~ *director* shall require the completion of a comprehensive solid waste management plan conforming to the requirements of section 115A.46, by petitioners seeking to establish a district.

Sec. 20. Minnesota Statutes 1990, section 115A.81, subdivision 2, is amended to read:

Subd. 2. [DESIGNATION.] "Designation" means a requirement by a waste management district or county that all or any portion of the ~~mixed municipal~~ solid waste that is generated within its boundaries or any service area thereof be delivered to a processing or disposal facility identified by the district or county.

Sec. 21. Minnesota Statutes 1991 Supplement, section 115A.83, is amended to read:

115A.83 [~~EXEMPTION~~ *WASTES SUBJECT TO DESIGNATION;*

EXEMPTIONS.]

Subdivision 1. [APPLICATION.] *Designation applies to the following wastes:*

(1) mixed municipal solid waste; and

(2) other solid waste that prior to final processing or disposal:

(i) is not managed as a separate waste stream; or

(ii) is managed as a separate waste stream using a waste management practice that is ranked lower on the list of waste management practices in section 115A.02, paragraph (b), than the primary waste management practice that would be used on the waste at the designated facility.

Subd. 2. [EXEMPTION.] The designation may not apply to or include:

(1) materials that are separated from ~~mixed municipal~~ solid waste and recovered for reuse in their original form or for use in manufacturing processes;

(2) materials that are processed at a resource recovery facility at the capacity in operation at the time that the designation plan is approved by the reviewing authority; ~~or~~

(3) materials that are separated at a permitted transfer station located within the boundaries of the designating authority for the purpose of recycling the materials if: (i) the transfer station was in operation on January 1, 1991; or (ii) the materials were not being separated for recycling at the designated facility at the time the transfer station began separation of the materials; *or*

(4) recyclable materials that are being recycled, and residuals from recycling if there is at least an 85 percent volume reduction in the solid waste processed at the recycling facility and the residuals are managed as separate waste streams.

For the purposes of this section, "manufacturing processes" does not include the treatment of waste after collection for the purpose of composting.

~~The exemptions in this section apply to only those materials separated from mixed municipal solid waste that are managed in a manner that is preferred over the primary management method of the designated facility under section 115A.02, paragraph (b).~~

Sec. 22. Minnesota Statutes 1990, section 115A.87, is amended to read:

115A.87 [JUDICIAL REVIEW.]

An action challenging a designation must be brought within 60 days of the approval of the designation by the reviewing authority. The action is subject to section 562.02.

In any action challenging a designation ordinance or the implementation of a designation ordinance, the person bringing the challenge shall notify the attorney general. The attorney general may intervene in any administrative or court action to represent the state's interest in designation of solid waste.

Sec. 23. Minnesota Statutes 1991 Supplement, section 115A.9157, subdivision 4, is amended to read:

Subd. 4. [PILOT PROJECTS.] By April 15, 1992, manufacturers whose

rechargeable batteries or products powered by ~~nonremovable~~ rechargeable batteries are sold in this state shall implement pilot projects for the collection and proper management of all rechargeable batteries and the participating manufacturers' products powered by nonremovable rechargeable batteries. Manufacturers may act as a group or through a representative organization. The pilot projects must run for a minimum of 18 months and be designed to collect sufficient statewide data for the design and implementation of permanent collection and management programs that may be reasonably expected to collect at least 90 percent of waste rechargeable batteries and the participating manufacturers' products powered by rechargeable batteries that are generated in the state.

By December 1, 1991, the manufacturers or their representative organization shall submit plans for the projects to the legislative commission. At least every six months during the pilot projects the manufacturers shall submit progress reports to the commission. The commission shall review the plans and progress reports.

By November 1, 1993, the manufacturers or their representative organization shall report to the legislative commission the final results of the projects and plans for implementation of permanent programs. The commission shall review the final results and plans.

Sec. 24. Minnesota Statutes 1991 Supplement, section 115A.9157, subdivision 5, is amended to read:

Subd. 5. [COLLECTION AND MANAGEMENT PROGRAMS.] By April 15, 1994, the manufacturers or their representative organization shall implement permanent programs, based on the results of the pilot projects required in subdivision ~~3~~ *4*, that may be reasonably expected to collect 90 percent of the waste rechargeable batteries and the participating manufacturers' products powered by rechargeable batteries that are generated in the state. The batteries and products collected must be recycled or otherwise managed or disposed of properly.

Sec. 25. Minnesota Statutes 1991 Supplement, section 115A.93, subdivision 3, is amended to read:

Subd. 3. [LICENSE REQUIREMENTS; *PRICING BASED ON VOLUME OR WEIGHT.*] (a) A licensing authority shall require ~~that~~ *licensees to impose* charges for collection of mixed municipal solid waste ~~vary~~ *that increase* with the volume or weight of the waste collected.

(b) A licensing authority may impose requirements that are consistent with the county's solid waste policies as a condition of receiving and maintaining a license.

(c) A licensing authority shall prohibit mixed municipal solid waste collectors from imposing a greater charge on residents who recycle than on residents who do not recycle.

Sec. 26. Minnesota Statutes 1990, section 115A.93, is amended by adding a subdivision to read:

Subd. 3a. [VOLUME REQUIREMENT.] *A licensing authority that requires a pricing system based on volume instead of weight under subdivision 3 shall determine a base unit size for an average small quantity household generator and establish, or require the licensee to establish, a multiple unit pricing system that ensures that amounts of waste generated in excess of the base unit amount are priced higher than the base unit price.*

Sec. 27. [115A.9301] [SOLID WASTE COLLECTION; VOLUME- OR WEIGHT-BASED PRICING.]

Subdivision 1. [REQUIREMENT.] *A local government unit that collects charges for solid waste collection directly from waste generators shall implement charges that increase as the volume or weight of the waste collected on-site from each generator's residence or place of business increases.*

Subd. 2. [VOLUME REQUIREMENT.] *If a local government unit implements a pricing system based on volume instead of weight under subdivision 1, it shall determine a base unit size for an average small quantity household generator and establish a multiple unit pricing system that ensures that amounts of waste generated in excess of the base unit amount are priced higher than the base unit price.*

Sec. 28. Minnesota Statutes 1991 Supplement, section 115A.931, is amended to read:

115A.931 [YARD WASTE PROHIBITION.]

(a) Except as authorized by the agency, in the metropolitan area after January 1, 1990, and outside the metropolitan area after January 1, 1992, a person may not place yard waste:

(1) in mixed municipal solid waste;

(2) in a disposal facility; or

(3) in a resource recovery facility except for the purposes of *reuse*, composting, or co-composting.

(b) Yard waste subject to this subdivision ~~is~~ *includes* garden wastes, leaves, lawn cuttings, weeds, *shrub and tree waste*, and prunings.

Sec. 29. [115A.951] [TELEPHONE DIRECTORIES.]

Subdivision 1. [DEFINITION.] *For the purposes of this section, a "telephone directory" means a printed list of residential, governmental, or commercial telephone service subscribers or users, or a combination of subscribers or users, that contains more than 7,500 listings and is distributed to the subscribers or users.*

Subd. 2. [PROHIBITION.] *A person may not place a telephone directory:*

(1) in solid waste;

(2) in a disposal facility; or

(3) in a resource recovery facility, except a recycling facility.

Subd. 3. [RECYCLABILITY.] *A person may not distribute a telephone directory to any person in this state unless the telephone directory:*

(1) is printed on paper that is recyclable;

(2) is printed with inks that contain no heavy metals or other toxic materials; and

(3) is bound with materials that pose no unreasonable barriers to recycling of the directory.

Subd. 4. [COLLECTION OF USED DIRECTORIES.] *Each publisher or distributor of telephone directories shall:*

(1) provide for the collection and delivery to a recycler of waste telephone

directories;

(2) inform recipients of directories of the collection system; and

(3) submit a report to the office of waste management by August 1 of each year that specifies the percentage of distributed directories collected as waste directories by distribution area and the locations where the waste directories were delivered for recycling and that verifies that the directories have been recycled.

Sec. 30. Minnesota Statutes 1990, section 115A.981, is amended to read:

115A.981 [SOLID WASTE ~~DISPOSAL FACILITIES ANNUAL REPORTING~~ *MANAGEMENT; ECONOMIC STATUS AND OUTLOOK.*]

Subdivision 1. [RECORD KEEPING REQUIREMENTS.] The owner or operator of a solid waste disposal facility must maintain the records necessary to comply with the requirements of subdivision 2.

Subd. 2. [ANNUAL REPORTING.] (a) The owner or operator of a solid waste disposal facility ~~must:~~

~~(1)~~ *shall* submit an annual report to the ~~agency under section 115A.32;~~ *commissioner that includes:*

~~(2)~~ *(1)* ~~annually certify~~ *a certification* that ~~it~~ *the owner or operator* has established financial assurance for closure, postclosure care, and corrective action at the facility by using one or more of the financial assurance mechanisms specified by rule *and specification of the financial assurance mechanism used, including the amount paid in or assured during the past year and the total amount of financial assurance accumulated to date*; and

~~(3)~~ *(2)* ~~file~~ a ~~fee~~ schedule ~~with the agency with the annual report.~~

~~(b) The fee schedule must list~~ *of fees charged by the facility for waste management, including* all tipping fees, rates, charges, surcharges, and any other fees charged ~~by~~ *to* each classification of customer.

(b) The agency may suspend the operation of a disposal facility whose permittee fails to file the information required under this subdivision. The owner or operator of a facility may not increase fees until 30 days after the owner or operator has submitted a fee schedule amendment to the ~~agency~~ *commissioner*.

Subd. 3. [~~AGENCY~~ REPORT.] *(a)* The ~~agency~~ *commissioner* shall report to the legislative commission on waste management by July 1 of each *odd-numbered* year on the ~~viability~~ *economic status and outlook* of the state's *solid* waste ~~processing and disposal capability, the status of competitive forces in the market including recycling, composting, waste reduction and incineration,~~ *management sector including:*

(1) an estimate of the extent to which ~~existing fees~~ *prices* for ~~services are sufficient for facility development, engineering,~~ *solid waste management paid by consumers reflect costs related to* environmental and ~~safety factors, the progress of the industry in meeting the state's waste management goals,~~ *public health protection, including a discussion of how prices are publicly and privately subsidized and how identified costs of waste management are not reflected in the prices;*

(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.

(d) The report must also include:

(1) statewide and facility by facility estimates of the total potential costs and liabilities associated with solid waste disposal facilities for closure and postclosure care, response costs under chapter 115B, and any other potential costs, liabilities, or financial responsibilities;

(2) statewide and facility by facility requirements for proof of financial responsibility under section 116.07, subdivision 4h; ~~and~~

~~(3) an annual update addressing how each facility is meeting its financial responsibility under section 116.07, subdivision 4h~~*, and how each facility is meeting those requirements.*

Sec. 31. Minnesota Statutes 1991 Supplement, section 116.07, subdivision 4h, is amended to read:

Subd. 4h. [FINANCIAL RESPONSIBILITY RULES.] (a) The agency shall adopt rules requiring the operator or owner of a solid waste disposal facility to submit to the agency proof of the operator's or owner's financial capability to provide reasonable and necessary response during the operating

life of the facility and for 20 years after closure, and to provide for the closure of the facility and postclosure care required under agency rules. Proof of financial responsibility is required of the operator or owner of a facility receiving an original permit or a permit for expansion after adoption of the rules. Within 180 days of the effective date of the rules or by July 1, 1987, whichever is later, proof of financial responsibility is required of an operator or owner of a facility with a remaining capacity of more than five years or 500,000 cubic yards that is in operation at the time the rules are adopted. Compliance with the rules *and the requirements of paragraph (b)* is a condition of obtaining or retaining a permit to operate the facility.

(b) ~~The agency shall amend the rules adopted under paragraph (a) to allow~~ A municipality, as defined in section 475.51, subdivision 2, including a sanitary district, that owns or operates a solid waste disposal facility that was in operation on May 15, 1989, ~~to~~ *may* meet its financial responsibility for all or a portion of the contingency action portion of the reasonable and necessary response costs at the facility ~~through its authority to issue bonds, provided that the method developed in the rules will ensure that when funds are needed for a contingency action, sufficient bonds can and will be issued by the municipality~~ *by pledging its full faith and credit* to meet its responsibility.

~~The rules must include at least~~ *The pledge must be made in accordance with the requirements in chapter 475 for issuing bonds of the municipality, and the following additional requirements*:

(1) ~~a requirement that~~ The governing body of the municipality *shall* enact an ordinance that clearly accepts responsibility for the costs of contingency action at the facility and that reserves, during the operating life of the facility and for 20 years after closure, a portion of the debt limit of the municipality, as established under section 475.53 or other law, that is equal to the total contingency action costs ~~calculated under the rules;~~.

(2) ~~a requirement that~~ The municipality ~~assure~~ *shall require* that all collectors that haul to the facility implement a plan for reducing solid waste by using volume-based pricing, recycling incentives, or other means~~;~~.

(3) ~~a requirement that~~ When a municipality opts ~~under the rules~~ to meet a portion of its financial responsibility by relying on its authority to issue bonds, it shall also begin setting aside ~~funds~~ *in a dedicated long-term care trust fund money* that will cover a portion of the potential contingency action costs at the facility, the amount to be determined by the agency for each facility based on at least the amount of waste deposited in the disposal facility each year, and the likelihood and potential timing of conditions arising at the facility that will necessitate response action~~; and~~. *The agency may not require a municipality to set aside more than five percent of the total cost in a single year.*

(4) ~~a requirement that~~ A municipality *shall* have and consistently maintain an investment grade bond rating as a condition of using bonding authority to meet financial responsibility under this section.

(5) The municipality shall file with the commissioner of revenue its consent to have the amount of its contingency action costs deducted from state aid payments otherwise due the municipality and paid instead to the environmental response, compensation, and compliance account created in section 115B.20, if the municipality fails to conduct the contingency action at the facility when ordered by the agency. If the agency notifies the commissioner

that the municipality has failed to conduct contingency action when ordered by the agency, the commissioner shall deduct the amounts indicated by the agency from the state aids in accordance with the consent filed with the commissioner.

(6) The municipality shall file with the agency written proof that it has complied with the requirements of paragraph (b).

(c) ~~Counties shall comply with existing financial responsibility rules until those rules are amended under paragraph (b), and, after that time, counties shall comply with the amended rules.~~ The method for proving financial responsibility ~~developed~~ under paragraph (b) may not be applied to a new solid waste disposal facility or to expansion of an existing facility, unless the expansion is a vertical expansion. Vertical expansions of qualifying existing facilities cannot be permitted for a duration of longer than three years.

Sec. 32. Minnesota Statutes 1990, section 116.12, subdivision 2, is amended to read:

Subd. 2. [HAZARDOUS WASTE GENERATOR FEE.] *(a)* Each generator of hazardous waste shall pay a fee on the hazardous waste generated by that generator. The agency shall compute the amount of the fee due based on the hazardous waste disclosures submitted by the generators and other information available to the agency. The agency shall annually prepare a statement of the amount of the fee due from each generator. The fee shall be paid annually commencing with the first day of the calendar quarter after the date of the statement.

(b) The agency may exempt generators of small quantities of hazardous wastes otherwise subject to the fee if it finds that the cost of administering a fee on those generators is excessive relative to the proceeds of the fee. The fee shall consist of a minimum fee for each generator not exempted by the agency and an additional fee based on the quantity of wastes generated by the generator.

(c) If any metropolitan counties recover the costs of administering county hazardous waste regulations by charging fees, the fees charged by the agency outside of those counties shall not exceed the fees charged by those counties. The agency shall not charge a fee in any metropolitan county which charges such a fee. The agency shall impose a fee calculated as a surcharge on the fees charged by the metropolitan counties and by the agency to reflect the agency's expenses in carrying out its statewide hazardous waste regulatory responsibilities. The surcharge imposed on the fees charged by the metropolitan counties shall be collected by the metropolitan counties in the manner in which the counties collect their generator fees. Metropolitan counties shall remit the proceeds of the surcharge to the agency by the last day of the month following the month in which they were collected.

(d) The agency may not impose a fee under this subdivision on material that is reused at the facility where the material is generated in a manner that the facility owner or operator can demonstrate does not increase the toxicity of, or the level of hazardous substances or pollutants or contaminants in, products that leave the facility.

Sec. 33. Minnesota Statutes 1991 Supplement, section 116.90, is amended to read:

116.90 [REFUSE DERIVED FUEL.]

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) *"Agency" means the pollution control agency.*

(c) "Minor modification" means a physical or operational change that does not increase the rated energy production capacity of a solid fuel fired boiler and which does not involve capital costs in excess of 20 percent of a new solid fuel fired boiler having the same rated capacity.

~~(c)~~ *(d)* "Refuse derived fuel" means a product resulting from the processing of mixed municipal solid waste in a manner that reduces the quantity of noncombustible material present in the waste, reduces the size of waste components through shredding or other mechanical means, and produces a fuel suitable for combustion in existing or new solid fuel fired boilers.

~~(d)~~ *(e)* "Solid fuel fired boiler" means a device that is designed to combust solid fuel, including but not limited to: wood, coal, biomass, or lignite to produce steam or heat water.

Subd. 2. [USE OF REFUSE DERIVED FUEL.] (a) Existing or new solid fuel fired boilers may utilize refuse derived fuel in an amount up to 30 percent by weight of the fuel feed stream under the following conditions:

(1) utilization of refuse derived fuel involves no modification or only minor modification to the solid fuel fired boiler;

(2) utilization of refuse derived fuel does not cause a violation of emissions limitations or ambient air quality standards applicable to the solid fuel fired boiler;

(3) the solid fuel fired boiler has a valid permit to operate; ~~and~~

(4) the refuse derived fuel *is manufactured and sold in compliance with permits issued by the agency and:*

(i) is produced by a facility for which a permit was issued by the agency before June 1, 1991; *or*

(ii) is produced by an agency-permitted facility designed as part of a regional waste management system at which facility the waste is mechanically and hand sorted to avoid inclusion of items containing mercury or other heavy metals in the waste that is processed into refuse derived fuel, and the refuse derived fuel producer has contracted with an end user to combust the fuel; and

(5) the owner or operator of the solid fuel fired boiler gives prior written notice to the commissioner of the agency of the amount of refuse derived fuel expected to be used and the date on which the use is expected to begin.

(b) A facility that produces refuse derived fuel that is sold for use in a solid fuel fired boiler may accept waste for processing only from counties that provide for the removal of household hazardous waste from the waste.

(c) The agency may not require, as a condition of using refuse derived fuel under this section, any additional monitoring or testing of a solid fuel fired boiler's air emissions beyond the monitoring or testing required by state or federal law or by the terms of the solid fuel fired boiler's permit issued by the agency.

Sec. 34. Minnesota Statutes 1991 Supplement, section 116C.852, is amended to read:

116C.852 [LOW-LEVEL RADIOACTIVE WASTE DISPOSAL.]

~~All~~ *(a) Except as provided in paragraph (b),* low-level radioactive waste ~~that~~ may *not* be treated, recycled, stored, or disposed of in this state ~~shall conform to applicable federal and state requirements~~ *except at a facility that is specifically licensed for treatment, recycling, storage, or disposal of low-level radioactive waste,* regardless of whether or not the waste has been reclassified as "below regulatory concern" by the United States Nuclear Regulatory Commission ~~pursuant to~~ *under* a generic rule or standard adopted after ~~January 1~~ *July 2,* 1990.

(b) Paragraph (a) does not apply to treatment, recycling, storage, or disposal of low-level radioactive waste that is specifically authorized under a license issued by the United States Nuclear Regulatory Commission, or is otherwise authorized under regulations of the United States Nuclear Regulatory Commission in effect on July 2, 1990.

Sec. 35. Minnesota Statutes 1990, section 325E.125, subdivision 1, is amended to read:

Subdivision 1. [~~IDENTIFICATION~~ *LABELING.*] *(a)* The manufacturer of a button cell battery that is to be sold in this state shall ensure that each battery is *labeled to* clearly ~~identifiable as to~~ *identify for the final consumer of the battery* the type of electrode used in the battery.

(b) The manufacturer of a rechargeable battery that is to be sold in this state shall ensure that each rechargeable battery is labeled to clearly identify for the final consumer of the battery the type of electrode and the name of the manufacturer. The manufacturer of a rechargeable battery shall also provide clear instructions for properly recharging the battery.

Sec. 36. [325E.39] [SALE OF PETROLEUM-BASED SWEEPING COMPOUND PRODUCTS PROHIBITED.]

Subdivision 1. [PROHIBITION.] *A person may not offer for sale or sell any sweeping compound product that the person knows contains petroleum oil.*

Subd. 2. [LABELING.] *The manufacturer of sweeping compound that is to be sold in this state shall label the packaging for the compound to clearly indicate the type of oil contained in the compound.*

Subd. 3. [ENFORCEMENT.] *In addition to the enforcement mechanisms available for this chapter, the commissioner of the pollution control agency may enforce this section under section 116.072.*

Sec. 37. Minnesota Statutes 1990, section 400.08, subdivision 4, is amended to read:

Subd. 4. [COLLECTION.] *(a)* The rates and charges may be billed and collected in a manner the board shall determine.

(b) On or before October 15 in each year, the county board may certify to the county auditor all unpaid outstanding charges, and a description of the lands against which the charges arose. It shall be the duty of the county auditor, upon order of the county board, to extend the assessments, with interest not to exceed the interest rate provided for in section 279.03, subdivision 1, upon the tax rolls of the county for the taxes of the year in which the assessment is filed. For each year ending October 15 the assessment with interest shall be carried into the tax becoming due and payable in January of the following year, and shall be enforced and collected in the

manner provided for the enforcement and collection of real property taxes in accordance with the provisions of the laws of the state. The charges, if not paid, shall become delinquent and be subject to the same penalties and the same rate of interest as the taxes under the general laws of the state.

(c) In addition to any other manner of collection that may be established under paragraph (a), a county may:

(1) require as a condition of a license issued under section 115A.93 that the licensee collect service charges established under subdivision 3 from solid waste generators for remittal to the county; and

(2) audit a licensed collector's records of the charges collected under clause (1) and the amount of waste collected only to the extent necessary to ensure that all charges required to be collected are remitted to the county.

Data received under clause (2) are private or nonpublic data as defined in section 13.02, subdivision 9 or 12.

Sec. 38. Minnesota Statutes 1990, section 400.08, subdivision 5, is amended to read:

Subd. 5. [FINANCIAL INCENTIVES TO RECYCLE.] A county may:

(1) charge or may require any person who collects solid waste in the county to charge solid waste generators rates for ~~collection or disposal~~ *solid waste management services* that ~~vary depending on the~~ *increase as the weight or* volume of waste ~~generated~~ *increases*;

(2) require collectors to provide financial incentives to solid waste generators who separate recyclable materials from their waste; or

(3) require use of any other mechanism to provide encouragement or rewards to solid waste generators who reduce their waste generation or who separate recyclable materials from their waste.

Sec. 39. Minnesota Statutes 1990, section 400.161, is amended to read:

400.161 [HAZARDOUS WASTE REGULATIONS.]

(a) The county may by ordinance establish and revise rules, regulations, and standards relating to ~~(a)~~ *(1)* identification of hazardous waste, ~~(b)~~ *(2)* the labeling and classification of hazardous waste, ~~(c)~~ *(3)* the collection, transportation, processing, disposal, and storage of hazardous waste, ~~(d)~~ *and (4)* other matters as may be determined necessary for the public health, welfare and safety. The county may issue permits or licenses for hazardous waste generation and may require the generators be registered with a county office. The ordinance may require appropriate procedures for the payment by the generator of any costs incurred by the county in completing such procedures. If the generator fails to complete such procedures, the county may recover the costs of completion in a civil action in any court of competent jurisdiction or, in the discretion of the board, the costs may be certified to the county auditor as a special tax against the land as other taxes are collected. The ordinance may be enforced by injunction, action to compel performance, or other action in district court. County hazardous waste ordinances shall embody and be consistent with agency hazardous waste rules. Counties shall submit adopted ordinances to the agency for review. In the event that agency rules are modified, each county shall modify its ordinances accordingly and shall submit the modification to the agency for review within 120 days. Issuing, denying, modifying, imposing conditions

upon, or revoking permits or licenses and county hazardous waste regulations and ordinances shall be subject to review, denial, suspension, modification, and reversal by the pollution control agency. The pollution control agency shall after written notification have 15 days in the case of hazardous waste permits and licenses and 30 days in the case of hazardous waste ordinances to review, deny, suspend, modify, or reverse the action of the county. After this period, the action of the county board shall be final subject to appeal to the district court as provided in section 115.05.

(b) A county may not impose a fee under this section on material that is reused at the facility where the material is generated in a manner that the facility owner or operator can demonstrate does not increase the toxicity of, or the level of hazardous substances or pollutants or contaminants in, products that leave the facility.

Sec. 40. Minnesota Statutes 1990, section 473.811, subdivision 5b, is amended to read:

Subd. 5b. [ORDINANCES; HAZARDOUS WASTE MANAGEMENT.] *(a)* Each metropolitan county shall by ordinance establish and revise rules, regulations, and standards relating to ~~(a)~~ *(1)* the identification of hazardous waste, ~~(b)~~ *(2)* the labeling and classification of hazardous waste, ~~(c)~~ *(3)* the collection, storage, transportation, processing, and disposal of hazardous waste, and ~~(d)~~ *(4)* other matters necessary for the public health, welfare and safety. The county shall require permits or licenses for the generation, collection, processing, and disposal of hazardous waste and shall require registration with a county office. County hazardous waste ordinances shall embody and be consistent with agency hazardous waste rules. Counties shall submit adopted ordinances to the agency for review. In the event that agency rules are modified, each county shall modify its ordinances accordingly and shall submit the modification to the agency for review within 120 days. Issuing, denying, suspending, modifying, imposing conditions upon, or revoking hazardous waste permits or licenses, and county hazardous waste regulations and ordinances, shall be subject to review, denial, suspension, modification, and reversal by the agency. The agency shall after written notification have 15 days in the case of hazardous waste permits and licenses and 30 days in the case of hazardous waste ordinances to review, suspend, modify, or reverse the action of the county. After this period, the action of the county board shall be final subject to appeal to the district court in the manner provided in chapter 14.

(b) A metropolitan county may not impose a fee under this subdivision on material that is reused at the facility where the material is generated in a manner that the facility owner or operator can demonstrate does not increase the toxicity of, or the level of hazardous substances or pollutants or contaminants in, products that leave the facility.

Sec. 41. Minnesota Statutes 1990, section 473.844, subdivision 4, is amended to read:

Subd. 4. [RESOURCE RECOVERY GRANTS AND LOANS.] The grant and loan program under this subdivision is administered by the metropolitan council. Grants and loans may be made to any person for resource recovery projects. The grants and loans may include the cost of planning, acquisition of land and equipment, and capital improvements. Grants and loans for planning may not exceed 50 percent of the planning costs. Grants and loans for acquisition of land and equipment and for capital improvements may not exceed 50 percent of the cost of the project. Grants and loans may be

made for public education on the need for the resource recovery projects. A grant or loan for land, equipment, or capital improvements may not be made until the metropolitan council has determined the total estimated capital cost of the project and ascertained that full financing of the project is assured. Grants and loans made to cities, counties, or solid waste management districts must be for projects that are in conformance with approved master plans. A grant or loan to a city or town must be reviewed and approved by the county for conformance with the county master plan. *The council shall require, where practical, cooperative purchase between cities, counties, and districts of capital equipment.*

Sec. 42. Minnesota Statutes 1991 Supplement, section 473.849, is amended to read:

473.849 [PROHIBITION; SOLID WASTE DISPOSAL.]

No person may place ~~processed or unprocessed mixed municipal~~, *or transport for placement,* solid waste that is generated in the metropolitan area in *a portion of* a disposal facility that does not comply with the minimum requirements for design, construction, and operation of a new ~~mixed municipal solid waste~~ disposal facility ~~under Minnesota Rules in effect on January 1, 1991~~ *for the type of solid waste being disposed.* Each metropolitan county shall, and each county in which is located a disposal facility may, enforce this prohibition and may impose penalties and recover attorney fees and court costs to the same extent as for enforcement of a designation ordinance under section 115A.86, subdivision 6. The commissioner of the pollution control agency may enforce this section under section 115.071 or 116.072.

Sec. 43. Laws 1991, chapter 337, section 90, is amended to read:

Sec. 90. [REPEALER.]

(a) Minnesota Statutes 1990, sections 16B.125; 115A.953; 325E.045; and 473.844, subdivision 3, are repealed. Laws 1989, chapter 325, section ~~71~~ *72*, subdivision 2, is repealed.

(b) Minnesota Statutes 1990, sections 473.149, subdivision 2b; 473.803, subdivision 1a; 473.806; 473.831; 473.833; and 473.840, are repealed.

Sec. 44. Laws 1990, chapter 600, section 7, is amended to read:

Sec. 7. [DUTIES OF THE ADVISORY TASK FORCE ON LOW-LEVEL RADIOACTIVE WASTE DEREGULATION.]

The advisory task force on low-level radioactive waste deregulation shall:

(1) design and initiate a study that will be a cost-benefit analysis of deregulation of "low-level" radioactive waste costs, including health, and environmental costs and effects, including both dollar and nondollar effects in both the long-term and the short-term;

(2) determine who will conduct the study;

(3) determine the timelines for the study;

(4) evaluate the cost-benefit study; and

(5) make a recommendation on continuation of the moratorium and other recommendations to the legislature by January 1, ~~1994~~ *1996*.

Sec. 45. [INTERIM ORGANIZED SOLID WASTE COLLECTION.]

(a) A city with a population, according to the 1990 federal census, of

more than 10,000 and less than 12,000 that, before the effective date of this section, has begun the process of organizing solid waste collection under Minnesota Statutes, section 115A.94, and that is a party to an exclusive contract for collection of solid waste that will expire before the new organized collection system will be effective, may:

(1) negotiate an extension of the existing exclusive contract to the date the new organized collection system will be effective;

(2) negotiate one or more separate waste collection contracts for the period between the expiration of the existing exclusive contract and the date the new organized collection system will be effective; or

(3) otherwise negotiate, with or without competitive bids, an interim waste collection system that may not be extended beyond the date the new organized collection system will be effective.

(b) This section does not affect the applicability of Minnesota Statutes, section 115A.94, to the city's new organized collection system.

Sec. 46. [AUTOMOBILE WASTE; STUDY AND RECOMMENDATIONS.]

The legislative commission on waste management, in consultation with the commissioner of the pollution control agency, the director of the office of waste management, and other interested persons, shall study the existing system for managing automobile-related wastes other than air emissions and, if necessary, recommend appropriate legislation for consideration during the 1993 legislative session to ensure that materials from automobiles that cause damage if released into the environment are properly removed and managed during maintenance and prior to recycling or disposal of the automobiles and to ensure that waste automobile hulks are properly recycled or disposed.

Sec. 47. [CONSTRUCTION DEBRIS AND NONHAZARDOUS INDUSTRIAL WASTE; STUDY AND RECOMMENDATIONS.]

The commissioner of the pollution control agency shall gather information about construction debris and nonhazardous industrial waste, including composition, possibilities for source reduction, recyclability and recycling rates, processibility and processing rates, and existing disposal system. The commissioner shall summarize the information and present the summary to the legislative commission on waste management by August 15, 1993, including, if the commissioner determines that legislation is necessary to adequately regulate generation and management of construction debris or nonhazardous industrial waste, recommendations for appropriate legislation.

Sec. 48. [USED MOTOR OIL; STUDY AND RECOMMENDATIONS.]

The commissioner of the pollution control agency, in consultation with the director of the office of waste management, shall identify locations for the retail sale of motor oil and locations for the deposit and collection of used motor oil across the state to determine the extent of compliance with Minnesota Statutes, section 325E.11, and to determine whether used oil is being properly managed. By August 15, 1993, the commissioner shall report to the legislative commission on waste management on compliance with the law, the general management system for used motor oil, and any appropriate recommendations for legislation to ensure that used motor oil is properly managed and that persons who generate used motor oil have reasonably

convenient opportunities for discarding the used oil.

Sec. 49. [ASSESSMENT OF REGIONAL WASTE MANAGEMENT NEEDS.]

By July 15, 1993, the director of the office of waste management, in consultation with, and after approval of metropolitan area information by, the chair of the metropolitan council, shall submit to the legislative commission on waste management a preliminary assessment of the need for additional regional solid waste management capacity in the state, including the metropolitan area. The preliminary assessment must be based on a review of existing county solid waste management plans, the current metropolitan solid waste management policy plan, and the current metropolitan counties' solid waste management master plans. The preliminary assessment of need for additional capacity must identify likely regions of the state, based on the current patterns for the flow and management of waste, within which the needs for capacity can be most efficiently and economically met. The assessment must be made in light of existing facilities and the waste management priorities and policies stated in Minnesota Statutes, section 115A.02, with strong emphasis given to the potential for significant improvements in waste reduction and recycling. The assessment must include estimates of the capital costs necessary to ensure sufficient solid waste management capacity for a period of at least 20 years, the extent to which fees and other existing financing methods can cover those costs, the extent to which those costs will need to be publicly subsidized, and the extent to which private investment is likely to occur in building and operating new capacity statewide.

Sec. 50. [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.

Sec. 51. [ASSESSMENT OF LAND DISPOSAL FACILITIES.]

(a) For the purposes of this section, "facility" means a permitted mixed municipal solid waste disposal facility, as defined in Minnesota Statutes, section 115A.03.

(b) By October 9, 1994, the commissioner of the pollution control agency shall inspect all facilities and portions of facilities that have stopped accepting waste by October 9, 1993, to determine the status of closure activities and to evaluate the environmental and public health threats posed by the facility. The commissioner may undertake activities necessary to:

(1) evaluate the adequacy of final cover, slopes, vegetation, and erosion control;

(2) determine the presence and concentration of hazardous substances, pollutants or contaminants, and decomposition gases; and

(3) determine the boundaries of the fill areas.

(c) The commissioner of the pollution control agency shall identify actions

that are necessary to achieve compliance with the following closure requirements at facilities inspected under paragraph (b):

(1) for a facility or portion of a facility that stopped accepting waste before November 15, 1988, the closure requirements in rules of the pollution control agency in effect on the effective date of this section; and

(2) for a facility or portion of a facility that stopped accepting waste after November 15, 1988, the closure requirements in the facility's permit and the rules of the pollution control agency in effect on the effective date of this section.

Actions identified by the commissioner under this paragraph may include moving or consolidating waste from facilities.

(d) The commissioner of the pollution control agency shall establish a proposed priority list of the evaluated facilities based on the relative risk or danger to public health or welfare or the environment, taking into consideration to the extent possible the population at risk, the hazardous potential of substances at the facility, the potential for contamination of drinking water supplies, the potential for direct human contact, the potential for destruction of sensitive ecosystems, and other appropriate factors.

Sec. 52. [COUNTY RECYCLING; REPORT; 1991.]

For the reports due on August 1, 1992, under Minnesota Statutes, section 115A.557, subdivision 3, counties shall report recycling rates and information for calendar year 1991 rather than for the previous fiscal year.

Sec. 53. [EFFECTIVE DATE OF SECTION 325E.125.]

The requirements of Minnesota Statutes, section 325E.125, subdivision 1, do not apply to batteries manufactured before July 1, 1993.

Sec. 54. [INSTRUCTION TO REVISOR.]

(a) The revisor of statutes is directed to change the words "office," "office's," "director," and "director of the office of waste management" wherever they appear in Minnesota Statutes, sections 115A.32 to 115A.39, to "board," "board's," "chair," and "chair of the board" respectively in the 1992 and subsequent editions of Minnesota Statutes.

(b) The revisor of statutes is directed to change the words "November 15" to the words "July 1" in Minnesota Statutes, sections 115A.551, subdivision 4, and 115A.557, subdivision 4, in Minnesota Statutes 1992 and subsequent editions of the statutes.

Sec. 55. [EFFECTIVE DATE.]

Except as provided in this section, article 1 is effective August 1, 1992.

Sections 22, 31 to 34, 37 to 40, and 45 are effective the day following final enactment.

Section 43 is effective August 1, 1991.

Sections 12; 17; 24; 27, subdivision 1; 29, subdivision 3; and 36 are effective January 1, 1993, and section 36 applies to sweeping compound manufactured on or after that date.

Section 18 is effective for products and packaging manufactured on or after January 1, 1993.

Section 35 is effective July 1, 1993, and applies to batteries manufactured on or after that date.

Sections 3 and 29, subdivision 2, are effective August 1, 1993.

Sections 26 and 27, subdivision 2, are effective January 1, 1994.

Section 29, subdivision 4, clauses (1) and (2), are effective August 1, 1994.

ARTICLE 2

Section 1. Minnesota Statutes 1991 Supplement, section 115E.04, subdivision 2, is amended to read:

Subd. 2. [TIMING.] *(a)* A person required to be prepared under section 115E.03, *other than a person who owns or operates a motor vehicle, rolling stock, or a facility that stores less than 250,000 gallons of oil or a hazardous substance,* shall complete the response plan required by this section by March 1, 1993, unless one of the commissioners orders the person to demonstrate preparedness at an earlier date under section 115E.05. Plans must be updated every three years. Plans must be updated before three years following a significant discharge, upon significant change in vessel or facility operation or ownership, upon significant change in the national or area contingency plans under the Oil Pollution Act of 1990, or upon change in the capabilities or role of a person named in a plan who has an important response role.

(b) A person who owns or operates a motor vehicle, rolling stock, or a facility that stores less than 250,000 gallons of oil or a hazardous substance shall complete the response plan required by this section by January 1, 1994.

Sec. 2. [221.0335] [HAZARDOUS MATERIALS TRANSPORTATION REGISTRATION; FEES.]

A person required to file a registration statement under section 106(c) of the federal Hazardous Materials Transportation Safety Act of 1990 may not transport a hazardous material unless the person files an annual hazardous materials registration statement with the commissioner and pays a fee. The commissioner shall adopt rules to implement this section, including administration of the registration program and establishing registration fees. A fee may not exceed a person's annual registration fee under the federal act. Fees must be set in accordance with section 16A.128, subdivision 1a, to cover the costs of administering and enforcing this section and the costs of hazardous materials incident response capability under sections 3 to 8. All fees collected under this section must be deposited in the general fund.

Sec. 3. [299A.47] [CITATION.]

Sections 3 to 8 may be cited as the "Minnesota hazardous materials incident response act."

Sec. 4. [299A.48] [DEFINITIONS.]

Subdivision 1. [SCOPE.] *For the purposes of sections 3 to 8, the following terms have the meanings given them.*

Subd. 2. [CHEMICAL ASSESSMENT TEAM.] *"Chemical assessment team" means a team trained and equipped to evaluate a hazardous materials incident and recommend the best means of controlling the hazard after*

consideration of life safety concerns, environmental effects, exposure hazards, quantity and type of hazardous material, availability of local resources, or other relevant factors.

Subd. 3. [COMMISSIONER.] *"Commissioner" means the commissioner of public safety.*

Subd. 4. [HAZARDOUS MATERIALS.] *"Hazardous materials" means substances or materials that, because of their chemical, physical, or biological nature, pose a potential risk to life, health, or property if they are released. "Hazardous materials" includes any substance or material in a particular form or quantity that may pose an unreasonable risk to health, safety, and property, or any substance or material in a quantity or form that may be harmful to humans, animals, crops, water systems, or other elements of the environment if accidentally released. Hazardous substances so designated may include explosives, radioactive materials, etiologic agents, flammable liquids or solids, combustible liquids or solids, poisons, oxidizing or corrosive materials, and flammable gases.*

Subd. 5. [LOCAL UNIT OF GOVERNMENT.] *"Local unit of government" means a county, home rule charter or statutory city, or town.*

Subd. 6. [PERSON.] *"Person" means any individual, partnership, association, public or private corporation or other entity including the United States government, any interstate body, the state, and any agency, department, or political subdivision of the state.*

Subd. 7. [REGIONAL HAZARDOUS MATERIALS RESPONSE TEAM.] *"Regional hazardous materials response team" means a team trained and equipped to respond to and mitigate a hazardous materials release. A regional hazardous materials response team may include strategically located chemical assessment teams.*

Sec. 5. [299A.49] [RESPONSE PLAN.]

Subdivision 1. [ELEMENTS OF PLAN; RULES.] *(a) After consultation with the commissioners of natural resources, agriculture, transportation, and the pollution control agency, the state fire marshal, the emergency response commission, appropriate technical emergency response representatives, and representatives of affected parties, the commissioner shall adopt rules to implement a statewide hazardous materials incident response plan. The plan must include:*

(1) the locations of up to five regional hazardous materials response teams, based on the location of hazardous materials, response time, proximity to large population centers, and other factors;

(2) the number and qualifications of members on each team;

(3) the responsibilities of regional hazardous materials response teams;

(4) equipment needed for regional hazardous materials response teams;

(5) procedures for selecting and contracting with local governments or nonpublic persons to establish regional hazardous materials response teams;

(6) procedures for dispatching teams at the request of local governments;

(7) a fee schedule for reimbursing local governments or nonpublic persons responding to an incident; and

(8) coordination with other state departments and agencies, local units

of government, other states, Indian tribes, the federal government, and other nonpublic persons.

Subd. 2. [CONTRACTS AND AGREEMENTS.] *The commissioner may cooperate with and enter into contracts with other state departments and agencies, local units of government, other states, Indian tribes, the federal government, or nonpublic persons to implement the response plan.*

Sec. 6. [299A.50] [LIABILITY AND WORKERS' COMPENSATION.]

Subdivision 1. [LIABILITY.] *During operations authorized under section 5, members of a regional hazardous materials response team operating outside their geographic jurisdiction are "employees of the state" as defined in section 3.736.*

Subd. 2. [WORKERS' COMPENSATION.] *During operations authorized under section 5, members of a regional hazardous materials response team operating outside their geographic jurisdiction are considered state employees for purposes of chapter 176.*

Subd. 3. [LIMITATION.] *A person who provides personnel and equipment to assist at the scene of a hazardous materials response incident outside the person's geographic jurisdiction or property, at the request of the state or a local unit of government, is not liable for any civil damages resulting from acts or omissions in providing the assistance, unless the person acts in a willful and wanton or reckless manner in providing the assistance.*

Sec. 7. [299A.51] [RESPONSIBLE PERSON.]

Subdivision 1. [RESPONSE LIABILITY.] *A responsible person, as described in section 115B.03, is liable for the reasonable and necessary costs, including legal and administrative costs, of response to a hazardous materials incident incurred by a regional hazardous materials response team or local unit of government. For the purposes of this section, "hazardous substance" as used in section 115B.03 means "hazardous material" as defined in section 4.*

Subd. 2. [EXPENSE RECOVERY.] *The commissioner shall assess the responsible person for the regional hazardous materials response team costs of response. The commissioner may bring an action for recovery of unpaid costs, reasonable attorney fees, and any additional court costs.*

Subd. 3. [ATTEMPTED AVOIDANCE OF LIABILITY.] *For purposes of sections 3 to 8, a responsible person may not avoid liability by conveying any right, title, or interest in real property or by any indemnification, hold harmless agreement, or similar agreement.*

Sec. 8. [299K.095] [HAZARDOUS MATERIALS INCIDENT RESPONSE FEES.]

(a) Persons, except individuals engaged in a farming operation, required under section 11002 of the federal act to notify the commission of the storage of an extremely hazardous substance shall pay an annual fee of $75 for each facility.

(b) Persons required under section 11023 of the federal act to submit a toxic chemical release form to the commission shall pay an annual fee of $200 for zero releases and transfers annually, $400 for more than zero releases and transfers but not exceeding 25,000 pounds annually, and $800 for releases and transfers exceeding 25,000 pounds annually. This fee is in addition to fees collected under section 115D.12.

(c) All fees collected under this section must be deposited in the general fund.

Sec. 9. [APPROPRIATION.]

$115,000 is appropriated from the general fund to the commissioner of transportation for the purposes of section 2. The approved complement of the department of transportation is increased by two positions.

$1,128,000 is appropriated from the general fund to the commissioner of public safety for the purposes of sections 3 to 8. The approved complement of the department of public safety is increased by three positions."

Delete the title and insert:

"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; authorizing the director of the office of waste management to establish rules for reporting waste statistics; setting a goal for reduction of packaging in the waste stream; 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; changing provisions relating to financial responsibility requirements and low-level radioactive waste; prohibiting the use of petroleum-based sweeping compound products; 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, degradable packing material, construction debris, and used motor oil; and making various other amendments and additions related to solid waste management; providing for the Minnesota hazardous materials incident response act; appropriating money; amending Minnesota Statutes 1990, sections 16B.121; 115A.03, subdivision 36a, and by adding subdivisions; 115A.07, by adding a subdivision; 115A.32; 115A.551, subdivision 5; 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.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.551, subdivisions 2a and 4; 115A.83; 115A.9157, subdivisions 4 and 5; 115A.93, subdivision 3; 115A.931; 115E.04, subdivision 2; 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; 221; 299A; 299K; and 325E."

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

Senate Conferees: (Signed) Gene Merriam, Steven Morse, Gen Olson

House Conferees: (Signed) Jean Wagenius, Tom Rukavina, Sidney Pauly

Mr. Merriam moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2199 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2199 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	McGowan	Price
Beckman	Day	Johnson, J.B.	Merriam	Ranum
Belanger	Dicklich	Johnston	Moe, R.D.	Reichgott
Benson, D.D.	Finn	Kelly	Mondale	Renneke
Benson, J.E.	Flynn	Knaak	Morse	Riveness
Berg	Frank	Kroening	Neuville	Sams
Berglin	Frederickson, D.J.	Laidig	Novak	Spear
Bernhagen	Frederickson, D.R.	Langseth	Olson	Stumpf
Bertram	Halberg	Larson	Pappas	Terwilliger
Chmielewski	Hottinger	Lessard	Pariseau	Traub
Cohen	Hughes	Luther	Piper	Vickerman
Dahl	Johnson, D.E.	Marty	Pogemiller	Waldorf

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Messages From the House and First Reading of House Bills.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2181, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2181 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

CONFERENCE COMMITTEE REPORT ON 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.

April 16, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 2181, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 2181 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 13.03, subdivision 3, is amended to read:

Subd. 3. [REQUEST FOR ACCESS TO DATA.] Upon request to a responsible authority or designee, a person shall be permitted to inspect and copy public government data at reasonable times and places, and, upon request, shall be informed of the data's meaning. If a person requests access for the purpose of inspection, the responsible authority may not assess a charge or require the requesting person to pay a fee to inspect data. The responsible authority or designee shall provide copies of public data upon request. If a person requests copies or electronic transmittal of the data to the person, the responsible authority may require the requesting person to pay the actual costs of searching for and retrieving government data, including the cost of employee time, and for making, certifying, compiling, and electronically transmitting the copies of the data or the data, but may not charge for separating public from not public data. ~~If the responsible authority is a state agency, the amount received is appropriated to the agency and added to the appropriations from which the costs were paid.~~ If the responsible authority or designee is not able to provide copies at the time a request is made, copies shall be supplied as soon as reasonably possible.

When a request under this subdivision involves any person's receipt of copies of public government data that has commercial value and is a substantial and discrete portion of or an entire formula, pattern, compilation, program, device, method, technique, process, data base, or system developed with a significant expenditure of public funds by the agency, the responsible authority may charge a reasonable fee for the information in addition to the costs of making, certifying, and compiling the copies. Any fee charged must be clearly demonstrated by the agency to relate to the actual development costs of the information. The responsible authority, upon the request of any person, shall provide sufficient documentation to explain and justify the fee being charged.

If the responsible authority or designee determines that the requested data is classified so as to deny the requesting person access, the responsible authority or designee shall inform the requesting person of the determination either orally at the time of the request, or in writing as soon after that time as possible, and shall cite the specific statutory section, temporary classification, or specific provision of federal law on which the determination is based. Upon the request of any person denied access to data, the responsible authority or designee shall certify in writing that the request has been

denied and cite the specific statutory section, temporary classification, or specific provision of federal law upon which the denial was based.

Sec. 2. Minnesota Statutes 1990, section 13.03, is amended by adding a subdivision to read:

Subd. 10. [COSTS FOR PROVIDING COPIES OF DATA.] *Money collected by a responsible authority in a state agency for the actual cost to the agency of providing copies or electronic transmittal of government data is appropriated to the agency and added to the appropriations from which the costs were paid.*

Sec. 3. Minnesota Statutes 1990, section 13.05, subdivision 4, is amended to read:

Subd. 4. [LIMITATIONS ON COLLECTION AND USE OF DATA.] Private or confidential data on an individual shall not be collected, stored, used, or disseminated by political subdivisions, statewide systems, or state agencies for any purposes other than those stated to the individual at the time of collection in accordance with section 13.04, except as provided in this subdivision.

(a) Data collected prior to August 1, 1975, and which have not been treated as public data, may be used, stored, and disseminated for the purposes for which the data was originally collected or for purposes which are specifically approved by the commissioner as necessary to public health, safety, or welfare.

(b) Private or confidential data may be used and disseminated to individuals or agencies specifically authorized access to that data by state, local, or federal law enacted or promulgated after the collection of the data.

(c) Private or confidential data may be used and disseminated to individuals or agencies subsequent to the collection of the data when the responsible authority maintaining the data has requested approval for a new or different use or dissemination of the data and that request has been specifically approved by the commissioner as necessary to carry out a function assigned by law.

(d) Private data may be used by and disseminated to any person or agency if the individual subject or subjects of the data have given their informed consent. Whether a data subject has given informed consent shall be determined by rules of the commissioner. Informed consent shall not be deemed to have been given by an individual subject of the data by the signing of any statement authorizing any person or agency to disclose information about the individual to an insurer or its authorized representative, unless the statement is:

(1) in plain language;

(2) dated;

(3) specific in designating the particular persons or agencies the data subject is authorizing to disclose information about the data subject;

(4) specific as to the nature of the information the subject is authorizing to be disclosed;

(5) specific as to the persons or agencies to whom the subject is authorizing information to be disclosed;

(6) specific as to the purpose or purposes for which the information may

be used by any of the parties named in clause (5), both at the time of the disclosure and at any time in the future;

(7) specific as to its expiration date which should be within a reasonable period of time, not to exceed one year except in the case of authorizations given in connection with applications for life insurance or noncancelable or guaranteed renewable health insurance and identified as such, two years the date of the policy.

The responsible authority may require a person requesting copies of data under this paragraph to pay the actual costs of making, certifying, and compiling the copies.

Sec. 4. [13.99] [OTHER GOVERNMENT DATA PROVISIONS.]

Subdivision 1. [PROVISIONS CODED IN OTHER CHAPTERS.] *The laws enumerated in this section are codified outside of chapter 13 and classify government data as other than public or place restrictions on access to government data. The remedies and penalties provided in sections 13.08 and 13.09 also apply to data and records listed in this section and to other provisions of statute that provide access to government data and records or rights regarding government data similar to those established by section 13.04.*

Subd. 2. [DATA PROVIDED TO THE TAX STUDY COMMISSION.] *The commissioner of revenue shall provide data to the tax study commission under section 3.861, subdivision 6.*

Subd. 3. [LEGISLATIVE AUDIT DATA.] *Data relating to an audit performed under section 3.97 are classified under section 3.97, subdivision 11.*

Subd. 4. [ETHICAL PRACTICES BOARD INFORMATION.] *Disclosure by the ethical practices board of information about a complaint or investigation is governed by section 10A.02, subdivision 11.*

Subd. 5. [ETHICAL PRACTICES INVESTIGATION DATA.] *The record of certain investigations conducted under chapter 10A is classified, and disposition of certain information is governed, by section 10A.02, subdivision 11a.*

Subd. 6. [REGISTER OF OWNERSHIP OF BONDS OR CERTIFICATES.] *Information in a register of ownership of state bonds or certificates is classified under section 16A.672, subdivision 11.*

Subd. 7. [PESTICIDE DEALER RECORDS.] *Records of pesticide dealers inspected or copied by the commissioner of agriculture are classified under section 18B.37, subdivision 5.*

Subd. 8. [DAIRY REPORTS TO COMMISSIONER OF AGRICULTURE.] *Disclosure of information in reports about dairy production required to be filed with the commissioner of agriculture under section 32.19 is governed by that section.*

Subd. 9. [FAMILY FARM SECURITY.] *Data received or prepared by the commissioner of agriculture regarding family farm security loans are classified in section 41.63.*

Subd. 10. [RURAL FINANCE AUTHORITY.] *Certain data received or prepared by the rural finance authority are classified pursuant to section 41B.211.*

Subd. 11. [WORLD TRADE CENTER.] *Certain data received or developed by the governing board of the Minnesota world trade center corporation are classified in section 44A.08.*

Subd. 12. [COMMERCE DEPARTMENT DATA ON FINANCIAL INSTITUTIONS.] *The disclosure by the commissioner of commerce of facts and information obtained in the course of examining financial institutions is governed by section 46.07, subdivision 2.*

Subd. 13. [COMMUNITY REINVESTMENT RATING.] *The contents and disclosure of the confidential section of the community reinvestment rating prepared by the commissioner of commerce are governed by section 47.84.*

Subd. 14. [EXAMINATION OF INSURANCE COMPANIES.] *Information obtained by the commissioner of commerce in the course of supervising or examining insurance companies is classified under section 60A.03, subdivision 9. An examination report of a domestic or foreign insurance company prepared by the commissioner is classified pursuant to section 60A.031, subdivision 4.*

Subd. 15. [INSURANCE COMPANY INFORMATION.] *Data received by the department of commerce under section 60A.93 are classified as provided by that section.*

Subd. 16. [PROCEEDING AND RECORDS IN SUMMARY PROCEEDINGS AGAINST INSURERS.] *Access to proceedings and records of summary proceedings by the commissioner of commerce against insurers and judicial review of such proceedings is governed by section 60B.14, subdivisions 1, 2, and 3.*

Subd. 17. [INSURANCE GUARANTY ASSOCIATION.] *The commissioner may share data with the board of the Minnesota Insurance Guaranty Association as provided by section 60C.14, subdivision 2.*

Subd. 18. [VARIOUS INSURANCE DATA.] *Disclosure of information obtained by the commissioner of commerce under section 60D.18, 60D.19, or 60D.20 is governed by section 60D.22.*

Subd. 19. [HMO EXAMINATIONS.] *Data obtained by the commissioner of health in the course of an examination of the affairs of a health maintenance organization are classified under section 62D.14, subdivisions 1 and 4.*

Subd. 20. [AUTO THEFT DATA.] *The sharing of data on auto thefts between law enforcement and prosecutors and insurers is governed by section 65B.81.*

Subd. 21. [SELF-INSURERS' SECURITY FUND.] *Disclosure of certain data received by the self-insurers' security is governed by section 79A.09, subdivision 4.*

Subd. 22. [ENVIRONMENTAL RESPONSE.] *Certain data obtained by the pollution control agency from a person who may be responsible for a release are classified in section 115B.17, subdivision 5.*

Subd. 23. [HAZARDOUS WASTE GENERATORS.] *Data exchanged between the pollution control agency and the department of revenue under sections 115B.24 and 116.075, subdivision 2, are classified under section 115B.24, subdivision 5.*

Subd. 24. [SOLID WASTE FACILITY RECORDS.] *Records of solid waste facilities received, inspected, or copied by a county pursuant to section 115A.882 are classified pursuant to section 115A.882, subdivision 3.*

Subd. 25. [HAZARDOUS WASTE GENERATORS.] *Information provided by hazardous waste generators under section 473.151 and for which confidentiality is claimed is governed by section 116.075, subdivision 2.*

Subd. 26. [POLLUTION CONTROL AGENCY TESTS.] *Trade secret information made available by applicants for certain projects of the pollution control agency are classified under section 116.54.*

Subd. 27. [LOW-LEVEL RADIOACTIVE WASTE.] *Certain data given to the pollution control agency by persons who generate, transport, or dispose of low-level radioactive waste are classified under section 116C.840.*

Subd. 28. [STUDENT FINANCIAL AID.] *Data collected and used by the higher education coordinating board on applicants for financial assistance are classified under section 136A.162.*

Subd. 29. [RESTRICTIONS ON ACCESS TO ARCHIVES RECORDS.] *Limitations on access to records transferred to the state archives are provided in section 138.17, subdivision 1c.*

Subd. 30. [FOUNDLING REGISTRATION.] *The report of the finding of an infant of unknown parentage is classified under section 144.216, subdivision 2.*

Subd. 31. [NEW CERTIFICATE OF BIRTH.] *In circumstances in which a new certificate of birth may be issued under section 144.218, the original certificate of birth is classified as provided in that section.*

Subd. 32. [BIRTH CERTIFICATE OF CHILD OF UNMARRIED PARENTS.] *Access to the birth certificate of a child whose parents were not married to each other when the child was conceived or born is governed by sections 144.225, subdivision 2, and 257.73.*

Subd. 33. [HUMAN LEUKOCYTE ANTIGEN TYPE REGISTRY.] *Data identifying a person and the person's human leukocyte antigen type which is maintained by a government entity are classified under section 144.336, subdivision 1.*

Subd. 34. [HEALTH THREAT PROCEDURES.] *Data in a health directive issued by the commissioner of health or a board of health are classified in section 144.4186.*

Subd. 35. [CERTAIN HEALTH INSPECTIONS.] *Disclosure of certain data received by the commissioner of health under sections 144.50 to 144.56 is governed by section 144.58.*

Subd. 36. [CANCER SURVEILLANCE SYSTEM.] *Data on individuals collected by the cancer surveillance system are classified pursuant to section 144.69.*

Subd. 37. [MEDICAL MALPRACTICE CLAIMS REPORTS.] *Reports of medical malpractice claims submitted by an insurer to the commissioner of health under section 144.693 are classified as provided in section 144.693, subdivision 1.*

Subd. 38. [HEALTH TEST RESULTS.] *Health test results obtained under chapter 144 are classified under section 144.768.*

Subd. 39. [HOME CARE SERVICES.] *Certain data from providers of home care services given to the commissioner of health are classified under section 144A.47.*

Subd. 40. [TERMINATED PREGNANCIES.] *Disclosure of reports of terminated pregnancies made to the commissioner of health is governed by section 145.413, subdivision 1.*

Subd. 41. [REVIEW ORGANIZATION DATA.] *Disclosure of data and information acquired by a review organization as defined in section 145.61, subdivision 5, is governed by section 145.64.*

Subd. 42. [FAMILY PLANNING GRANTS.] *Information gathered under section 145.925 is classified under section 145.925, subdivision 6.*

Subd. 43. [PHYSICIAN INVESTIGATION RECORDS.] *Patient medical records provided to the board of medical examiners under section 147.131 are classified under that section.*

Subd. 44. [RECORD OF PHYSICIAN DISCIPLINARY ACTION.] *The administrative record of any disciplinary action taken by the board of medical examiners under sections 147.01 to 147.22 is sealed upon judicial review as provided in section 147.151.*

Subd. 45. [CHIROPRACTIC REVIEW RECORDS.] *Data of the board of chiropractic examiners and the peer review committee are classified under section 148.106, subdivision 10.*

Subd. 46. [DISCIPLINARY ACTION AGAINST NURSES.] *Data obtained under section 148.261, subdivision 5, by the board of nursing are classified under that subdivision.*

Subd. 47. [MEDICAL RECORDS OBTAINED BY BOARD OF NURSING.] *Medical records of a patient cared for by a nurse who is under review by the board of nursing are classified under sections 148.191, subdivision 2, and 148.265.*

Subd. 48. [RECORDS OF NURSE DISCIPLINARY ACTION.] *The administrative records of any disciplinary action taken by the board of nursing under sections 148.171 to 148.285 are sealed upon judicial review as provided in section 148.266.*

Subd. 49. [CLIENT RECORDS OBTAINED BY BOARDS ON MENTAL HEALTH AND SOCIAL WORK.] *Client records obtained by a board conducting an investigation under chapter 148B are classified by section 148B.09.*

Subd. 50. [RECORDS OF MENTAL HEALTH AND SOCIAL WORK DISCIPLINARY ACTION.] *The administrative records of disciplinary action taken by a board under chapter 148B are sealed upon judicial review as provided in section 148B.10.*

Subd. 51. [SOCIAL WORK AND MENTAL HEALTH BOARDS.] *Certain data obtained by licensing boards under chapter 148B are classified under section 148B.175, subdivisions 2 and 5.*

Subd. 52. [RECORDS OF UNLICENSED MENTAL HEALTH PRACTITIONER DISCIPLINARY ACTIONS.] *The administrative records of disciplinary action taken by the commissioner of health pursuant to sections 148B.60 to 148B.71 are sealed upon judicial review as provided in section 148B.65.*

Subd. 53. [BOARD OF DENTISTRY.] *Data obtained by the board of dentistry under section 150A.08, subdivision 6, are classified as provided in that subdivision.*

Subd. 54. [MOTOR VEHICLE REGISTRATION.] *The residence address of certain individuals provided to the commissioner of public safety for motor vehicle registrations is classified under section 168.346.*

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

Subd. 56. [DRIVERS' LICENSE ADDRESS.] *The residence address of certain individuals provided to the commissioner of public safety in drivers' license applications is classified under section 171.12, subdivision 7.*

Subd. 57. [ACCIDENT REPORTS.] *Release of accident reports provided to the department of public safety under section 169.09 is governed by section 169.09, subdivision 13.*

Subd. 58. [REPORTERS TO LABOR AND INDUSTRY.] *Disclosure of the names of certain persons supplying information to the department of labor and industry is prohibited by sections 175.24 and 175.27.*

Subd. 59. [REPORT OF DEATH OR INJURY TO LABOR AND INDUSTRY.] *Access to a report of worker injury or death during the course of employment filed by an employer under section 176.231 is governed by sections 176.231, subdivisions 8 and 9, and 176.234.*

Subd. 60. [OCCUPATIONAL SAFETY AND HEALTH.] *Certain data gathered or prepared by the commissioner of labor and industry as part of occupational safety and health inspections are classified under section 182.659, subdivision 8.*

Subd. 61. [EMPLOYEE DRUG AND ALCOHOL TEST RESULTS.] *Test results and other information acquired in the drug and alcohol testing process, with respect to public sector employees and applicants, are classified by section 181.954, subdivision 2, and access to them is governed by section 181.954, subdivision 3.*

Subd. 62. [CERTAIN VETERANS BENEFITS.] *Access to files pertaining to claims for certain veterans benefits is governed by section 196.08.*

Subd. 63. [VETERANS SERVICE OFFICERS.] *Data maintained by veterans service officers are classified under section 197.603.*

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

Subd. 65. [COMMISSIONER OF PUBLIC SERVICE.] *Certain energy data maintained by the commissioner of public service are classified under section 216C.17, subdivision 4.*

Subd. 66. [MENTAL HEALTH RECORDS.] *Disclosure of the names and addresses of persons receiving mental health services is governed by section 245.467, subdivision 6.*

Subd. 67. [CHILDREN RECEIVING MENTAL HEALTH SERVICES.] *Disclosure of identities of children receiving mental health services under sections 245.487 to 245.4887, and the identities of their families, is governed by section 245.4876, subdivision 7.*

Subd. 68. [MENTAL HEALTH CLINICS AND CENTERS.] *Data collected by mental health clinics and centers approved by the commissioner of human services are classified under section 245.69, subdivision 2.*

Subd. 69. [STATE HOSPITAL PATIENTS.] *Contents of, and access to, records of state hospital patients required to be kept by the commissioner of human services are governed by section 246.13.*

Subd. 70. [CHEMICAL DEPENDENCY SERVICE AGREEMENTS.] *Certain data received by the commissioner of human services from chemical dependency programs are classified under section 246.64, subdivision 4.*

Subd. 71. [RAMSEY HEALTH CARE.] *Data maintained by Ramsey Health Care, Inc., are classified under section 246A.17.*

Subd. 72. [PREPETITION SCREENING.] *Prepetition screening investigations for judicial commitments are classified as private under section 253B.07, subdivision 1, paragraph (b).*

Subd. 73. [SUBJECT OF RESEARCH; RECIPIENTS OF ALCOHOL OR DRUG ABUSE TREATMENT.] *Access to records of individuals who are the subject of research or who receive information, assessment, or treatment concerning alcohol or drug abuse is governed by section 254A.09.*

Subd. 74. [CHILD MORTALITY REVIEW PANEL.] *Data practices of the commissioner of human services as part of the child mortality review panel are governed by section 256.01, subdivision 12.*

Subd. 75. [RECORDS OF ARTIFICIAL INSEMINATION.] *Access to records held by a court or other agency concerning artificial insemination performed on a married woman with her husband's consent is governed by section 257.56, subdivision 1.*

Subd. 76. [PARENTAGE ACTION RECORDS.] *Inspection of records in parentage actions held by the court, the commissioner of human services, or elsewhere is governed by section 257.70.*

Subd. 77. [COMMISSIONER'S RECORDS OF ADOPTION.] *Records of adoption held by the commissioner of human services are classified, and access to them is governed by section 259.46, subdivisions 1 and 3.*

Subd. 78. [ADOPTEE'S ORIGINAL BIRTH CERTIFICATE.] *Access to the original birth certificate of a person who has been adopted is governed by section 259.49.*

Subd. 79. [PEACE OFFICERS AND CORRECTIONS RECORDS OF JUVENILES.] *Inspection and maintenance of juvenile records held by police and the commissioner of corrections are governed by section 260.161, subdivision 3.*

Subd. 80. [COMMISSIONER OF JOBS AND TRAINING.] *Data maintained by the commissioner of jobs and training are classified under section 268.12, subdivision 12.*

Subd. 81. [TRANSITIONAL HOUSING DATA.] *Certain data collected, used, or maintained by the recipient of a grant to provide transitional housing are classified under section 268.38, subdivision 9.*

Subd. 82. [EMERGENCY JOBS PROGRAM.] *Data maintained by the commissioner of public safety for the emergency jobs program are classified under section 268.673, subdivision 5.*

Subd. 83. [VOCATIONAL REHABILITATION DATA.] *Disclosure of data obtained by the commissioner of jobs and training regarding the vocational rehabilitation of an injured or disabled employee is governed by section 268A.05.*

Subd. 84. [REVENUE RECAPTURE ACT.] *Data maintained by the commissioner of revenue under the revenue recapture act are classified under section 270A.11.*

Subd. 85. [TAX DATA; CLASSIFICATION AND DISCLOSURE.] *Classification and disclosure of tax data created, collected, or maintained by the department of revenue under chapter 290, 290A, 291, or 297A are governed by chapter 270B.*

Subd. 86. [HOMESTEAD APPLICATIONS.] *The classification and disclosure of certain information collected to determine homestead classification is governed by section 273.124, subdivision 13.*

Subd. 87. [MOTOR VEHICLE REGISTRARS.] *Disclosure of certain information obtained by motor vehicle registrars is governed by section 297B.12.*

Subd. 88. [MARIJUANA AND CONTROLLED SUBSTANCE TAX INFORMATION.] *Disclosure of information obtained under chapter 297D is governed by section 297D.13, subdivisions 1 to 3.*

Subd. 89. [MINERAL RIGHTS FILINGS.] *Data filed pursuant to section 298.48 with the commissioner of revenue by owners or lessees of mineral rights are classified under section 298.48, subdivision 4.*

Subd. 90. [UNDERCOVER BUY FUND.] *Records relating to applications for grants under section 299C.065 are classified under section 299C.065, subdivision 4.*

Subd. 91. [ARSON INVESTIGATIONS.] *Data maintained as part of arson investigations are governed by sections 299F.055 and 299F.056.*

Subd. 92. [OFFICE OF PIPELINE SAFETY.] *Data obtained by the director of the office of pipeline safety are classified under section 299J.13.*

Subd. 93. [HUMAN RIGHTS CONCILIATION EFFORTS.] *Disclosure of information concerning efforts in a particular case to resolve a charge through education conference, conciliation, and persuasion is governed by section 363.06, subdivision 6.*

Subd. 94. [HUMAN RIGHTS DEPARTMENT INVESTIGATIVE DATA.] *Access to human rights department investigative data by persons other than department employees is governed by section 363.061.*

Subd. 95. [RECORDS OF CLOSED COUNTY BOARD MEETINGS.] *Records of Hennepin county board meetings permitted to be closed under section 383B.217, subdivision 7, are classified under that subdivision.*

Subd. 96. [INQUEST DATA.] *Certain data collected or created in the course of a coroner's or medical examiner's inquest are classified under sections 390.11, subdivision 7, and 390.32, subdivision 6.*

Subd. 97. [RURAL DEVELOPMENT FINANCING AUTHORITY.] *Treatment of preliminary information provided by the commissioner of trade and economic development to an authority contemplating the exercise of powers under sections 469.142 to 469.151 is governed by section 469.150.*

Subd. 98. [MUNICIPAL SELF-INSURER CLAIMS.] *Disclosure of information about individual claims filed by the employees of a municipality which is a self-insurer is governed by section 471.617, subdivision 5.*

Subd. 99. [METROPOLITAN SOLID WASTE LANDFILL FEE.] *Information obtained from the operator of a mixed municipal solid waste disposal facility under section 473.843 is classified under section 473.843, subdivision 4.*

Subd. 100. [MUNICIPAL OBLIGATION REGISTER DATA.] *Information contained in a register with respect to the ownership of certain municipal obligations is classified under section 475.55, subdivision 6.*

Subd. 101. [CHILD CUSTODY PROCEEDINGS.] *Court records of child custody proceedings may be sealed as provided in section 518.168.*

Subd. 102. [FARMER-LENDER MEDIATION.] *Data on debtors and creditors under the farmer-lender mediation act are classified under section 583.29.*

Subd. 103. [SOURCES OF PRESENTENCE INVESTIGATION REPORTS.] *Disclosure of confidential sources in presentence investigation reports is governed by section 609.115, subdivision 4.*

Subd. 104. [USE OF MOTOR VEHICLE TO PATRONIZE PROSTITUTES.] *Use of a motor vehicle in the commission of an offense under section 609.324 is noted on the offender's driving records and the notation is classified pursuant to section 609.324, subdivision 5.*

Subd. 105. [SEXUAL ASSAULT CRIME VICTIMS.] *Data on sexual assault victims are governed by section 609.3471.*

Subd. 106. [FINANCIAL DISCLOSURE FOR PUBLIC DEFENDER SERVICES.] *Disclosure of financial information provided by a defendant seeking public defender services is governed by section 611.17.*

Subd. 107. [CRIME VICTIM NOTICE OF RELEASE.] *Data on crime victims who request notice of an offender's release are classified under section 611A.06.*

Subd. 108. [BATTERED WOMEN.] *Data on battered women maintained by grantees for emergency shelter and support services for battered women are governed by section 611A.32, subdivision 5.*

Subd. 109. [CRIME VICTIM CLAIMS FOR REPARATIONS.] *Claims and supporting documents filed by crime victims seeking reparations are classified under section 611A.57, subdivision 6.*

Subd. 110. [CRIME VICTIM OMBUDSMAN.] *Data maintained by the crime victim ombudsman are classified under section 611A.74, subdivision 2.*

Subd. 111. [REPORTS OF GUNSHOT WOUNDS.] *Disclosure of the name of a person making a report under section 626.52, subdivision 2, is governed by section 626.53.*

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

Subd. 113. [VULNERABLE ADULT REPORT RECORDS.] *Data contained in vulnerable adult report records are classified under section*

626.557, subdivision 12.

Subd. 114. [PEACE OFFICER DISCIPLINE PROCEDURES.] *Access by an officer under investigation to the investigating agency's investigative report on the officer is governed by section 626.89, subdivision 6.*

Sec. 5. [13C.01] [ACCESS TO CONSUMER REPORTS PREPARED BY CONSUMER REPORTING AGENCIES.]

Subdivision 1. [FEE FOR REPORT.] *(a) A consumer who is the subject of a credit report maintained by a credit reporting agency is entitled to request and receive by mail, for a charge not to exceed $8, a copy of the credit report once in any 12-month period. The mailing must contain a statement of the consumer's right to dispute and correct any errors and of the procedures set forth in the federal Fair Credit Reporting Act, United States Code, title 15, sections 1681 et. seq., for that purpose. The credit reporting agency shall respond to a request under this subdivision within 30 days.*

(b) A consumer who exercises the right to dispute and correct errors is entitled, after doing so, to request and receive by mail, without charge, a copy of the credit report in order to confirm that the credit report was corrected.

(c) For purposes of this section, the terms "consumer," "credit report," and "credit reporting agency" have the meanings given them in the federal Fair Credit Reporting Act, United States Code, title 15, sections 1681 et. seq.

Subd. 2. [ENFORCEMENT.] *This section may be enforced by the attorney general pursuant to section 8.31.*

Sec. 6. 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 19 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. 7. Minnesota Statutes 1991 Supplement, section 144.0525, is amended to read:

144.0525 [DATA FROM LABOR AND INDUSTRY AND JOBS AND TRAINING; EPIDEMIOLOGIC STUDIES.]

All data collected by the commissioner of health under sections 176.234 ~~and~~, 268.12, *and 270B.14, subdivision 11*, shall be used only for the purposes of epidemiologic investigations, *notification of persons exposed to health hazards as a result of employment*, and surveillance of occupational health and safety.

Sec. 8. Minnesota Statutes 1991 Supplement, section 144.335, subdivision 1, is amended to read:

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

(a) "Patient" means a natural person who has received health care services from a provider for treatment or examination of a medical, psychiatric, or mental condition, the surviving spouse and parents of a deceased patient, or a person the patient designates in writing as a representative. Except for minors who have received health care services pursuant to sections 144.341 to 144.347, in the case of a minor, patient includes a parent or guardian, or a person acting as a parent or guardian in the absence of a parent or guardian.

(b) "Provider" means (1) any person who furnishes health care services and is licensed to furnish the services pursuant to chapter 147, 148, 148B, 150A, 151, or 153; (2) a home care provider licensed under section 144A.46; (3) a health care facility licensed pursuant to this chapter or chapter 144A; and (4) an unlicensed mental health practitioner regulated pursuant to sections 148B.60 to 148B.71.

(c) "Individually identifiable form" means a form in which the patient is or can be identified as the subject of the health records.

Sec. 9. Minnesota Statutes 1991 Supplement, section 144.335, subdivision 3a, is amended to read:

Subd. 3a. [PATIENT CONSENT TO RELEASE OF RECORDS; LIABILITY.] (a) A provider, or a person who receives health records from a provider, may not release a patient's health records to a person without a signed and dated consent from the patient or the patient's legally authorized representative authorizing the release, unless the release is specifically authorized by law. *Except as provided in paragraph (c),* a consent is valid for one year or for a lesser period specified in the consent or for a different period provided by law.

(b) This subdivision does not prohibit the release of health records for a medical emergency when the provider is unable to obtain the patient's consent due to the patient's condition or the nature of the medical emergency.

(c) *Notwithstanding paragraph (a), if a patient explicitly gives informed consent to the release of health records for the purposes and pursuant to the restrictions in clauses (1) and (2), the consent does not expire after one year for:*

(1) the release of health records to a provider who is being advised or consulted with in connection with the current treatment of the patient;

(2) the release of health records to an accident and health insurer, health service plan corporation, health maintenance organization, or third-party administrator for purposes of payment of claims, fraud investigation, or quality of care review and studies, provided that:

(i) the use or release of the records complies with sections 72A.49 to 72A.505;

(ii) further use or release of the records in individually identifiable form to a person other than the patient without the patient's consent is prohibited; and

(iii) the recipient establishes adequate safeguards to protect the records from unauthorized disclosure, including a procedure for removal or destruction of information that identifies the patient.

(d) Until June 1, 1994, paragraph (a) does not prohibit the release of health records to qualified personnel solely for purposes of medical or scientific research, if the patient has not objected to a release for research purposes and the provider who releases the records makes a reasonable effort to determine that:

(i) the use or disclosure does not violate any limitations under which the record was collected;

(ii) the use or disclosure in individually identifiable form is necessary to accomplish the research or statistical purpose for which the use or disclosure is to be made;

(iii) the recipient has established and maintains adequate safeguards to protect the records from unauthorized disclosure, including a procedure for removal or destruction of information that identifies the patient; and

(iv) further use or release of the records in individually identifiable form to a person other than the patient without the patient's consent is prohibited.

(e) A person who negligently or intentionally releases a health record in violation of this subdivision, or who forges a signature on a consent form, or who obtains under false pretenses the consent form or health records of another person, or who, without the person's consent, alters a consent form, is liable to the patient for compensatory damages caused by an unauthorized release, plus costs and reasonable attorney's fees.

~~(d) A patient's consent to the release of data on the date and type of immunizations administered to the patient is effective until the patient directs otherwise. if the consent was executed before August 1, 1991.~~

Sec. 10. Minnesota Statutes 1990, section 144.335, is amended by adding a subdivision to read:

Subd. 5. [COSTS.] *When a patient requests a copy of the patient's record for purposes of reviewing current medical care, the provider must not charge a fee. When a provider or its representative makes copies of patient records upon a patient's request under this section, the provider or its representative may charge the patient or the patient's representative no more than 75 cents per page, plus $10 for time spent retrieving and copying the records, unless other law or a rule or contract provide for a lower maximum charge. This limitation does not apply to X-rays. The provider may charge a patient no*

more than the actual cost of reproducing X-rays, plus no more than $10 for the time spent retrieving and copying the X-rays.

The respective maximum charges of 75 cents per page and $10 for time provided in this subdivision are in effect for calendar year 1992 and may be adjusted annually each calendar year as provided in this subdivision. The permissible maximum charges shall change each year by an amount that reflects the change, as compared to the previous year, in the consumer price index for all urban consumers, Minneapolis-St. Paul (CPI-U), published by the department of labor.

Sec. 11. Minnesota Statutes 1990, section 144.335, is amended by adding a subdivision to read:

Subd. 6. [VIOLATION.] *A violation of this section may be grounds for disciplinary action against a provider by the appropriate licensing board or agency.*

Sec. 12. [144.3351] [IMMUNIZATION DATA.]

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

Sec. 13. Minnesota Statutes 1990, section 152.18, subdivision 1, is amended to read:

Subdivision 1. If any person is found guilty of a violation of section 152.024, 152.025, or 152.027 for possession of a controlled substance, after trial or upon a plea of guilty, the court may, without entering a judgment of guilty and with the consent of ~~such~~ *the* person, defer further proceedings and place the person on probation upon such reasonable conditions as it may require and for a period, not to exceed the maximum term of imprisonment provided for ~~such~~ *the* violation. The court may give the person the opportunity to attend and participate in an appropriate program of education regarding the nature and effects of alcohol and drug abuse as a stipulation of probation. Upon violation of a condition of the probation, the court may enter an adjudication of guilt and proceed as otherwise provided. The court may, in its discretion, dismiss the proceedings against ~~such~~ *the* person and discharge the person from probation before the expiration of the maximum period prescribed for ~~such~~ *the* person's probation. If during the period of probation ~~such~~ *the* person does not violate any of the conditions of the probation, then upon expiration of ~~such~~ *the* period the court shall discharge ~~such~~ *the* person and dismiss the proceedings against that person. Discharge and dismissal ~~hereunder~~ *under this subdivision* shall be without court adjudication of guilt, but a ~~nonpublic~~ *not public* record ~~thereof~~ *of it* shall be retained by the department of public safety ~~solely~~ for the purpose of use by the courts in determining the merits of subsequent proceedings against ~~such~~ *the* person. *The not public record may also be opened only upon court order for purposes of a criminal investigation, prosecution, or sentencing. Upon request by law enforcement, prosecution, or corrections authorities,*

the department shall notify the requesting party of the existence of the not public record and the right to seek a court order to open it pursuant to this section. The court shall forward a record of any discharge and dismissal ~~hereunder~~ *under this subdivision* to the department of public safety who shall make and maintain the ~~nonpublic~~ *not public* record ~~thereof~~ *of it* as ~~hereinbefore~~ provided *under this subdivision.* ~~Such~~ *The* discharge or dismissal shall not be deemed a conviction for purposes of disqualifications or disabilities imposed by law upon conviction of a crime or for any other purpose.

For purposes of this subdivision, "not public" has the meaning given in section 13.02, subdivision 8a.

Sec. 14. Minnesota Statutes 1990, section 242.31, is amended to read:

242.31 [RESTORATION OF CIVIL RIGHTS.]

Subdivision 1. Whenever a person who has been committed to the custody of the commissioner of corrections upon conviction of a crime following reference for prosecution under the provisions of section 260.125 is finally discharged by order of the commissioner, that discharge shall restore the person to all civil rights and, if so ordered by the commissioner of corrections, also shall have the effect of setting aside the conviction, nullifying ~~the same~~ *it* and ~~of~~ purging ~~that~~ *the* person ~~thereof~~ *of it*. The commissioner shall file a copy of the order with the district court of the county in which the conviction occurred; upon receipt, the court shall order the conviction set aside.

Subd. 2. Whenever a person described in subdivision 1 has been placed on probation by the court pursuant to section 609.135 and, after satisfactory fulfillment ~~thereof~~ *of it*, is discharged from probation, the court shall issue an order of discharge pursuant to section 609.165. On application of the defendant or on its own motion and after notice to the county attorney, the court in its discretion may also order that the defendant's conviction be set aside with the same effect as ~~such an~~ *a court* order under subdivision 1.

These orders restore the defendant to civil rights and purge and free the defendant from all penalties and disabilities arising from the defendant's conviction and ~~it~~ *the conviction* shall not thereafter be used against the defendant, except in a criminal prosecution for a subsequent offense if otherwise admissible therein. *In addition, the record of the defendant's conviction shall be sealed and may be opened only upon court order for purposes of a criminal investigation, prosecution, or sentencing. Upon request by law enforcement, prosecution, or corrections authorities, the court or the department of public safety shall notify the requesting party of the existence of the sealed record and the right to seek a court order to open it pursuant to this section.*

Subd. 3. The commissioner of corrections shall file a copy of the order with the district court of the county in which the conviction occurred; upon receipt, the court shall order the conviction set aside and all records pertinent to the conviction sealed. These records shall only be reopened in the case of a judicial criminal proceeding instituted at a later date *or upon court order, for purposes of a criminal investigation, prosecution, or sentencing, in the manner provided in subdivision 2.*

The term "records" includes, but is not limited to, all matters, files, documents and papers incident to the arrest, indictment, information, complaint, trial, appeal, dismissal and discharge, which relate to the conviction

for which the order was issued.

Sec. 15. Minnesota Statutes 1990, section 270B.14, is amended by adding a subdivision to read:

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

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

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

Sec. 16. Minnesota Statutes 1990, section 299C.11, is amended to read:

299C.11 [PRINTS, FURNISHED TO BUREAU BY SHERIFFS AND CHIEFS OF POLICE.]

The sheriff of each county and the chief of police of each city of the first, second, and third classes shall furnish the bureau, upon such form as the superintendent shall prescribe, with such finger and thumb prints, photographs, and other identification data as may be requested or required by the superintendent of the bureau, which may be taken under the provisions of section 299C.10, of persons who shall be convicted of a felony, gross misdemeanor, or who shall be found to have been convicted of a felony or gross misdemeanor, within ten years next preceding their arrest. Upon the determination of all pending criminal actions or proceedings in favor of the arrested person, the arrested person shall, upon demand, have all such finger and thumb prints, photographs, and other identification data, and all copies and duplicates thereof, returned, provided it is not established that the arrested person has been convicted of any felony, either within or without the state, within the period of ten years immediately preceding such determination.

For purposes of this section, "determination of all pending criminal actions or proceedings in favor of the arrested person" does not include the sealing of a criminal record pursuant to sections 152.18, subdivision 1, 242.31, or 609.168.

Sec. 17. Minnesota Statutes 1990, section 299C.13, is amended to read:

299C.13 [INFORMATION AS TO CRIMINALS TO BE FURNISHED BY BUREAU TO PEACE OFFICERS.]

Upon receipt of information data as to any arrested person, the bureau shall immediately ascertain whether the person arrested has a criminal record or is a fugitive from justice, and shall at once inform the arresting officer of the facts ascertained. Upon application by any sheriff, chief of police, or other peace officer in the state, or by an officer of the United States or by an officer of another state, territory, or government duly authorized to receive the same and effecting reciprocal interchange of similar information with the division, it shall be the duty of the bureau to furnish

all information in its possession pertaining to the identification of any person. *If the bureau has a sealed record on the arrested person, it shall notify the requesting peace officer of that fact and of the right to seek a court order to open the record for purposes of law enforcement.*

Sec. 18. [299C.60] [CITATION.]

Sections 18 to 22 may be cited as the "Minnesota child protection background check act."

Sec. 19. [299C.61] [DEFINITIONS.]

Subdivision 1. [TERMS.] *The definitions in this section apply to sections 18 to 22.*

Subd. 2. [BACKGROUND CHECK CRIME.] *"Background check crime" includes child abuse crimes, murder, manslaughter, felony level assault or any assault crime committed against a minor, kidnapping, arson, criminal sexual conduct, and prostitution-related crimes.*

Subd. 3. [CHILD.] *"Child" means an individual under the age of 18.*

Subd. 4. [CHILD ABUSE CRIME.] *"Child abuse crime" means:*

(1) an act committed against a minor victim that constitutes a violation of section 609.185, clause (5); 609.221; 609.222; 609.223; 609.224; 609.322; 609.323; 609.324; 609.342; 609.343; 609.344; 609.345; 609.352; 609.377; or 609.378; or

(2) a violation of section 152.021, subdivision 1, clause (4); 152.022, subdivision 1, clause (5) or (6); 152.023, subdivision 1, clause (3) or (4); 152.023, subdivision 2, clause (5) or (7); or 152.024, subdivision 1, clause (2), (3), or (4).

Subd. 5. [CHILDREN'S SERVICE PROVIDER.] *"Children's service provider" means a business or organization, whether public, private, for profit, nonprofit, or voluntary, that provides children's services, including a business or organization that licenses or certifies others to provide children's services.*

Subd. 6. [CHILDREN'S SERVICE WORKER.] *"Children's service worker" means a person who has, may have, or seeks to have access to a child to whom the children's service provider provides children's services, and who:*

(1) is employed by, volunteers with, or seeks to be employed by or volunteer with a children's service provider; or

(2) owns, operates, or seeks to own or operate a children's service provider.

Subd. 7. [CHILDREN'S SERVICES.] *"Children's services" means the provision of care, treatment, education, training, instruction, or recreation to children.*

Subd. 8. [CJIS.] *"CJIS" means the Minnesota criminal justice information system.*

Subd. 9. [SUPERINTENDENT.] *"Superintendent" means the superintendent of the bureau of criminal apprehension.*

Sec. 20. [299C.62] [BACKGROUND CHECKS.]

Subdivision 1. [GENERALLY.] *The superintendent shall develop procedures to enable a children's service provider to request a background check to determine whether a children's service worker is the subject of any reported conviction for a background check crime. The superintendent shall perform the background check by retrieving and reviewing data on background check crimes maintained in the CJIS computers. The superintendent is authorized to exchange fingerprints with the Federal Bureau of Investigation for purposes of a criminal history check. The superintendent shall recover the cost of a background check through a fee charged the children's service provider.*

Subd. 2. [BACKGROUND CHECKS; REQUIREMENTS.] *The superintendent may not perform a background check under this section unless the children's service provider submits a written document, signed by the children's service worker on whom the background check is to be performed, containing the following:*

(1) a question asking whether the children's service worker has ever been convicted of a background check crime and if so, requiring a description of the crime and the particulars of the conviction;

(2) a notification to the children's service worker that the children's service provider will request the superintendent to perform a background check under this section; and

(3) a notification to the children's service worker of the children's service worker's rights under subdivision 3.

Background checks performed under this section may only be requested by and provided to authorized representatives of a children's service provider who have a need to know the information and may be used only for the purposes of sections 18 to 22. Background checks may be performed pursuant to this section not later than one year after the document is submitted under this section.

Subd. 3. [CHILDREN'S SERVICE WORKER RIGHTS.] *(a) The children's service provider shall notify the children's service worker of the children's service worker's rights under paragraph (b).*

(b) A children's service worker who is the subject of a background check request has the following rights:

(1) the right to be informed that a children's service provider will request a background check on the children's service worker:

(i) for purposes of the children's service worker's application to be employed by, volunteer with, or be an owner of a children's service provider or for purposes of continuing as an employee, volunteer, or owner; and

(ii) to determine whether the children's service worker has been convicted of any crime specified in section 19, subdivision 2 or 4;

(2) the right to be informed by the children's service provider of the superintendent's response to the background check and to obtain from the children's service provider a copy of the background check report;

(3) the right to obtain from the superintendent any record that forms the basis for the report;

(4) the right to challenge the accuracy and completeness of any information contained in the report or record pursuant to section 13.04, subdivision 4;

(5) the right to be informed by the children's service provider if the children's service worker's application to be employed with, volunteer with, or be an owner of a children's service provider, or to continue as an employee, volunteer, or owner, has been denied because of the superintendent's response; and

(6) the right not to be required directly or indirectly to pay the cost of the background check.

Subd. 4. [RESPONSE OF BUREAU.] *The superintendent shall respond to a background check request within a reasonable time after receiving the signed, written document described in subdivision 2. The superintendent's response shall be limited to a statement that the background check crime information contained in the document is or is not complete and accurate.*

Subd. 5. [NO DUTY.] *Sections 18 to 22 do not create a duty to perform a background check.*

Subd. 6. [ADMISSIBILITY OF EVIDENCE.] *Evidence or proof that a background check of a volunteer was not requested under sections 18 to 22 by a children's service provider is not admissible in evidence in any litigation against a nonprofit or charitable organization.*

Sec. 21. [299C.63] [EXCEPTION; OTHER LAWS.]

The superintendent is not required to respond to a background check request concerning a children's service worker who, as a condition of occupational licensure or employment, is subject to the background study requirements imposed by any statute or rule other than sections 18 to 22. A background check performed on a licensee, license applicant, or employment applicant under this section does not satisfy the requirements of any statute or rule other than sections 18 to 22, that provides for background study of members of an individual's particular occupation.

Sec. 22. [299C.64] [BCA IMMUNITY.]

The bureau of criminal apprehension is immune from any civil or criminal liability that might otherwise arise under sections 18 to 21, based on the accuracy or completeness of any records it receives from the Federal Bureau of Investigation, if the bureau acts in good faith.

Sec. 23. [357.315] [COST OF EXHIBITS AND MEDICAL RECORDS.]

The cost of obtaining medical records used to prepare a claim, whether or not offered at trial, and the reasonable cost of exhibits shall be allowed in the taxation of costs.

Sec. 24. Minnesota Statutes 1990, section 388.23, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] The county attorney, or any deputy or assistant county attorney whom the county attorney authorizes in writing, has the authority ~~in that county~~ to subpoena and require the production of any records of telephone companies, *cellular phone companies, paging companies*, electric companies, gas companies, water utilities, chemical suppliers, hotels and motels, airlines, buses, taxis, and other entities engaged in the business of transporting people, and freight companies, warehousing companies, package delivery companies, and other entities engaged in the businesses of transport, storage, or delivery, *and records of the existence of safe deposit box account numbers and customer savings and checking*

account numbers maintained by financial institutions and safe deposit companies. Subpoenas may only be issued for records that are relevant to an ongoing legitimate law enforcement investigation.

Sec. 25. Minnesota Statutes 1990, section 609.168, is amended to read:

609.168 [EFFECT OF ORDER.]

Except as otherwise provided in this section, where an order is entered by the court setting aside the conviction the person shall be deemed not to have been previously convicted. An order setting aside a conviction for a crime of violence, as defined in section 624.712, subdivision 5, must provide that the person is not entitled to ship, transport, possess, or receive a firearm until ten years have elapsed since the order was entered and during that time the person was not convicted of any other crime of violence. Any person who has received an order setting aside a conviction and who thereafter has received a relief of disability under United States Code, title 18, section 925, shall not be subject to the restrictions of this subdivision.

The record of a conviction set aside under this section shall not be destroyed, but shall be sealed and may be opened only upon court order for purposes of a criminal investigation, prosecution, or sentencing.

Sec. 26. Minnesota Statutes 1991 Supplement, section 609.535, subdivision 6, is amended to read:

Subd. 6. [RELEASE OF ACCOUNT INFORMATION TO LAW ENFORCEMENT AUTHORITIES.] A drawee shall release the information specified below to any state, county, or local law enforcement or prosecuting authority which certifies in writing that it is investigating or prosecuting a complaint against the drawer under this section or section 609.52, subdivision 2, clause (3)(a), and that 15 days have elapsed since the mailing of the notice of dishonor required by subdivisions 3 and 8. This subdivision applies to the following information relating to the drawer's account:

(1) Documents relating to the opening of the account by the drawer *and to the closing of the account*;

(2) Notices regarding nonsufficient funds, overdrafts, and the dishonor of any check drawn on the account within a period of six months of the date of request;

(3) Periodic statements mailed to the drawer by the drawee for the periods immediately prior to, during, and subsequent to the issuance of any check which is the subject of the investigation or prosecution; or

(4) The last known home and business addresses and telephone numbers of the drawer.

The drawee shall release all of the information described in clauses (1) to (4) that it possesses within ten days after receipt of a request conforming to all of the provisions of this subdivision. The drawee may not impose a fee for furnishing this information to law enforcement or prosecuting authorities.

A drawee is not liable in a criminal or civil proceeding for releasing information in accordance with this subdivision.

Sec. 27. [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, when maintained by a person subject to chapter 13, or may be released only with the subject's consent, if maintained by a person not subject to chapter 13. 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 shall 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 and destroyed.*

Sec. 28. Minnesota Statutes 1990, section 611A.20, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF NOTICE.] The commissioners of public safety and corrections, in consultation with sexual assault victim advocates and health care professionals, shall develop the notice required by subdivision 1. The notice must inform the victim of:

(1) the risk of contracting sexually transmitted diseases as a result of a sexual assault;

(2) the symptoms of sexually transmitted diseases;

(3) recommendations for periodic testing for the diseases, where appropriate;

(4) locations where confidential testing is done and the extent of the confidentiality provided; ~~and~~

(5) information necessary to make an informed decision whether to request a test of the offender under section 27; and

(6) other medically relevant information.

Sec. 29. Minnesota Statutes 1990, section 626.14, is amended to read:

626.14 [TIME OF SERVICE.]

A search warrant may be served only ~~in the daytime~~ *between the hours of 7:00 a.m. and 8:00 p.m.* unless the court determines on the basis of facts stated in the affidavits that a nighttime search *outside those hours* is necessary to prevent the loss, destruction, or removal of the objects of the search *or to protect the searchers or the public*. The search warrant shall state that it may be served only ~~in the daytime~~ *between the hours of 7:00 a.m. and 8:00 p.m.* unless a nighttime search *outside those hours* is authorized.

Sec. 30. Minnesota Statutes 1990, section 638.02, subdivision 2, is amended to read:

Subd. 2. Any person, convicted of *a* crime in any court of this state, who has served the sentence imposed by the court and has been discharged of the sentence either by order of court or by operation of law, may petition the board of pardons for the granting of a pardon extraordinary. *Unless the board of pardons expressly provides otherwise in writing by unanimous vote, the application for a pardon extraordinary may not be filed until the applicable time period in clause (1) or (2) has elapsed:*

(1) if the person was convicted of a crime of violence as defined in section 624.712, subdivision 5, ten years must have elapsed since the sentence was discharged and during that time the person must not have been convicted of any other crime; and

(2) if the person was convicted of any crime not included within the definition of crime of violence under section 624.712, subdivision 5, five years must have elapsed since the sentence was discharged and during that time the person must not have been convicted of any other crime.

If the board of pardons ~~shall determine~~ *determines* that ~~such~~ *the* person ~~has been convicted of no criminal acts other than the act upon which such conviction was founded and~~ is of good character and reputation, the board may, in its discretion, grant ~~to such~~ *the* person a pardon extraordinary. ~~Such~~ *The* pardon extraordinary, when granted, ~~shall have~~ *has* the effect of ~~restoring such person to all civil rights, and shall have the effect of~~ setting aside *and nullifying* the conviction ~~and nullifying the same~~ and of purging ~~such~~ *the* person ~~thereof~~ *of it*, and ~~such~~ *the* person shall never ~~thereafter~~ *after that* be required to disclose the conviction at any time or place other than in a judicial proceeding thereafter instituted.

The application for ~~such~~ *a* pardon extraordinary ~~and~~, the proceedings ~~thereunder~~ *to review an application*, and *the* notice ~~thereof shall be~~ *requirements are* governed by the statutes and the rules of the board in respect to other proceedings before the board ~~and~~. *The application shall* contain ~~such~~ *any* further information ~~as~~ *that* the board may require.

Unless the board of pardons expressly provides otherwise in writing by unanimous vote, if the person was convicted of a crime of violence, as defined in section 624.712, subdivision 5, the pardon extraordinary must expressly provide that the pardon does not entitle the person to ship, transport, possess, or receive a firearm until ten years have elapsed since the sentence was discharged and during that time the person was not convicted of any other crime of violence.

Sec. 31. Minnesota Statutes 1991 Supplement, section 638.02, subdivision 3, is amended to read:

Subd. 3. Upon granting a pardon extraordinary the board of pardons shall file a copy ~~thereof~~ *of it* with the district court of the county in which the conviction occurred, and the court shall order the conviction set aside and include a copy of the pardon in the court file. *The court shall send a copy of its order and the pardon to the bureau of criminal apprehension.*

Sec. 32. Minnesota Statutes 1990, section 638.02, subdivision 4, is amended to read:

Subd. 4. Any person granted a pardon extraordinary by the board of pardons prior to April 12, 1974 may apply to the district court of the county in which the conviction occurred for an order setting aside the conviction ~~and sealing all such records~~ as set forth in subdivision 3.

Sec. 33. Minnesota Statutes 1991 Supplement, section 638.05, is amended to read:

638.05 [APPLICATION FOR PARDON.]

Every application for ~~a~~ *relief by the* pardon ~~or commutation of sentence~~ *board* shall be in writing, addressed to the board of pardons, signed *under oath* by the convict or someone in the convict's behalf, shall state concisely the grounds upon which the ~~pardon or commutation~~ *relief* is sought, and in addition shall contain the following facts:

(1) The name under which the convict was indicted, and every alias by which *the convict is or was* known;

(2) The date and terms of sentence, and the names of the offense for which it was imposed;

(3) The name of the trial judge and the county attorney who participated in the trial of the convict, together with that of the county of trial;

(4) A succinct statement of the evidence adduced at the trial, with the endorsement of the judge or county attorney who tried the case that the ~~same~~ *statement* is substantially correct~~:~~. If ~~such~~ *this* statement and endorsement are not furnished, the reason ~~thereof~~ *for failing to furnish them* shall be stated;

(5) The age, birthplace, and occupation and residence of the convict during five years immediately preceding conviction;

(6) A statement of other arrests, indictments, and convictions, if any, of the convict.

Every application for ~~a~~ *relief by the* pardon ~~or commutation of sentence~~ *board* shall contain a statement by the applicant consenting to the disclosure to the board of any private data concerning the applicant contained in the application or in any other record relating to the grounds on which the ~~pardon or commutation~~ *relief* is sought. *In addition, if the applicant resided in another state after the sentence was discharged, the application for relief by the pardon board shall contain a statement by the applicant consenting to the disclosure to the board of any data concerning the applicant that was collected or maintained by the foreign state relating to the grounds on which the relief is sought, including disclosure of criminal arrest and conviction records.*

Sec. 34. Minnesota Statutes 1991 Supplement, section 638.06, is

amended to read:

638.06 [ACTION ON APPLICATION.]

Every ~~such~~ application *for relief by the pardon board* shall be filed with the ~~clerk~~ *secretary* of the board of pardons *not less than 60 days before the meeting of the board at which consideration of the application is desired.* If an application for a pardon or commutation has been once heard and denied on the merits, no subsequent application shall be filed without the consent of two members of the board endorsed ~~thereon~~ *on the application.* ~~The clerk shall.~~ Immediately on receipt of any application, *the secretary to the board shall* mail notice ~~thereof~~ *of the application*, and of the time and place of hearing ~~thereon~~ *on it*, to the judge of the court ~~wherein~~ *where* the applicant was tried and sentenced, and to the prosecuting attorney who prosecuted the applicant, or a successor in office. *Additionally, the secretary shall publish notice of an application for a pardon extraordinary in the local newspaper of the county where the crime occurred.* The ~~clerk~~ *secretary* shall also make all reasonable efforts to locate any victim of the applicant's crime. The ~~clerk~~ *secretary* shall mail notice of the application and the time and place of the hearing to any victim who is located. This notice shall specifically inform the victim of the victim's right to be present at the hearing and to submit an oral or written statement to the board as provided in section 638.04.

Sec. 35. [638.075] [ANNUAL REPORTS TO LEGISLATURE.]

By February 15 of each year, the board of pardons shall file a written report with the legislature containing the following information:

(1) the number of applications received by the board during the preceding calendar year for pardons, pardons extraordinary, and commutations of sentence;

(2) the number of applications granted by the board for each category; and

(3) the crimes for which the applications were granted by the board, the year of each conviction, and the age of the offender at the time of the offense.

Sec. 36. Laws 1990, chapter 566, section 9, is amended to read:

Sec. 9. [REPEALER.]

Section 2 is repealed effective July 31, ~~1992~~ *1994*.

Sec. 37. [CRIMINAL BACKGROUND CHECK STUDY.]

The department of administration, with the technical assistance of the bureau of criminal apprehension, shall conduct a study to determine the feasibility, cost, and impact of conducting background checks of (1) criminal arrest data and (2) criminal history data from the federal bureau of investigation on children's service workers pursuant to sections 18 to 22. The department shall report its recommendations to the legislature by January 15, 1993.

Sec. 38. [SUPREME COURT; UNIFORM ORDER TO SET ASIDE CONVICTION.]

The supreme court shall, by rule, develop a standardized form to be used by district courts in entering orders to set aside a conviction under Minnesota Statutes, section 638.02, subdivision 3.

Sec. 39. [PARDON BOARD; REVIEW OF STAFFING AND WORKLOAD.]

No later than one year after the effective date of sections 30 to 34, the board of pardons may assess whether it has adequate staff, resources, and procedures to perform the duties imposed on the board by Minnesota Statutes, chapter 638.

Sec. 40. [TELEPHONE ASSISTANCE PLAN.]

Notwithstanding Minnesota Statutes, section 13.46, subdivision 2, until August 1, 1993, welfare data collected by the telephone assistance plan may be disclosed to the department of revenue to conduct an electronic data match to the extent necessary to determine eligibility under Minnesota Statutes, section 237.70, subdivision 4a.

Sec. 41. [APPROPRIATION.]

$10,000 is appropriated from the general fund to the commissioner of corrections, for the fiscal year ending June 30, 1993, to be used to computerize the records maintained by the board of pardons and to permit the board to provide statistical analysis of the board's records, as necessary.

Sec. 42. [EFFECTIVE DATE.]

Section 12 is effective the day following final enactment and applies to immunizations administered before, on, or after the effective date. Sections 13, 14, 16, 17, and 25 are effective October 1, 1992. Sections 27 and 28 are effective January 1, 1993, and apply to crimes committed on or after that date. Sections 30, 31, 32, 33, and 34 are effective June 1, 1992."

Delete the title and insert:

"A bill for an act relating to data practices; providing for the collection, classification, and dissemination of data; modifying provisions concerning patient consent to release of medical records; providing for charges for patient medical records; expanding the administrative subpoena power of the county attorney; making information on closed bank accounts available to authorities investigating worthless check cases; specifying when certain search warrants may be served; imposing a waiting period on persons who seek a pardon extraordinary from the board of pardons; requiring that a pardon extraordinary be made a part of the pardoned offender's court record and that a copy be sent to the bureau of criminal apprehension; improving the pardon application procedure; requiring certain reports; appropriating money; amending Minnesota Statutes 1990, sections 13.03, by adding a subdivision; 13.05, subdivision 4; 72A.20, by adding a subdivision; 144.335, by adding subdivisions; 152.18, subdivision 1; 242.31; 270B.14, by adding a subdivision; 299C.11; 299C.13; 388.23, subdivision 1; 609.168; 611A.20, subdivision 2; 626.14; 638.02, subdivisions 2 and 4; Minnesota Statutes 1991 Supplement, sections 13.03, subdivision 3; 144.0525; 144.335, subdivisions 1 and 3a; 609.535, subdivision 6; 638.02, subdivision 3; 638.05; and 638.06; Laws 1990, chapter 566, section 9; proposing coding for new law in Minnesota Statutes, chapter 13; 144; 299C; 357; 611A; and 638; proposing coding for new law as Minnesota Statutes, chapter 13C."

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

House Conferees: (Signed) Phil Carruthers, Doug Swenson, Thomas W. Pugh

Senate Conferees: (Signed) Jane B. Ranum, Thomas M. Neuville, Gene Merriam

Ms. Ranum moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2181 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2181 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, D.J.	McGowan	Pogemiller
Beckman	Dicklich	Johnson, J.B.	Mehrkens	Price
Benson, D.D.	Finn	Johnston	Merriam	Ranum
Benson, J.E.	Flynn	Kelly	Metzen	Reichgott
Berg	Frank	Knaak	Moe, R.D.	Renneke
Berglin	Frederickson, D.J.	Kroening	Mondale	Riveness
Bernhagen	Frederickson, D.R.	Laidig	Morse	Solon
Bertram	Gustafson	Langseth	Neuville	Spear
Chmielewski	Halberg	Larson	Novak	Stumpf
Cohen	Hottinger	Lessard	Olson	Traub
Dahl	Hughes	Luther	Pariseau	Vickerman
Davis	Johnson, D.E.	Marty	Piper	Waldorf

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2030, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2030 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

CONFERENCE COMMITTEE REPORT ON H.F. NO. 2030

A bill for an act relating to motor carriers; making all persons who transport passengers for hire in intrastate commerce subject to rules of the commissioner of transportation on insurance and driver hours of service; amending Minnesota Statutes 1990, sections 221.031, by adding a subdivision; and 221.141, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 221.025.

April 16, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 2030, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 2030 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 221.025, is amended to read:

221.025 [EXEMPTIONS.]

Except as provided in sections 221.031 ~~and~~, 221.033, *and 221.141, subdivision 5*, the provisions of this chapter do not apply to the intrastate transportation described below:

(a) the transportation of students to or from school or school activities in a school bus inspected and certified under section 169.451;

(b) the transportation of rubbish as defined in section 443.27;

(c) a commuter van as defined in section 221.011, subdivision 27;

(d) authorized emergency vehicles as defined in section 169.01, subdivision 5, including ambulances, and tow trucks when picking up and transporting disabled or wrecked motor vehicles and when carrying proper and legal warning devices;

(e) the transportation of grain samples under conditions prescribed by the board;

(f) the delivery of agricultural lime;

(g) the transportation of dirt and sod within an area having a 50-mile radius from the home post office of the person performing the transportation;

(h) a person while exclusively engaged in the transportation of sand, gravel, bituminous asphalt mix, concrete ready mix, concrete blocks or tile and the mortar mix to be used with the concrete blocks or tile, or crushed rock to or from the point of loading or a place of gathering within an area having a 50-mile radius from that person's home post office or a 50-mile radius from the site of construction or maintenance of public roads and streets;

(i) the transportation of pulpwood, cordwood, mining timber, poles, posts, decorator evergreens, wood chips, sawdust, shavings, and bark from the place where the products are produced to the point where they are to be used or shipped;

(j) a person while engaged exclusively in transporting fresh vegetables from farms to canneries or viner stations, from viner stations to canneries, or from canneries to canneries during the harvesting, canning, or packing season, or transporting potatoes, sugar beets, wild rice, or rutabagas from the field of production to the first place of delivery or unloading, including a processing plant, warehouse, or railroad siding;

(k) a person engaged in transporting property or freight, other than household goods and petroleum products in bulk, entirely within the corporate limits of a city or between contiguous cities except as provided in

section 221.296;

(l) the transportation of unprocessed dairy products in bulk within an area having a 100-mile radius from the home post office of the person providing the transportation;

(m) a person engaged in transporting agricultural, horticultural, dairy, livestock, or other farm products within an area having a 25-mile radius from the person's home post office and the carrier may transport other commodities within the 25-mile radius if the destination of each haul is a farm;

(n) passenger transportation service that is not charter service and that is under contract to and with operating assistance from the department or the regional transit board.

Sec. 2. Minnesota Statutes 1990, section 221.031, is amended by adding a subdivision to read:

Subd. 3b. [PASSENGER TRANSPORTATION.] *(a) A person who transports passengers for hire in intrastate commerce, who is not made subject to the commissioner's rules by any other provision of this section, must comply with the commissioner's rules on maximum hours of service for drivers while transporting employees of an employer who is directly or indirectly paying the cost of the transportation.*

(b) This subdivision does not apply to:

(1) a local transit commission;

(2) a transit authority created by law; or

(3) persons providing transportation:

(i) in a school bus as defined in section 169.01, subdivision 6;

(ii) in a commuter van;

(iii) in an authorized emergency vehicle as defined in section 169.01, subdivision 5;

(iv) in special transportation service certified by the commissioner under section 174.30;

(v) that is special transportation service as defined in section 174.29, subdivision 1, when provided by a volunteer driver operating a private passenger vehicle as defined in section 169.01, subdivision 3a;

(vi) in a limousine the service of which is licensed by the commissioner under section 221.84; or

(vii) in a taxicab, if the fare for the transportation is determined by a meter inside the taxicab that measures the distance traveled and displays the fare accumulated.

Sec. 3. Minnesota Statutes 1990, section 221.141, is amended by adding a subdivision to read:

Subd. 5. [PASSENGER TRANSPORTATION.] *For purposes of this section, "motor carrier" includes any person who transports passengers for hire in intrastate commerce. This section does not apply to an entity or person included in section 221.031, subdivision 3b, paragraph (b).*"

Delete the title and insert:

"A bill for an act relating to transportation; making certain persons who transport passengers for hire in intrastate commerce subject to rules of the commissioner of transportation on insurance and driver hours of service; amending Minnesota Statutes 1990, sections 221.031, by adding a subdivision; and 221.141, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 221.025."

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

House Conferees: (Signed) James I. Rice, Bernard L. "Bernie" Lieder, Chuck Brown

Senate Conferees: (Signed) Florian Chmielewski, Carl W. Kroening, Jim Gustafson

Mr. Chmielewski moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2030 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2030 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Renneke
Beckman	Day	Johnson, J.B.	Metzen	Riveness
Belanger	Dicklich	Johnston	Moe, R.D.	Sams
Benson, D.D.	Finn	Kelly	Mondale	Solon
Benson, J.E.	Flynn	Knaak	Morse	Spear
Berg	Frank	Kroening	Neuville	Stumpf
Berglin	Frederickson, D.J.	Laidig	Novak	Terwilliger
Bernhagen	Frederickson, D.R.	Langseth	Olson	Traub
Bertram	Gustafson	Larson	Pariseau	Vickerman
Brataas	Halberg	Lessard	Piper	Waldorf
Chmielewski	Hottinger	Luther	Pogemiller	
Cohen	Hughes	Marty	Price	
Dahl	Johnson, D.E.	McGowan	Ranum	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 2734.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

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; 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.

Mr. Moe, R.D. moved that H.F. No. 2734 be laid on the table. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1993 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON 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.

April 16, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1993, 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. 1993 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

COMMUTER TRIP REDUCTION ACT

Section 1. Minnesota Statutes 1990, section 161.1231, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY TO CONSTRUCT.] Notwithstanding section 161.123 or any other law, the commissioner may acquire land by purchase, gift, or eminent domain for parking facilities described in this section and may construct, operate, repair, and maintain parking facilities primarily to serve vehicles traveling the route in the interstate highway system described in section 161.123, clause (2), also known as I-394 *and, if approved by the federal government, vehicles occupied by two or more persons traveling other routes*. Other vehicles may use the parking facilities when space is available.

Sec. 2. Minnesota Statutes 1990, section 161.1231, subdivision 2, is amended to read:

Subd. 2. [RULES AND PROCEDURES.] The commissioner shall adopt rules and establish procedures for the operation and use of the parking facilities. The rules are exempt from the requirements of chapter 14. A copy of the rules that regulate use of the facilities by drivers must be posted in each parking facility. The rules must:

(1) establish incentives, which must include preferential parking locations, to encourage drivers of vehicles *that are occupied by two or more persons* that travel *on* I-394 and ~~that are occupied by two or more persons~~ *other routes, if approved by the federal government,* to use the facilities;

(2) define peak travel hours and provide that during peak travel hours single-occupant vehicles be charged a surcharge to bring the parking fee for those vehicles to approximately the same level as parking fees charged in the private parking ramps located in Minneapolis;

(3) provide preferential parking locations for vehicles licensed and operated under section 168.021;

(4) establish application, permit, and use requirements; and

(5) provide for removal and impoundment of vehicles and assessment of a service fee on vehicles parked in violation of this section and the rules adopted under it.

Sec. 3. Minnesota Statutes 1990, section 169.01, is amended by adding a subdivision to read:

Subd. 77. [HIGH-OCCUPANCY VEHICLE.] *"High-occupancy vehicle" means a passenger vehicle with two or more occupants clearly visible from a distance of at least 50 feet, a truck with a gross vehicle weight rating of 12,000 pounds or less with two or more occupants clearly visible from a distance of at least 50 feet, and the following, regardless of the number of occupants: buses, vans displaying the marking of the any public transit system, clearly marked and licensed taxicabs, authorized emergency vehicles, and motorcycles.*

Sec. 4. [169.055] [HIGH-OCCUPANCY VEHICLE ROADWAYS.]

Subdivision 1. [DESIGNATION; RESTRICTED USE.] *Road authorities may designate portions of roadways for the exclusive use of high-occupancy vehicles. Designated portions must be indicated by signs or distinctive*

pavement markings. No vehicle except those defined in section 3 may be operated on a roadway designated for use by high-occupancy vehicles.

Subd. 2. [VIOLATION; PENALTY.] *The owner, or in the case of a leased vehicle, the lessee of a motor vehicle, operated in violation of this section, is liable for a civil penalty of up to $100, unless the motor vehicle operated in violation of this section also had a mannequin, dummy, or other device placed to look like a passenger, in which case the owner or lessee of the motor vehicle is liable for a civil penalty of up to $125.*

The owner or lessee is not liable for the civil penalty if the vehicle was stolen, or if another person is convicted of a violation of this subdivision for the same violation.

Sec. 5. [473.4031] [DEFINITIONS.]

Subdivision 1. [SCOPE.] *For the purposes of sections 5 to 8, the following terms have the meanings given them.*

Subd. 2. [AFFECTED EMPLOYER.] *"Affected employer" means an employer of 100 or more employees at any work location within a commuter trip reduction zone.*

Subd. 3. [AVERAGE DAILY VEHICLE OCCUPANCY RATE.] *"Average daily vehicle occupancy rate" means the average number of persons occupying vehicles registered as passenger automobiles within an area surveyed.*

Subd. 4. [COMMUTER TRIP REDUCTION PLAN OR PLAN.] *"Commuter trip reduction plan" or "plan" means the plan required by section 7, subdivision 3.*

Subd. 5. [COMMUTER TRIP REDUCTION ZONE.] *"Commuter trip reduction zone" means a geographic area designated by the regional transit board under section 6, subdivision 3.*

Subd. 6. [EMPLOYER.] *"Employer" has the meaning given it in section 290.92, subdivision 1, paragraph (4), except that employer excludes the federal government.*

Subd. 7. [SINGLE-OCCUPANCY VEHICLE.] *"Single-occupancy vehicle" means a motor vehicle occupied by one person and that is registered as a passenger automobile.*

Subd. 8. [WORK LOCATION OR LOCATION.] *"Work location" or "location" means an area, building, grouping of buildings, or set of contiguous buildings where employees of a single employer work.*

Sec. 6. [473.4032] [COMMUTER TRIP REDUCTION PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] *The regional transit board shall establish a commuter trip reduction program to reduce commuting by single-occupant vehicle on the metropolitan highways. The board shall consult with employees and labor representatives in the metropolitan area, the commissioner of transportation, the metropolitan council, the metropolitan transit commission, and local units of government in the metropolitan area in establishing the program.*

The program must be consistent with the council's transportation policy plan.

Subd. 2. [DATA COLLECTION AND ANALYSIS; STRATEGY.] *The*

regional transit board shall collect and analyze data on metropolitan commuting patterns, including origin-destination data, traffic congestion, employment and population densities, pollution levels, level of available transit services, parking availability, access to high-occupancy vehicles, and other factors that may affect the rate of commuting by single-occupancy vehicle.

The board shall develop a commuter trip reduction strategy for the metropolitan area that includes maximum use of public transit, priority for high-occupancy vehicles, improved traffic system management, implementation of plans by affected employers, and other measures that increase the vehicle occupancy rate.

Subd. 3. [COMMUTER TRIP REDUCTION ZONES.] *After reasonable notice and a public hearing on the proposed zones and vehicle occupancy rate goals, the board shall designate commuter trip reduction zones within the metropolitan area. The board shall determine the average vehicle occupancy rate in each zone and set rate goals for vehicle occupancy for each zone.*

Every two years, the board shall review and revise as necessary its designation of zones and goals.

Sec. 7. [473.4033] [REQUIREMENTS FOR AFFECTED EMPLOYERS.]

Subdivision 1. [NOTICE; REGISTRATION.] *Within 120 days after designating or revising the designation of commuter trip reduction zones and vehicle occupancy rate goals under section 6, subdivision 3, the regional transit board shall notify, by mail and by publication in newspapers of general circulation, employers with work locations in the zones of the requirements of this section. Within 60 days after receipt of the notice, or publication of the general newspaper notice, whichever is later, an affected employer shall submit the following information to the board:*

(1) the name and address of the employer;

(2) the name and address of a designated contact person at the work location; and

(3) the address of each work location employing 100 or more persons within a commuter trip reduction zone and the number of employees at each location.

Subd. 2. [SURVEY.] *The board shall send affected employers a survey form on the commuting patterns of the employees at each work location and information on the requirements of this section.*

Subd. 3. [COMMUTER TRIP REDUCTION PLAN.] *Within 180 days after receipt of the survey form, an affected employer shall submit to the board the completed survey and a commuter trip reduction plan. The plan must include the following:*

(1) a summary of the survey results, including a description of the modes of travel used by employees commuting to work, and the current average vehicle occupancy at each work location;

(2) a list of commuter trip reduction strategies currently used by the employer;

(3) a list and description of commuter trip reduction strategies to achieve

at that location the average vehicle occupancy rate goal for the zone within five years; and

(4) the name and title of the person preparing the plan.

Subd. 4. [CONSOLIDATED PLAN.] *An affected employer may comply with this section by participating in a consolidated plan with other employers in the surrounding area.*

Subd. 5. [PLAN REVIEW.] *The board shall return a plan within 180 days if the plan will not meet the employer's average vehicle occupancy rate goal. The employer shall revise and resubmit the plan within 90 days after receipt of the notice that the plan is inadequate.*

Sec. 8. [473.4034] [PUBLIC EDUCATION.]

The regional transit board, in cooperation with employers, the commissioner of transportation, the metropolitan council, and the metropolitan transit commission, shall develop a program to educate the public on the benefits of reducing the number of single-occupancy commuter trips.

Sec. 9. [INITIAL DEADLINES.]

The regional transit board shall initially take the actions required by section 6 according to the following schedule:

(1) the initial collection and analysis of data required by section 6, subdivision 2, must be done by July 1, 1993;

(2) the initial designation of commuter trip reduction zones and setting of vehicle occupancy rate goals required by section 6, subdivision 3, must be done by July 1, 1993; and

(3) notwithstanding section 6, subdivision 3, the periodic review and revision of zones and goals must begin in 1996.

Sec. 10. [CARPOOL INCENTIVES.]

The commissioner of transportation shall take all steps necessary to secure the approval of the federal government required to make all high-occupancy vehicles, whether traveling on I-394 or other routes, eligible for parking fee incentives in the garages constructed under section 161.1231.

Sec. 11. [APPLICATION TO FEDERAL ACTIONS.]

Nothing in this act requires the commissioner of transportation to take any action that (1) will jeopardize the state's eligibility for or ability to use federal highway funds or (2) the commissioner determines will result in any other federal action against the state.

Sec. 12. [APPLICATION.]

Sections 5 to 9 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

ARTICLE 2

MISCELLANEOUS

Section 1. Minnesota Statutes 1990, section 13.72, is amended by adding a subdivision to read:

Subd. 8. [ORIGIN AND DESTINATION STUDIES; COMMUTER SURVEY DATA.] *Data collected by the commissioner of transportation under section 174.258 are private data with regard to data on individuals or*

nonpublic data with regard to data not on individuals, including the subject's name, home address, telephone number, place of work, and commuting information. Summaries and analyses of the data collected are public data if they do not reveal private data or nonpublic data.

Sec. 2. Minnesota Statutes 1990, section 103F.351, is amended by adding a subdivision to read:

Subd. 6. [SCENIC CORRIDOR.] *(a) A county state-aid highway that passes through or adjacent to and serves as a corridor to the lower St. Croix wild and scenic river district must be designated a natural preservation route under section 162.021. Design standards for the route must provide for the preservation to the greatest extent possible of the existing profile, alignment, recovery areas, and cross-section of the existing highway, and for minimizing the acquisition of real property for reconstruction.*

(b) A county may not reconstruct a route designated under paragraph (a) where the reconstruction project would (1) materially change the existing profile, alignment, recovery area, or cross-section of the existing highway, or (2) require the acquisition of any significant amount of real property, unless the project has been approved by the commissioner as provided in this subdivision. On receiving a request for approval of the project, the commissioner shall refer the request to the appropriate advisory committee established under section 162.021, subdivision 5, paragraph (b). The advisory committee shall, after holding at least one public hearing in the area affected by the project, consider the request and make a recommendation to the commissioner. Following receipt of the committee's recommendation, the commissioner shall issue an order approving or disapproving the project, or approving it with any modifications the commissioner determines will best preserve the highway's scenic, environmental, or historic characteristics. The county may not proceed with the reconstruction project except in conformity with the commissioner's order. In any administrative or judicial proceeding regarding the project, the party proposing the change has the burden of justifying the change, and, if the change is for a reason other than to preserve the the scenic, historical, or environmental characteristics of the highway corridor, has the burden of showing that the reasons for the change clearly outweigh the applicable scenic, historical, or environmental considerations.

Sec. 3. Minnesota Statutes 1990, section 169.121, subdivision 7, is amended to read:

Subd. 7. [NOTICE OF REVOCATION.] On behalf of the commissioner of public safety a court shall serve notice of revocation on a person convicted of a violation of this section unless the commissioner has already revoked the person's driving privileges or served the person with a notice of revocation for a violation of section 169.123 arising out of the same incident. ~~The court shall take the license or permit of the driver, if any, or obtain a sworn affidavit stating that the license or permit cannot be produced, and send it to the commissioner with a record of the conviction and issue a temporary license effective only for the period during which an appeal from the conviction may be taken. No person who is without driving privileges at the time shall be issued a temporary license and any temporary license issued shall bear the same restrictions and limitations as the driver's license or permit for which it is exchanged.~~

~~The commissioner shall issue additional temporary licenses until the final determination of whether there shall be a revocation under this section.~~

The court shall invalidate the driver's license or permit in such a way that no identifying information is destroyed.

Sec. 4. Minnesota Statutes 1990, section 169.123, subdivision 5a, is amended to read:

Subd. 5a. [PEACE OFFICER AGENT FOR NOTICE OF REVOCATION OR DISQUALIFICATION.] On behalf of the commissioner of public safety a peace officer requiring a test or directing the administration of a chemical test shall serve immediate notice of intention to revoke and of revocation on a person who refuses to permit a test or on a person who submits to a test the results of which indicate an alcohol concentration of 0.10 or more. On behalf of the commissioner of public safety, a peace officer requiring a test or directing the administration of a chemical test of a person driving, operating, or in physical control of a commercial motor vehicle shall serve immediate notice of intention to disqualify and of disqualification on a person who refuses to permit a test, or on a person who submits to a test the results of which indicate an alcohol concentration of 0.04 or more. The officer shall *either:*

(1) take the *driver's* license or permit ~~of the driver~~, if any, and issue a temporary license, effective only for seven days. ~~The peace officer~~. *and* shall send ~~the person's driver's license~~ *it* to the commissioner of public safety along with the certificate required by subdivision 4*; or*

(2) invalidate the driver's license or permit in such a way that no identifying information is destroyed.

Sec. 5. Minnesota Statutes 1990, section 169.14, subdivision 10, is amended to read:

Subd. 10. [RADAR; ~~SPEEDALYZER~~ *SPEED-MEASURING* DEVICES; STANDARDS OF EVIDENCE.] In any prosecution in which the rate of speed of a motor vehicle is relevant, evidence of the speed as indicated on radar or other ~~speedalyzer~~ *speed-measuring* devices is admissible in evidence, subject to the following conditions:

(a) The officer operating the device has sufficient training to properly operate the equipment;

(b) The officer testifies as to the manner in which the device was set up and operated;

(c) The device was operated with minimal distortion or interference from outside sources; and

(d) The device was tested by an accurate and reliable external mechanism, method, or system at the time it was set up.

Records of tests made of such devices and kept in the regular course of operations of any law enforcement agency are admissible in evidence without further foundation as to the results of the tests. The records shall be available to a defendant upon demand. Nothing in this subdivision shall be construed to preclude or interfere with cross examination or impeachment of evidence of the rate of speed as indicated on the radar or ~~speedalyzer~~ *speed-measuring* device.

Sec. 6. Minnesota Statutes 1991 Supplement, section 169.346, subdivision 1, is amended to read:

Subdivision 1. [PARKING CRITERIA.] A person shall not:

(1) park a motor vehicle in or obstruct access to a parking space designated and reserved for the physically disabled, on either private or public property;

(2) park a motor vehicle in or obstruct access to an area designated by a local governmental unit as a transfer zone for disabled persons; ~~or~~

(3) exercise the parking privilege provided in section 169.345, unless:

(i) that person is a physically disabled person as defined in section 169.345, subdivision 2, or the person is transporting or parking a vehicle for a physically disabled person; and

(ii) the vehicle visibly displays one of the following: a license plate issued under section 168.021, a certificate issued under section 169.345, or an equivalent certificate, insignia, or license plate issued by another state, a foreign country, or one of its political subdivisions; *or*

(4) park a motor vehicle in an area used as a regular route transit stopping point where (i) a transit vehicle that is accessible to the physically disabled regularly stops, and (ii) the operator of the regular route transit has erected a sign that bears the international symbol of access in white on blue. A sign erected under this clause that bears the access symbol may display other information relating to the regular route transit service. For purposes of this clause, an area used as a regular route transit stopping point consists of the 80 feet immediately in front of the sign described in this clause.

Sec. 7. Minnesota Statutes 1991 Supplement, section 169.444, subdivision 7, is amended to read:

Subd. 7. [EVIDENTIARY ~~PRESUMPTION~~ *PRESUMPTIONS.*] *(a)* There is a rebuttable presumption that signals described in section 169.442 were in working order and operable when a violation of subdivision 1, 2, or 5 was allegedly committed, if the signals of the applicable school bus were inspected and visually found to be in working order and operable within 12 hours preceding the incident giving rise to the violation.

(b) There is a rebuttable presumption that a motor vehicle outwardly equipped and identified as a school bus satisfies all of the identification and equipment requirements of section 169.441 when a violation of subdivision 1, 2, or 5 was allegedly committed, if the applicable school bus bears a current inspection certificate issued under section 169.451.

Sec. 8. Minnesota Statutes 1991 Supplement, section 171.01, subdivision 24, is amended to read:

Subd. 24. [SPECIAL TRANSPORTATION SERVICE.] "Special transportation service" means motor vehicle transportation provided on a regular basis by a public or private entity or person that is designed primarily to serve individuals who are elderly, handicapped, or disabled and who are unable to use regular means of transportation but do not require ambulance service, as defined in section 144.801, subdivision 4. Special transportation service includes but is not limited to service provided by specially equipped buses, vans, and taxis. Special transportation service does not include ~~a volunteer driver using a private passenger vehicle that belongs to the volunteer~~ *services exempted in section 174.30.*

Sec. 9. Minnesota Statutes 1991 Supplement, section 171.02, subdivision 1, is amended to read:

Subdivision 1. [LICENSE REQUIRED.] No person, except those hereinafter expressly exempted, shall drive any motor vehicle upon any street

or highway in this state unless such person has a license valid under the provisions of this chapter for the type or class of vehicle being driven. No person shall receive a driver's license unless and until the ~~person surrenders to the department all valid driver's licenses in possession issued to the person by any other jurisdiction. All surrendered licenses shall be returned by~~ *person's license from any jurisdiction has been invalidated by* the department. *The department shall provide* to the issuing department ~~together with~~ *of any jurisdiction*, information that *the* licensee is now licensed in ~~new jurisdiction~~ *Minnesota*. No person shall be permitted to have more than one valid driver's license at any time. No person *to whom a current Minnesota identification card has been issued* may receive a driver's license, other than an instruction permit or a limited license, unless the ~~person surrenders to the department any~~ *person's* Minnesota identification card ~~issued to the person under section 171.07, subdivision 3~~ *has been invalidated by the department*.

Sec. 10. Minnesota Statutes 1991 Supplement, section 171.02, subdivision 2, is amended to read:

Subd. 2. [DRIVER'S LICENSE CLASSIFICATIONS, ENDORSEMENTS, EXEMPTIONS.] Drivers' licenses shall be classified according to the types of vehicles which may be driven by the holder of each type or class of license. The commissioner may, as appropriate, subdivide the classes listed in this subdivision and issue licenses classified accordingly. No class of license shall be valid to operate a motorcycle, school bus, special transportation service vehicle, tank vehicle, double-trailer or triple-trailer combination, vehicle transporting hazardous materials, or bus, unless so endorsed. There shall be four general classes of licenses as follows:

(a) Class C; valid for:

(1) all farm trucks operated by (i) the owner, (ii) an immediate family member of the owner, (iii) an employee of the owner not primarily employed to operate the farm truck, within 150 miles of the farm, or (iv) an employee of the owner employed during harvest to operate the farm truck for the first, continuous transportation of agricultural products from the production site or on-farm storage site to any other location within 50 miles of that site;

(2) fire trucks and emergency fire equipment, whether or not in excess of 26,000 pounds gross vehicle weight, operated by a firefighter while on duty, or a tiller operator employed by a fire department who drives the rear portion of a midmount aerial ladder truck;

(3) recreational equipment as defined in section 168.011, subdivision 25, that is operated for personal use; and

(4) all single unit vehicles *and combinations of vehicles*, except *commercial motor* vehicles ~~with a gross vehicle weight of more than 26,000 pounds, vehicles designed to carry more than 15 passengers including the driver, and vehicles that carry hazardous materials; and~~

~~(5) with a special transportation service vehicle endorsement, operating a motor vehicle providing special transportation service.~~

~~The holder of a class C license may also tow vehicles if the combination of vehicles has a gross vehicle weight of 26,000 pounds or less~~.

(b) Class CC; valid for:

(1) operating class C vehicles;

(2) with a hazardous materials endorsement, transporting hazardous materials in class C vehicles; and

(3) with a school bus endorsement, operating school buses designed to transport 15 or fewer passengers, including the driver.

(c) Class B; valid for all vehicles in class C, class CC, and all other single unit vehicles including, with a passenger endorsement, buses. *The holder of a class B license may only tow vehicles with a gross vehicle weight of 10,000 pounds or less.*

(d) Class A; valid for any vehicle or combination thereof.

Sec. 11. Minnesota Statutes 1991 Supplement, section 171.10, subdivision 2, is amended to read:

Subd. 2. [ENDORSEMENTS ADDED.] Any person, after applying for or receiving a driver's license and prior to the expiration year of the license, who wishes to have a motorcycle, school bus, ~~special transportation service vehicle,~~ tank vehicle, passenger, double-trailer or triple-trailer, or hazardous materials vehicle endorsement added to the license, shall, after taking the necessary examination, apply for a duplicate license and make payment of the proper fee.

Sec. 12. Minnesota Statutes 1990, section 171.11, is amended to read:

171.11 [CHANGE OF DOMICILE OR NAME.]

When any person, after applying for or receiving a driver's license, shall change permanent domicile from the address named in such application or in the license issued to the person, or shall change a name by marriage or otherwise, such person shall, within 30 days thereafter, ~~make application~~ *apply* for a duplicate driver's license upon a form furnished by the department; ~~such~~ *and pay the required fee. The* application or duplicate license shall show both the licensee's old address and new address or the former name and new name as the case may be. ~~Such application for a duplicate license, upon change of address or change of name, shall be accompanied by all certificates of driver's license then in the possession of the applicant together with the required fee.~~

Sec. 13. Minnesota Statutes 1991 Supplement, section 171.13, subdivision 5, is amended to read:

Subd. 5. [FEE FOR VEHICLE ENDORSEMENT.] Any person applying to secure a motorcycle, school bus, ~~special transportation service vehicle,~~ tank vehicle, passenger, double-trailer or triple-trailer, or hazardous materials vehicle endorsement on the person's driver's license shall pay a $2.50 examination fee at the place of application.

Sec. 14. Minnesota Statutes 1990, section 171.22, subdivision 1, is amended to read:

Subdivision 1. [ACTS.] With regard to any driver's license, including a commercial driver's license, it shall be unlawful for any person:

(1) to display, cause or permit to be displayed, or have in possession, any:

(i) canceled, revoked, or suspended driver's license;

(ii) driver's license for which the person has been disqualified; or

(iii) fictitious or fraudulently altered driver's license or Minnesota identification card;

(2) to lend the person's driver's license or Minnesota identification card to any other person or knowingly permit the use thereof by another;

(3) to display or represent as one's own any driver's license or Minnesota identification card not issued to that person;

(4) ~~to fail or refuse to surrender to the department, upon its lawful demand, any driver's license or Minnesota identification card which has been suspended, revoked, canceled, or for which the holder has been disqualified;~~

~~(5)~~ to use a fictitious name or date of birth to any police officer or in any application for a driver's license or Minnesota identification card, or to knowingly make a false statement, or to knowingly conceal a material fact, or otherwise commit a fraud in any such application;

~~(6)~~ *(5)* to alter any driver's license or Minnesota identification card;

~~(7)~~ *(6)* to take any part of the driver's license examination for another or to permit another to take the examination for that person;

~~(8)~~ *(7)* to make a counterfeit driver's license or Minnesota identification card; or

~~(9)~~ *(8)* to use the name and date of birth of another person to any police officer for the purpose of falsely identifying oneself to the police officer.

Sec. 15. Minnesota Statutes 1991 Supplement, section 171.323, subdivision 1, is amended to read:

Subdivision 1. [DRIVER'S LICENSE WITH ENDORSEMENT REQUIRED.] No person shall drive a motor vehicle providing special transportation service within the seven-county metropolitan area as defined in section 473.121, subdivision 2, without having a valid ~~class A, class B, or class C~~ driver's license *for the class of vehicle being driven* with a special transportation service vehicle endorsement.

Sec. 16. Minnesota Statutes 1991 Supplement, section 171.323, subdivision 3, is amended to read:

Subd. 3. [STUDY OF APPLICANT.] Before issuing or renewing a special transportation service vehicle endorsement, the commissioner shall ~~conduct a criminal records check of the applicant~~ *require evidence that a criminal records check of the applicant has been completed and that the applicant is not disqualified as a special transportation service driver under the rules of the commissioner of transportation adopted under section 174.30*. The commissioner may also conduct a records check at any time ~~while a person is so licensed~~ *of a person operating a special transportation service vehicle*. The check shall consist of a criminal records check of the state criminal records repository. If the applicant has resided in Minnesota for less than five years, the records check shall also include a criminal records check of information from the state law enforcement agencies in the states where the applicant resided during the five years before moving to Minnesota, and of the national criminal records repository including the criminal justice data communications network. The applicant's failure to cooperate with the commissioner in conducting a records check is reasonable cause to deny an application or cancel a special transportation vehicle endorsement. The commissioner may not release the results of a records check to any person except the applicant.

Sec. 17. [174.258] [ORIGIN AND DESTINATION STUDIES; COMMUTER SURVEY.]

The commissioner of transportation may conduct origin and destination studies using photographic or other technology to identify the owners of vehicles traveling on routes under study in order to survey the owners about their commuting needs and habits. All photographs, photographic negatives, videos, survey responses, and other data collected under this section are private data with regard to data on individuals or nonpublic data with regard to data not on individuals, as provided in section 13.72, subdivision 8. Summaries and analyses of the data that do not reveal private data or nonpublic data, are public data. Photographs, photographic negatives, videos, survey responses or other data collected under this section may not be used in evidence in any civil, criminal, or administrative proceeding.

Sec. 18. Minnesota Statutes 1990, section 216C.15, subdivision 1, is amended to read:

Subdivision 1. [PLAN PROGRAMS, PRIORITIES, AND CONTROLS.] The commissioner shall maintain an emergency conservation and allocation plan. The plan shall provide a variety of strategies and staged conservation measures to reduce energy use and in the event of an energy supply emergency, shall establish guidelines and criteria for allocation of fuels to priority users. The plan shall contain alternative conservation actions and allocation plans to reasonably meet various foreseeable shortage circumstances and allow a choice of appropriate responses. The plan shall be consistent with requirements of federal emergency energy conservation and allocation laws and regulations, shall be based on reasonable energy savings or transfers from scarce energy resources and shall:

(a) give priority to individuals, institutions, agriculture ~~and~~, businesses, *and public transit under contract with the commissioner of transportation or the regional transit board* which demonstrate they have engaged in energy-saving measures and shall include provisions to insure that:

(1) immediate allocations to individuals, institutions, agriculture ~~and~~, businesses, *and public transit* be based on needs at energy conservation levels;

(2) successive allocations to individuals, institutions, agriculture ~~and~~, businesses, *and public transit* be based on needs after implementation of required action to increase energy conservation; *and*

(3) needs of individuals ~~and~~, institutions, *and public transit* are adjusted to insure the health and welfare of the young, old and infirm;

(b) insure maintenance of reasonable job safety conditions and avoid environmental sacrifices;

(c) establish programs, controls, standards, priorities or quotas for the allocation, conservation and consumption of energy resources; and for the suspension and modification of existing standards and the establishment of new standards affecting or affected by the use of energy resources, including those related to the type and composition of energy sources, and to the hours and days during which public buildings, commercial and industrial establishments, and other energy consuming facilities may or are required to remain open;

(d) establish programs to control the use, sale or distribution of commodities, materials, goods or services;

(e) establish regional programs and agreements for the purpose of coordinating the energy resources, programs and actions of the state with those of the federal government, of local governments, and of other states and localities; ~~and~~

(f) determine at what level of an energy supply emergency situation the pollution control agency shall be requested to ask the governor to petition the president for a temporary emergency suspension of air quality standards as required by the Clean Air Act, United States Code, title 42, section 7410f; *and*

(g) establish procedures for fair and equitable review of complaints and requests for special exemptions regarding emergency conservation measures or allocations.

Sec. 19. [HOV LANE ENFORCEMENT DEMONSTRATION PROJECT.]

(a) Beginning November 1, 1992, the commissioners of transportation and public safety shall jointly conduct a demonstration project using electronic technology to enforce regulations restricting the use of high-occupancy vehicle lanes. The commissioners shall submit a report evaluating the project to the legislature by January 1, 1994.

(b) If a motor vehicle is operated in violation of restrictions on use of high-occupancy vehicle lanes, the owner or lessee of the motor vehicle may not be convicted for the violation if:

(1) another person is convicted for that violation; or

(2) the motor vehicle was stolen at the time of the violation.

For purposes of this section, a lessor of a motor vehicle who keeps a record of the name and address of the lessee is not considered the owner.

No tapes may be retained after the demonstration project ends unless needed for legal purposes.

Sec. 20. [SIGN TO BE ERECTED.]

The commissioner of transportation shall erect at the earliest feasible date an addition to the exit sign marking the East Seventh Street exit on eastbound marked interstate highway No. 94 in St. Paul to indicate that the exit provides access to Metropolitan State University in downtown St. Paul if Metropolitan State University pays all costs of erecting the sign.

Sec. 21. [REPEALER.]

Minnesota Statutes 1990, section 171.20, subdivision 1, is repealed.

Sec. 22. [EFFECTIVE DATE.]

Sections 5, 7, 8, 10, 11, 13, 15, and 20, are effective the day following final enactment. Sections 3, 4, 9, 12, 14, and 21, are effective January 1, 1993. Section 16 is effective the day after the rules of the commissioner of transportation under Minnesota Statutes, section 174.30, are adopted."

Delete the title and insert:

"A bill for an act relating to transportation; providing incentives for the use of alternative means of commuting; directing the regional transit board to establish a program to reduce commuter trips; classifying commuter

survey data; designating a natural preservation route; providing for invalidation of drivers' licenses and identification cards in some circumstances; making technical changes; prohibiting parking in certain public transit stopping points; providing evidentiary presumption regarding school buses; clarifying driving authority of holders of certain drivers' licenses; abolishing requirement of examination and fee to receive endorsement to operate a special transportation service vehicle; requiring criminal records check of applicant for driver's license endorsement to operate a special transportation service vehicle; requiring a study; providing public transit operations priority in the event of an energy supply emergency; establishing a demonstration enforcement project for high occupancy vehicle lane use; requiring erection of highway information sign; amending Minnesota Statutes 1990, sections 13.72, by adding a subdivision; 103F.351, by adding a subdivision; 161.1231, subdivisions 1 and 2; 169.01, by adding a subdivision; 169.121, subdivision 7; 169.123, subdivision 5a; 169.14, subdivision 10; 171.11; 171.22, subdivision 1; 216C.15, subdivision 1; Minnesota Statutes 1991 Supplement, sections 169.346, subdivision 1; 169.444, subdivision 7; 171.01, subdivision 24; 171.02, subdivisions 1 and 2; 171.10, subdivision 2; 171.13, subdivision 5; 171.323, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapters 169; 174; 473; repealing Minnesota Statutes 1990, sections 171.20, subdivision 1."

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

Senate Conferees: (Signed) Carol Flynn, Gary M. DeCramer, Don Frank

House Conferees: (Signed) Alice M. Johnson, Art Seaberg, Carlos Mariani

Ms. Flynn moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1993 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1993 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Moe, R.D.	Reichgott
Beckman	Dicklich	Johnston	Mondale	Renneke
Belanger	Finn	Knaak	Morse	Riveness
Benson, D.D.	Flynn	Laidig	Neuville	Sams
Benson, J.E.	Frank	Larson	Novak	Solon
Berglin	Frederickson, D.J.	Lessard	Olson	Spear
Bernhagen	Frederickson, D.R.	Luther	Pappas	Stumpf
Bertram	Gustafson	Marty	Piper	Terwilliger
Brataas	Hottinger	McGowan	Pogemiller	Traub
Cohen	Hughes	Mehrkens	Price	Vickerman
Dahl	Johnson, D.J.	Metzen	Ranum	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2137 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON 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.

April 16, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2137, report that we have agreed upon the items in dispute and recommend as follows:

That the house recede from its amendment to S.F. No. 2137 labeled HDA-704 and the Senate concur in the House amendment to S.F. No. 2137 labeled HDA-836.

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

Senate Conferees: (Signed) John C. Hottinger, Thomas M. Neuville, Don Samuelson

House Conferees: (Signed) Lee Greenfield, Karen Clark, Gil Gutknecht

Mr. Hottinger moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2137 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2137 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Moe, R.D.	Renneke
Beckman	Davis	Johnson, J.B.	Mondale	Riveness
Belanger	Day	Johnston	Morse	Sams
Benson, D.D.	Dicklich	Knaak	Neuville	Spear
Benson, J.E.	Finn	Laidig	Novak	Stumpf
Berg	Flynn	Larson	Olson	Terwilliger
Berglin	Frank	Lessard	Pappas	Traub
Bernhagen	Frederickson, D.J.	Luther	Piper	Vickerman
Bertram	Frederickson, D.R.	Marty	Pogemiller	Waldorf
Brataas	Gustafson	McGowan	Price	
Chmielewski	Hottinger	Mehrkens	Ranum	
Cohen	Hughes	Metzen	Reichgott	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1959 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1959

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 84.968; 84.9691; and 86B.415, subdivision 7; proposing coding for new law in Minnesota Statutes, chatper 383B.

April 16, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1959, 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. 1959 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 18.317, subdivision 1, is amended to read:

Subdivision 1. [TRANSPORTATION PROHIBITED.] Except as provided in subdivision 2, a person may not transport Eurasian or Northern water milfoil, myriophyllum spicatum or exalbescens, *zebra mussels, or other water-transmitted harmful exotic species identified by the commissioner of natural resources* on a road or highway, as defined in section 160.02, subdivision 7, or on forest roads.

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.*

Sec. 3. Minnesota Statutes 1990, section 18.317, subdivision 2, is amended to read:

Subd. 2. [EXCEPTION.] A person may transport Eurasian or Northern water milfoil, myriophyllum spicatum or exalbescens, *or other water-transmitted harmful exotic species identified by the commissioner of natural resources* for disposal as part of a harvest or control activity.

Sec. 4. Minnesota Statutes 1990, section 18.317, subdivision 3, is amended to read:

Subd. 3. [LAUNCHING OF WATERCRAFT WITH EURASIAN OR NORTHERN WATER MILFOIL *OR OTHER HARMFUL SPECIES* PROHIBITED.] (a) A person may not place a trailer or launch a watercraft with

Eurasian or Northern water milfoil, *zebra mussels, or other water-transmitted harmful exotic species identified by the commissioner of natural resources* attached into waters of the state. A conservation officer or other licensed peace officer may order the removal of Eurasian or Northern water milfoil, *zebra mussels, or other water-transmitted harmful exotic species identified by the commissioner of natural resources* from a trailer or watercraft before being placed or launched into waters of the state.

(b) For purposes of this section, the meaning of watercraft includes a float plane and "waters of the state" has the meaning given in section 103G.005, subdivision 17.

(c) A commercial harvester shall clean aquatic plant harvesting equipment of all aquatic vegetation at a suitable location before launching the equipment in another body of water.

Sec. 5. Minnesota Statutes 1990, section 18.317, is amended by adding a subdivision to read:

Subd. 3a. [INSPECTION OF WATERCRAFT AND EQUIPMENT.] *(a) Licensed watercraft and associated equipment, including weed harvesters, that are removed from any waters of the state that the commissioner of natural resources identifies as being contaminated with Eurasian water milfoil, zebra mussels, or other water-transmitted exotic harmful species identified by the commissioner of natural resources, shall be randomly inspected between May 1 and October 15 for a minimum of 10,000 hours by personnel authorized by the commissioner of natural resources.*

Sec. 6. Minnesota Statutes 1990, section 18.317, subdivision 5, is amended to read:

Subd. 5. [PENALTY.] A person who violates subdivision 1 ~~or~~, *1a*, 3, *or 3a* is guilty of a misdemeanor. A person who refuses to obey the order of a peace officer or conservation officer to remove Eurasian or Northern water milfoil from a trailer or watercraft is guilty of a misdemeanor.

Sec. 7. Minnesota Statutes 1991 Supplement, section 84.968, is amended to read:

84.968 [ECOLOGICALLY HARMFUL EXOTIC SPECIES MANAGEMENT PLAN; *REPORT.*]

Subdivision 1. [MANAGEMENT PLAN.] *(a)* By January 1, 1993, a long-term statewide ecologically harmful exotic species management plan must be prepared by the commissioner of natural resources and address the following:

(1) coordinated detection and prevention of accidental introductions;

(2) coordinated dissemination of information about ecologically harmful exotic species among resource management agencies and organizations;

(3) a coordinated public awareness campaign regarding ecologically harmful exotic animals and aquatic plants;

(4) a process, where none exists, to designate and classify ecologically harmful exotic species into the following categories:

(i) undesirable wild animals that must not be sold, propagated, possessed, or transported; and

(ii) undesirable aquatic exotic plants that must not be sold, propagated,

possessed, or transported;

(5) coordination of control and eradication of ecologically harmful exotic species on public lands and public waters; and

(6) development of a list of exotic wild animal species intended for nonagricultural purposes, or propagation for release by state agencies or the private sector.

(b) The plan prepared under paragraph (a) must include containment strategies that include:

(1) participation by lake associations, local citizen groups, and local units of government in the development and implementation of lake management plans;

(2) a reasonable and workable inspection requirement for boats and equipment participating in organized events on waters of the state;

(3) allowing access points infested with ecologically harmful exotic species to be closed, for not more than a total of seven days during an open water season, for control or eradication purposes, and requiring posting of signs stating the reason for closing the access;

(4) provisions for reasonable weed-free maintenance of public accesses to infested waters; and

(5) notice to travelers of the penalties for violation of laws relating to ecologically harmful exotic species.

Subd. 2. [REPORT.] *The commissioner of natural resources shall by January 1 each year submit a report on ecologically harmful exotic species to the legislative committees having jurisdiction over environmental and natural resource issues. The report must include:*

(1) detailed information on expenditures for administration, education, eradication, inspections, and research;

(2) an analysis of the effectiveness of management activities conducted in the state, including chemical eradication, harvesting, educational efforts, and inspections;

(3) information on the participation of other state agencies, local government units, and interest groups in control efforts;

(4) information on management efforts in other states;

(5) information on the progress made by species;

(6) an estimate of future management needs; and

(7) an analysis of the financial impact on persons who transport weed harvesters of the prohibition in section 1.

Sec. 8. Minnesota Statutes 1991 Supplement, section 84.9691, is amended to read:

84.9691 [RULEMAKING.]

(a) ~~The commissioner of natural resources may adopt rules, including emergency rules, to restrict the introduction, propagation, use, possession, and spread of ecologically harmful exotic animals and aquatic plants in the state.~~ *The commissioner of natural resources may adopt emergency and permanent rules restricting the introduction, propagation, use, possession,*

and spread of ecologically harmful exotic species in the state, as outlined in section 84.967. The emergency rulemaking authority granted in this paragraph expires July 1, 1994.

(b) The commissioner shall adopt rules to identify bodies of water with limited infestation of Eurasian water milfoil. The areas that are infested shall be marked and prohibited for use.

Sec. 9. Minnesota Statutes 1990, section 86B.401, subdivision 11, is amended to read:

Subd. 11. [SUSPENSION FOR NOT REMOVING EURASIAN OR NORTHERN WATER MILFOIL *OR OTHER HARMFUL SPECIES*.] The commissioner, after notice and an opportunity for hearing, may suspend for a period of not more than one year the license of a watercraft if the owner or person in control of the watercraft or its trailer refuses to comply with an *inspection* order of a conservation officer or other licensed peace officer *or an order* to remove Eurasian or Northern water milfoil, myriophyllum spicatum or exalbescens, *zebra mussels, or other ecologically harmful species identified by the commissioner* from the watercraft or its trailer as provided in section 18.317, subdivision 3.

Sec. 10. Minnesota Statutes 1991 Supplement, section 86B.415, subdivision 7, is amended to read:

Subd. 7. [WATERCRAFT SURCHARGE.] A surcharge of ~~$2~~ *$3* is placed on each watercraft licensed under subdivisions 1 to 5 for control, public awareness, law enforcement, monitoring, and research of nuisance aquatic exotic species such as zebra mussel, purple loosestrife, and Eurasian water milfoil in public waters and public wetlands.

Sec. 11. [APPROPRIATIONS.]

$219,000 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."

Delete the title and insert:

"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 subdivisions; and 86B.401, subdivision 11; Minnesota Statutes 1991 Supplement, sections 84.968; 84.9691; and 86B.415, subdivision 7."

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

Senate Conferees: (Signed) William P. Luther, Steven Morse, Earl W. Renneke

House Conferees: (Signed) Wesley J. "Wes" Skoglund, Anthony G. "Tony" Kinkel, Ron Abrams

Mr. Luther moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1959 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1959 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnston	Moe, R.D.	Renneke
Beckman	Day	Kelly	Mondale	Riveness
Belanger	DeCramer	Knaak	Morse	Sams
Benson, D.D.	Dicklich	Kroening	Neuville	Samuelson
Benson, J.E.	Finn	Laidig	Novak	Solon
Berg	Flynn	Langseth	Olson	Spear
Berglin	Frank	Larson	Pappas	Stumpf
Bernhagen	Frederickson, D.J.	Lessard	Pariseau	Terwilliger
Bertram	Frederickson, D.R.	Luther	Piper	Traub
Brataas	Hottinger	Marty	Pogemiller	Vickerman
Chmielewski	Hughes	McGowan	Price	Waldorf
Cohen	Johnson, D.J.	Mehrkens	Ranum	
Dahl	Johnson, J.B.	Metzen	Reichgott	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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.

Senate File No. 2233 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

CONCURRENCE AND REPASSAGE

Mr. Stumpf moved that the Senate concur in the amendments by the House to S.F. No. 2233 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2233 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kelly	Moe, R.D.	Renneke
Beckman	Dicklich	Knaak	Mondale	Riveness
Belanger	Finn	Kroening	Morse	Sams
Benson, D.D.	Flynn	Laidig	Neuville	Samuelson
Benson, J.E.	Frank	Langseth	Novak	Solon
Berglin	Frederickson, D.J.	Larson	Olson	Spear
Bernhagen	Frederickson, D.R.	Lessard	Pappas	Stumpf
Bertram	Gustafson	Luther	Pariseau	Terwilliger
Chmielewski	Hottinger	Marty	Piper	Traub
Cohen	Hughes	McGowan	Pogemiller	Vickerman
Dahl	Johnson, D.J.	Mehrkens	Price	Waldorf
Davis	Johnson, J.B.	Merriam	Ranum	
Day	Johnston	Metzen	Reichgott	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1849, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1849 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

CONFERENCE COMMITTEE REPORT ON 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.

April 15, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 1849, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 1849 be further amended as follows:

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, 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. 3. Minnesota Statutes 1990, section 244.05, is amended by adding a subdivision to read:

Subd. 1a. [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 an inmate whose crime was 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. 4. 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. 5. 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. 6. 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. 7. 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 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. 8. 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. 9. 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, or another offense arising out of a delinquency petition based on one or more of those sections,* 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. *Notwithstanding section 13.42, 13.85, 144.335, 260.161, or 626.556, the assessor has access to the following private or confidential data on the child if access is relevant and necessary for the assessment:*

(1) medical data under section 13.42;

(2) corrections and detention data under section 13.85;

(3) health records under section 144.335;

(4) juvenile court records under section 260.161; and

(5) local welfare agency records under section 626.556.

Data disclosed under this paragraph may be used only for purposes of the assessment and may not be further disclosed to any other person, except as authorized by law.

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. 10. 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. 11. Minnesota Statutes 1990, section 609.1352, subdivision 1, is amended to read:

Subdivision 1. [SENTENCING AUTHORITY.] A court ~~may~~ *shall* 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. 12. 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 an offender whose crime was committed before August 1, 1993*, 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 order that the offender 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. 13. 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); or*

(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 has one or more previous convictions for a heinous crime.

Sec. 14. 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), 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. 15. 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), 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. 16. 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. 17. 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), 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. 18. 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. 19. 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), 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. 20. [609.3452] [SEX OFFENDER ASSESSMENT.]

Subdivision 1. [ASSESSMENT REQUIRED.] *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, or another offense arising out of a charge based on one or more of those sections, the court shall order an independent professional assessment of the offender's need for sex offender treatment. The court may waive the assessment if: (1) the sentencing guidelines provide a presumptive prison sentence for the offender, or (2) an adequate assessment was conducted prior to the conviction. An assessor providing an assessment for the court must be experienced in the evaluation and treatment of sex offenders.*

Subd. 2. [ACCESS TO DATA.] *Notwithstanding section 13.42, 13.85, 144.335, 260.161, or 626.556, the assessor has access to the following private or confidential data on the person if access is relevant and necessary for the assessment:*

(1) medical data under section 13.42;

(2) corrections and detention data under section 13.85;

(3) health records under section 144.335;

(4) juvenile court records under section 260.161; and

(5) local welfare agency records under section 626.556.

Data disclosed under this section may be used only for purposes of the assessment and may not be further disclosed to any other person, except as authorized by law.

Subd. 3. [TREATMENT ORDER.] *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, unless the court sentences the offender to prison.*

Sec. 21. 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 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. 22. 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~~ *sentence* under ~~sections~~ *section* 609.342 ~~and 609.343~~ if:

(1) the person is convicted under section 609.342 ~~or 609.343~~; and

(2) *the court determines on the record at the time of sentencing that any of the following circumstances exists:*

(i) the person has previously been sentenced under section 609.1352;

(ii) the person has one previous sex offense conviction for a violation of section 609.342, 609.343, or 609.344 that occurred before August 1, 1989, for which the person was sentenced to prison in an upward durational departure from the sentencing guidelines that resulted in a sentence at least twice as long as the presumptive sentence; or

(iii) the person has two previous sex offense convictions under section 609.342, 609.343, or 609.344.

(b) Notwithstanding ~~sections~~ *section* 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. 23. Minnesota Statutes 1990, section 609.346, is amended by adding a subdivision to read:

Subd. 2b. [MANDATORY 30-YEAR SENTENCE.] *(a) 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), or (f); or 609.343, subdivision 1, clause (c), (d), (e), or (f); 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 or execution of the sentence required by this subdivision.

Sec. 24. Minnesota Statutes 1990, section 609.346, is amended by adding a subdivision to read:

Subd. 4. [MINIMUM DEPARTURE FOR SEX OFFENDERS.] *The court shall sentence a person to at least twice the presumptive sentence recommended by the sentencing guidelines if:*

(1) the person is convicted under section 609.342, subdivision 1, clause (c), (d), (e), or (f); 609.343, subdivision 1, clause (c), (d), (e), or (f); or 609.344, subdivision 1, clause (c) or (d); and

(2) the court determines on the record at the time of sentencing that the crime involved an aggravating factor that would provide grounds for an upward departure under the sentencing guidelines.

Sec. 25. Minnesota Statutes 1990, section 609.346, is amended by adding a subdivision to read:

Subd. 5. [SUPERVISED RELEASE OF SEX OFFENDERS.] *(a) Notwithstanding the statutory maximum sentence otherwise applicable to the offense or any provision of the sentencing guidelines, 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 as provided in this subdivision. The court shall sentence a person convicted for a violation of section 609.342, 609.343, 609.344, or 609.345 to serve a supervised release term of not less than five years. The court shall sentence a person convicted for a violation of one of those sections a second or subsequent time, or sentenced under section 24 to a mandatory departure, to serve a supervised release term of not less than ten 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. 26. 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. 27. [INTERIM SLIDING FEE SCALE.]

By July 1, 1992, the commissioner of corrections shall adopt without regard to chapter 14, and provide to each judicial district court administrator, an interim sliding fee scale to determine the amount of money to be contributed by sex offenders toward the cost of the assessments required by section 20. The interim sliding fee scale is effective until the commissioner adopts a permanent sliding fee scale under article 8, section 4, subdivision 3.

Sec. 28. [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. 29. [EFFECTIVE DATE.]

Section 3 is effective the day following final enactment. Sections 4, 5, 6, and 10 to 26 are effective August 1, 1992, and apply to crimes committed on or after that date. Section 9 is effective August 1, 1992, and applies to persons 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 22 to 25. Section 20, subdivision 3, is effective January 1, 1994.

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 August 1, 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 August 1, 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*

August 1, 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 *whose crime was committed before August 1, 1993*, 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 August 1, 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 AUGUST 1, 1993.] *(a) Except as provided in subdivisions 4 and 5, every inmate sentenced to prison for a felony offense committed on or after August 1, 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 August 1, 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 AUGUST 1, 1993.]

Subdivision 1. [SENTENCING AUTHORITY.] *When a felony offender is sentenced to a fixed executed prison sentence for an offense committed on or after August 1, 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 that is one-half of the minimum term of imprisonment. 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. Minnesota Statutes 1990, section 609.15, subdivision 2, is amended to read:

Subd. 2. [LIMIT ON TERMS; MISDEMEANOR AND GROSS MISDEMEANOR.] If the court specifies that the sentence shall run consecutively~~, the total of the terms of imprisonment imposed, other than a term of imprisonment for life, shall not exceed 40 years. If~~ *and* all of the sentences are for misdemeanors, the total of the terms of imprisonment shall not exceed one year~~;~~. If *all of the sentences are* for gross misdemeanors, the total of ~~such~~ *the* terms shall not exceed three years.

Sec. 9. 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. 10. 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. 11. [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. 12. [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 the next higher severity level of the sentencing guidelines grid;

(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; and

(3) whether the sentencing guidelines should provide a presumption in favor of consecutive sentences for persons who are convicted of multiple crimes against a person in separate behavioral incidents.

Sec. 13. [SENTENCING GUIDELINES MODIFICATION.]

The sentencing guidelines commission shall modify the sentencing guidelines to provide that if an inmate of a state correctional facility is convicted of committing a felony at the facility, it is presumed that the sentence imposed for the current felony will run consecutively to the sentence for which the inmate was confined when the felony was committed. The commission shall also modify the sentencing guidelines to provide that the judge may depart from this presumption and impose a concurrent sentence based on evidence that the defendant has provided substantial and material assistance in the detection or prosecution of crime.

Sec. 14. [EFFECTIVE DATE.]

Sections 1 to 7 are effective August 1, 1993, and apply to crimes committed on or after that date. Sections 8 to 10 are effective August 1, 1992, and apply to crimes committed on or after that date.

ARTICLE 3

PSYCHOPATHIC PERSONALITY PROVISIONS

Section 1. Minnesota Statutes 1990, section 8.01, is amended to read:

8.01 [APPEARANCE.]

The attorney general shall appear for the state in all causes in the supreme and federal courts wherein the state is directly interested; also in all civil causes of like nature in all other courts of the state whenever, in the attorney general's opinion, the interests of the state require it. Upon request of the county attorney, the attorney general shall appear in court in such criminal cases as the attorney general deems proper. *Upon request of a county attorney, the attorney general may assume the duties of the county attorney in psychopathic personality commitment proceedings under section 526.10.* Whenever the governor shall so request, in writing, the attorney general shall prosecute any person charged with an indictable offense, and in all such cases may attend upon the grand jury and exercise the powers of a county attorney.

Sec. 2. 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 that the attorney general may not assess a county any fee for legal services rendered in connection with a psychopathic personality commitment proceeding under section 526.10 for which the attorney general assumes responsibility under section 8.01*.

Sec. 3. 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 under sections 609.342 to 609.345 or sentenced as a patterned offender under section 609.1352, and determined by the commissioner to be in a high risk category, 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 a summary of the reasons for the determination, to the county attorney in the county where the inmate was convicted no later than six months before the inmate's release date. Upon receiving the commissioner's preliminary determination, the county attorney shall proceed in the manner provided in section 526.10. The commissioner shall release to the county attorney all requested documentation maintained by the department.*

Sec. 4. Minnesota Statutes 1990, section 253B.18, subdivision 2, is amended to read:

Subd. 2. [REVIEW; HEARING.] A written treatment report shall be filed with the committing court within 60 days after commitment. *If the person is in the custody of the commissioner of corrections when the initial commitment is ordered under subdivision 1, the written treatment report must be filed within 60 days after the person is admitted to the Minnesota security hospital or a private hospital receiving the person.* The court, prior to making a final determination with regard to a person initially committed as mentally ill and dangerous to the public, shall hold a hearing. The hearing shall be held within *the earlier of* 14 days of the court's receipt of the written treatment report, if one is filed, or within 90 days of the date of initial commitment *or admission*, ~~whichever is earlier,~~ unless otherwise agreed by the parties. If the court finds that the patient qualifies for commitment as mentally ill, but not as mentally ill and dangerous to the public, the court may commit the person as a mentally ill person and the person shall be deemed not to have been found to be dangerous to the public for the purposes of subdivisions 4 to 15. Failure of the treatment facility to

provide the required report at the end of the 60-day period shall not result in automatic discharge of the patient.

Sec. 5. Minnesota Statutes 1990, section 526.10, is amended to read:

526.10 [LAWS RELATING TO MENTALLY ILL PERSONS DANGEROUS TO THE PUBLIC TO APPLY TO PSYCHOPATHIC PERSONALITIES; TRANSFER *OR COMMITMENT* TO CORRECTIONS.]

Subdivision 1. [PROCEDURE.] Except as otherwise provided in this section or in chapter 253B, the provisions of chapter 253B, pertaining to persons mentally ill and dangerous to the public shall apply with like force and effect to persons having a psychopathic personality, to persons alleged to have such personality, and to persons found to have such personality, respectively. Before such proceedings are instituted, the facts shall first be submitted to the county attorney, who, if satisfied that good cause exists therefor, shall prepare the petition to be executed by a person having knowledge of the facts and file the same with the judge of the probate court of the county in which the "patient," as defined in such statutes, has a settlement or is present. *If the patient is in the custody of the commissioner of corrections, the petition may be filed in the county where the conviction for which the person is incarcerated was entered.* The judge of probate shall thereupon follow the same procedures set forth in chapter 253B, for judicial commitment. The judge may exclude the general public from attendance at such hearing. If, upon completion of the hearing and consideration of the record, the court finds the proposed patient has a psychopathic personality, the court shall commit such person to a public hospital or a private hospital consenting to receive the person, subject to a mandatory review by the head of the hospital within 60 days from the date of the order as provided for in chapter 253B for persons found to be mentally ill and dangerous to the public. The patient shall thereupon be entitled to all of the rights provided for in chapter 253B, for persons found to be mentally ill and dangerous to the public, and all of the procedures provided for in chapter 253B, for persons found to be mentally ill and dangerous to the public shall apply to such patient except as otherwise provided in subdivision 2.

Subd. 2. [TRANSFER TO CORRECTIONAL FACILITY.] ~~Unless the provisions of section 609.1351 apply,~~ *(a)* If a person has been committed under this section and ~~also has been~~ *later is* committed to the custody of the commissioner of corrections, the person may be transferred from a hospital to another facility designated by the commissioner of corrections as provided in section 253B.18; except that the special review board and the commissioner of human services may consider the following factors in lieu of the factors listed in section 253B.18, subdivision 6, to determine whether a transfer to the commissioner of corrections is appropriate:

(1) the person's unamenability to treatment;

(2) the person's unwillingness or failure to follow treatment recommendations;

(3) the person's lack of progress in treatment at the public or private hospital;

(4) the danger posed by the person to other patients or staff at the public or private hospital; and

(5) the degree of security necessary to protect the public.

(b) If a person is committed under this section after a commitment to the

commissioner of corrections, the person shall first serve the sentence in a facility designated by the commissioner of corrections. After the person has served the sentence, the person shall be transferred to a regional center designated by the commissioner of human services.

Sec. 6. [526.115] [STATEWIDE JUDICIAL PANEL; PSYCHOPATHIC PERSONALITY COMMITMENTS.]

Subdivision 1. [CREATION.] *The supreme court may establish a panel of district judges with statewide authority to preside over commitment proceedings brought under section 526.10. Only one judge of the panel is required to preside over a particular commitment proceeding. Panel members shall serve for one-year terms. One of the judges shall be designated as the chief judge of the panel, and is vested with the power to designate the presiding judge in a particular case, to set the proper venue for the proceedings, and to otherwise supervise and direct the operation of the panel. The chief judge shall designate one of the other judges to act as chief judge whenever the chief judge is unable to act.*

Subd. 2. [EFFECT OF CREATION OF PANEL.] *If the supreme court creates the judicial panel authorized by this section, all petitions for civil commitment brought under section 526.10 shall be filed with the supreme court instead of with the probate court in the county where the proposed patient is present, notwithstanding any provision of section 526.10 to the contrary. Otherwise, all of the other applicable procedures contained in section 526.10 and chapter 253B apply to commitment proceedings conducted by a judge on the panel.*

Sec. 7. Minnesota Statutes 1990, section 609.1351, is amended to read:

609.1351 [PETITION FOR CIVIL COMMITMENT.]

When a court sentences a person under section 609.1352, 609.342, 609.343, 609.344, or 609.345, the court shall make a preliminary determination whether in the court's opinion a petition under section 526.10 may be appropriate *and include the determination as part of the sentencing order*. If the court determines that a petition may be appropriate, the court shall forward its preliminary determination along with supporting documentation to the county attorney. ~~If the person is subsequently committed under section 526.10, the person shall serve the sentence in a facility designated by the commissioner of corrections. After the person has served the sentence the person shall be transferred to a facility designated by the commissioner of human services.~~

Sec. 8. [EFFECTIVE DATE.]

Section 7 is effective August 1, 1992, and applies to sentences imposed on or after that date.

ARTICLE 4

OTHER PENALTY PROVISIONS

Section 1. 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) *When a defendant pleads guilty to or is sentenced for a petty misdemeanor other than a parking violation, the defendant shall pay a fee of $5.*

(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. 2. Minnesota Statutes 1991 Supplement, section 609.101, subdivision 1, is amended to read:

Subdivision 1. [SURCHARGES AND ASSESSMENTS.] (a) When a court sentences a person convicted of a felony, gross misdemeanor, or misdemeanor, other than a petty misdemeanor such as a traffic or parking violation, and if the sentence does not include payment of a fine, the court shall impose an assessment of not less than $25 nor more than $50. If the sentence for the felony, gross misdemeanor, or misdemeanor includes payment of a fine of any amount, including a fine of less than $100, the court shall impose a surcharge on the fine of ~~ten~~ *20* percent of the fine. This

section applies whether or not the person is sentenced to imprisonment and when the sentence is suspended.

(b) In addition to the assessments in paragraph (a), the court shall assess the following surcharges after a person is convicted:

(1) for a person charged with a felony, $25;

(2) for a person charged with a gross misdemeanor, $15;

(3) for a person charged with a misdemeanor other than a traffic, parking, or local ordinance violation, $10; and

(4) for a person charged with a local ordinance violation other than a parking or traffic violation, $5.

The surcharge must be assessed for the original charge, whether or not it is subsequently reduced. A person charged on more than one count may be assessed only one surcharge under this paragraph, but must be assessed for the most serious offense. This paragraph applies whether or not the person is sentenced to imprisonment and when the sentence is suspended.

(c) The court may not waive payment or authorize payment of the assessment or surcharge in installments unless it makes written findings on the record that the convicted person is indigent or that the assessment or surcharge would create undue hardship for the convicted person or that person's immediate family.

(d) If the court fails to waive or impose an assessment required by paragraph (a), the court administrator shall correct the record to show imposition of an assessment of $25 if the sentence does not include payment of a fine, or if the sentence includes a fine, to show an imposition of a surcharge of ten percent of the fine. If the court fails to waive or impose an assessment required by paragraph (b), the court administrator shall correct the record to show imposition of the assessment described in paragraph (b).

(e) Except for assessments and surcharges imposed on persons convicted of violations described in section 97A.065, subdivision 2, the court shall collect and forward to the commissioner of finance the total amount of the assessments or surcharges and the commissioner shall credit all money so forwarded to the general fund.

(f) If the convicted person is sentenced to imprisonment, the chief executive officer of the correctional facility in which the convicted person is incarcerated may collect the assessment or surcharge from any earnings the inmate accrues for work performed in the correctional facility and forward the amount to the commissioner of finance, indicating the part that was imposed for violations described in section 97A.065, subdivision 2, which must be credited to the game and fish fund.

Sec. 3. Minnesota Statutes 1990, section 609.101, is amended by adding a subdivision to read:

Subd. 4. [MINIMUM FINES; OTHER CRIMES.] *Notwithstanding any other law:*

(1) when a court sentences a person convicted of a felony that is not listed in subdivision 2 or 3, it must impose a fine of not less than 20 percent of the maximum fine authorized by law nor more than the maximum fine

authorized by law; and

(2) when a court sentences a person convicted of a gross misdemeanor or misdemeanor that is not listed in subdivision 2, it must impose a fine of not less than 20 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law.

The court may not waive payment of the minimum fine or authorize payment of it in installments unless the court makes written findings on the record that the convicted person is indigent or that the fine would create undue hardship for the convicted person or that person's immediate family.

The minimum fine required by this subdivision is in addition to the surcharge or assessment required by subdivision 1 and is in addition to any term of imprisonment or restitution imposed or ordered by the court.

Sec. 4. Minnesota Statutes 1990, section 609.184, subdivision 1, is amended to read:

Subdivision 1. [TERMS.] (a) A "heinous crime" is:

(1) a violation *or attempted violation* of section 609.185~~,~~ *or* 609.19~~,~~*:*

(2) a violation of section 609.195~~,~~ *or 609.221;* or

(3) a violation of section 609.342 ~~or~~, 609.343, *or 609.344*, if the offense was committed with force or violence.

(b) "Previous conviction" means a conviction in Minnesota of a heinous crime or a conviction elsewhere for conduct that would have been a heinous crime under this chapter if committed in Minnesota. The term includes any conviction that occurred before the commission of the present offense of conviction, but does not include a conviction if 15 years have elapsed since the person was discharged from the sentence imposed for the offense.

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 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, *or 609.713*.

For purposes of clause (6), "domestic abuse" means an act that:

(1) constitutes a violation of section 609.221, 609.222, ~~or~~ 609.223, *609.224, 609.342, 609.343, 609.344; 609.345, or 609.713*; 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 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. 7. Minnesota Statutes 1990, section 609.222, is amended to read:

609.222 [ASSAULT IN THE SECOND DEGREE.]

Subdivision 1. [DANGEROUS WEAPON.] Whoever assaults another with a dangerous weapon may be sentenced to imprisonment for not more than seven years or to payment of a fine of not more than $14,000, or both.

Subd. 2. [DANGEROUS WEAPON; SUBSTANTIAL BODILY HARM.] *Whoever assaults another with a dangerous weapon and inflicts substantial bodily harm 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.*

Sec. 8. 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. 9. 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. 10. 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. 11. 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. 12. [REPORT ON CRIMINAL FINE ASSESSMENTS.]

By December 31, 1992, the state court administrator shall report the results of the conference of chief judges fine management study to the chairs of the house and senate judiciary committees. The report shall include the following information:

(1) data on the total amount of fines imposed on persons convicted of misdemeanor, gross misdemeanor, and felony offenses in each judicial district;

(2) the current status of fine collection in each court in Minnesota, including amounts in a receivable status and an evaluation of the probability of collection;

(3) an evaluation of various fine collection strategies, including the results of pilot fine collection projects; and

(4) the policies and procedures adopted by the conference as a result of the study that are expected to improve the collection of fines.

Sec. 13. [EFFECTIVE DATE.]

Sections 1 to 11 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 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~~ *technical college, community college, or state university shall, and the University of Minnesota is requested to,* adopt a clear, understandable written policy on sexual harassment and sexual violence *that informs victims of their rights under the crime victims bill of rights, including the right to assistance from the crime victims reparations board and the office of the crime victim ombudsman.* The policy must apply to students and employees and must provide information about their rights and duties. *The policy must apply to criminal incidents occurring on property owned by the post-secondary system or institution in which the victim is a student or employee of that system or institution.* 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~~ *technical college, community college, or state university shall, and the University of Minnesota is requested to,* 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, require that students and employees be informed of the policy, and shall include provisions for:*

(1) filing criminal charges with local law enforcement officials in sexual assault cases;

(2) the prompt assistance of campus authorities, at the request of the victim, in notifying the appropriate law enforcement officials and ~~disciplinary~~ authorities of a sexual assault incident;

(3) an investigation and resolution of a sexual assault complaint by campus disciplinary authorities;

(4) a sexual assault victim's participation in and the presence of the victim's attorney or other support person at any campus disciplinary proceeding concerning a sexual assault complaint;

(5) notice to a sexual assault victim of the outcome of any campus disciplinary proceeding concerning a sexual assault complaint, consistent with laws relating to data practices;

(6) the complete and prompt assistance of campus authorities, at the direction of law enforcement authorities, in obtaining, securing, and maintaining evidence in connection with a sexual assault incident;

(7) the assistance of campus authorities in preserving for a sexual assault

complainant or victim materials relevant to a campus disciplinary proceeding; and

(8) the assistance of campus personnel, in cooperation with the appropriate law enforcement authorities, at a sexual assault victim's request, in shielding the victim from unwanted contact with the alleged assailant, including transfer of the victim to alternative classes or to alternative college-owned housing, if alternative classes or housing are available and feasible.

Sec. 2. 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 who is not scheduled to be a witness in the proceedings, present during the testimony of the victim.*

Sec. 3. 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. 4. 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. 5. Minnesota Statutes 1990, section 611A.034, is amended to read:

611A.034 [SEPARATE WAITING AREAS IN COURTHOUSE.]

The court shall provide a waiting area for victims during court proceedings which is separate from the waiting area used by the defendant, the defendant's relatives, and defense witnesses, if such a waiting area is available and its use is practical. If a separate waiting area for victims is not available or practical, the court shall provide other safeguards to minimize the victim's contact with the defendant, the defendant's relatives, and defense witnesses during court proceedings, *such as increased bailiff surveillance and victim escorts.*

Sec. 6. Minnesota Statutes 1990, section 611A.04, subdivision 1, is amended to read:

Subdivision 1. [REQUEST; DECISION.] (a) A victim of a crime has the right to ~~request that~~ *receive* restitution ~~be considered~~ as part of the disposition of a criminal charge or juvenile delinquency proceeding against the offender *if the offender is convicted or found delinquent.* The ~~request for restitution shall be made by the victim in writing in affidavit form. The request~~ *court, or a person or agency designated by the court, shall request information from the victim to determine the amount of restitution owed. The court or its designee shall obtain the information from the victim in affidavit form. Information submitted relating to restitution* must describe the items or elements of loss, itemize the total dollar amounts of restitution claimed, and specify the reasons justifying these amounts, if ~~the request is for monetary~~ *restitution is in the form of money* or property ~~restitution~~. A request for restitution may include, but is not limited to, any out-of-pocket losses resulting from the crime, including medical and therapy costs, replacement of wages and services, and funeral expenses. In order to be considered ~~by the court, the request~~ *at the sentencing or dispositional hearing, all information regarding restitution* must be received by the court administrator of the appropriate court ~~at least three business days before the sentencing or~~

~~dispositional hearing. The court administrator shall provide copies of this request to the prosecutor and the offender at least 24 hours before the sentencing or dispositional hearing~~ *and must also be provided to the offender at least three business days before the sentencing or dispositional hearing. If the victim's noncooperation prevents the court or its designee from obtaining competent evidence regarding restitution, the court is not obligated to consider information regarding restitution in the sentencing or dispositional hearing. At the sentencing or dispositional hearing, the court shall give the offender an opportunity to respond to specific items of restitution and their dollar amounts.*

(b) The court may amend or issue an order of restitution after the sentencing or dispositional hearing if:

(1) the offender is on probation or supervised release;

(2) ~~a request for~~ *information regarding* restitution ~~is filed by the victim or prosecutor in affidavit form~~ *was submitted* as required under paragraph (a); and

(3) the true extent of the victim's loss was not known at the time of the sentencing or dispositional hearing.

If the court holds a hearing on the restitution request, the court must notify the offender, the offender's attorney, the victim, and the prosecutor at least five business days before the hearing. The court's restitution decision is governed by this section and section 611A.045.

(c) The court shall grant or deny restitution or partial restitution and shall state on the record its reasons for its decision on restitution if ~~a request for restitution has been made~~ *information relating to restitution has been presented.* If the court grants partial restitution it shall also specify the full amount of restitution that may be docketed as a civil judgment under subdivision 3. The court may not require that the victim waive or otherwise forfeit any rights or causes of action as a condition of granting restitution or partial restitution.

Sec. 7. Minnesota Statutes 1990, section 611A.04, subdivision 1a, is amended to read:

Subd. 1a. [CRIME BOARD REQUEST.] The crime victims reparations board may request restitution on behalf of a victim by filing a copy of a claim for reparations submitted under sections 611A.52 to 611A.67, along with orders of the board, if any, which detail any amounts paid by the board to the victim. *The board may file the claim with the court administrator or with the person or agency the court has designated to obtain information relating to restitution. In either event, the board shall submit the claim not less than three business days before the sentencing or dispositional hearing. If the board submits the claim directly to the court administrator, it shall also provide a copy to the offender.* The filing of a claim for reparations with the court administrator shall also serve as a request for restitution by the victim. The restitution requested by the board may be considered to be both on its own behalf and on behalf of the victim. If the board has not paid reparations to the victim, restitution may be made directly to the victim. If the board has paid reparations to the victim, the court shall order restitution payments to be made directly to the board.

Sec. 8. Minnesota Statutes 1990, section 611A.52, subdivision 6, is amended to read:

Subd. 6. [CRIME.] (a) "Crime" means conduct that:

(1) occurs or is attempted anywhere within the geographical boundaries of this state, including Indian reservations and other trust lands;

(2) poses a substantial threat of personal injury or death; and

(3) is included within the definition of "crime" in section 609.02, subdivision 1, or would be included within that definition but for the fact that *(i)* the person engaging in the conduct lacked capacity to commit the crime under the laws of this state; *or (ii) the act was alleged or found to have been committed by a juvenile.*

(b) A crime occurs whether or not any person is prosecuted or convicted but the conviction of a person whose acts give rise to the claim is conclusive evidence that a crime was committed unless an application for rehearing, appeal, or petition for certiorari is pending or a new trial or rehearing has been ordered.

(c) "Crime" does not include an act involving the operation of a motor vehicle, aircraft, or watercraft that results in injury or death, except that a crime includes any of the following:

(1) injury or death intentionally inflicted through the use of a motor vehicle, aircraft, or watercraft;

(2) injury or death caused by a driver in violation of section 169.09, subdivision 1; 169.121; or 609.21; and

(3) injury or death caused by a driver of a motor vehicle in the immediate act of fleeing the scene of a crime in which the driver knowingly and willingly participated.

Sec. 9. [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. 10. [611A.76] [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 crime or a juvenile with respect to whom a petition for delinquency has been filed in connection with a nonviolent offense, and "nonviolent crime" and "nonviolent offense" exclude 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. 11. [EFFECTIVE DATE.]

Sections 5 to 8 are effective August 1, 1992, and apply to crimes committed on or after that date. Sections 2 and 3 are effective August 1, 1992, and apply to proceedings conducted on or after that date.

ARTICLE 6

DOMESTIC ABUSE AND HARASSMENT

Section 1. [480.30] [JUDICIAL TRAINING ON DOMESTIC ABUSE.]

The supreme court's judicial education program on domestic abuse must include ongoing training for district court judges on domestic abuse laws and related civil and criminal court issues. The program must include education on the causes of family violence and culturally responsive approaches to serving victims. The program must emphasize the need for the coordination of court and legal victim advocacy services and include education on domestic abuse programs and policies within law enforcement agencies and prosecuting authorities as well as the court system.

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 4, is amended to read:

Subd. 4. [ORDER FOR PROTECTION.] There shall exist an action known as a petition for an order for protection in cases of domestic abuse.

(a) A petition for relief under this section may be made by any family or household member personally or on behalf of minor family or household members.

(b) A petition for relief shall allege the existence of domestic abuse, and shall be accompanied by an affidavit made under oath stating the specific facts and circumstances from which relief is sought.

(c) A petition for relief must state whether there is an existing order for protection in effect under this chapter governing both the parties and whether there is a pending lawsuit, complaint, petition or other action between the parties under chapter 257, 518, 518A, 518B, or 518C. The clerk of court shall verify the terms of any existing order governing the parties. The court may not delay granting relief because of the existence of a pending action between the parties or the necessity of verifying the terms of an existing order. A subsequent order in a separate action under this chapter may modify only the provision of an existing order that grants relief authorized under subdivision 6, paragraph (a), clause (1). A petition for relief may be granted, regardless of whether there is a pending action between the parties.

(d) The court shall provide simplified forms and clerical assistance to help with the writing and filing of a petition under this section.

(e) The court shall advise a petitioner under clause (d) of the right to file a motion and affidavit and to sue in forma pauperis pursuant to section 563.01 and shall assist with the writing and filing of the motion and affidavit.

(f) The court shall advise a petitioner under clause (d) of the right to serve the respondent by published notice under subdivision 5, paragraph (b), if the respondent is avoiding personal service by concealment or otherwise, and shall assist with the writing and filing of the affidavit.

(g) The court shall advise the petitioner of the right to seek restitution under the petition for relief.

Sec. 4. 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. *Except for cases in which custody is contested, findings under section 257.025, 518.17, or 518.175 are not required.* 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. 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 the abusing party to pay restitution to the petitioner; and*

(10) 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.

(f) An order for restitution issued under this subdivision is enforceable as civil judgment.

Sec. 5. 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)~~ *(d)*. 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. 6. 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. 7. 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 ten 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. 8. Minnesota Statutes 1990, section 518B.01, is amended by adding a subdivision to read:

Subd. 20. [STATEWIDE APPLICATION.] *An order for protection granted under this section applies throughout this state.*

Sec. 9. Minnesota Statutes 1990, section 518B.01, is amended by adding a subdivision to read:

Subd. 21. [ORDER FOR PROTECTION FORMS.] *The state court administrator, in consultation with the advisory council on battered women, city and county attorneys, and legal advocates who work with victims, shall develop a uniform order for protection form that will facilitate the consistent enforcement of orders for protection throughout the state.*

Sec. 10. Minnesota Statutes 1990, section 609.02, is amended by adding a subdivision to read:

Subd. 14. [ELECTRONIC MONITORING DEVICE.] *As used in sections 609.135, subdivision 5b, 611A.07, and 629.72, subdivision 2a, "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. 11. 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. 12. Minnesota Statutes 1990, section 609.135, is amended by adding a subdivision to read:

Subd. 5b. [DOMESTIC ABUSE VICTIMS; ELECTRONIC MONITORING.] *(a) Until the commissioner of corrections 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. 13. 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. 14. Minnesota Statutes 1990, section 609.746, subdivision 2, is amended to read:

Subd. 2. [INTRUSION ON PRIVACY.] A person who, with the intent to harass, abuse, or threaten another, repeatedly follows or pursues another, after being told not to do so by the person being followed or pursued, is guilty of a misdemeanor. being followed or pursued, is guilty of a misdemeanor. *A person is guilty of a gross misdemeanor who:*

(1) violates this subdivision within two years after a previous conviction under this subdivision or section 609.224; or

(2) violates this subdivision against the same victim within five years after a previous conviction under this subdivision or section 609.224.

Sec. 15. Minnesota Statutes 1991 Supplement, section 609.748, subdivision 3, is amended to read:

Subd. 3. [CONTENTS OF PETITION; *HEARING; NOTICE.*] *(a)* A petition for relief must allege facts sufficient to show the following:

(1) the name of the alleged harassment victim;

(2) the name of the respondent; and

(3) that the respondent has engaged in harassment.

The petition shall be accompanied by an affidavit made under oath stating the specific facts and circumstances from which relief is sought. The court shall provide simplified forms and clerical assistance to help with the writing and filing of a petition under this section and shall advise the petitioner of the right to sue in forma pauperis under section 563.01. *Upon receipt of the petition, the court shall order a hearing, which must be held not later than 14 days from the date of the order. Personal service must be made upon the respondent not less than five days before the hearing. If personal service cannot be completed in time to give the respondent the minimum notice required under this paragraph, the court may set a new hearing date.*

(b) Notwithstanding paragraph (a), the order for a hearing and a temporary order issued under subdivision 4 may be served on the respondent by means of a one-week published notice under section 645.11, if:

(1) the petitioner files an affidavit with the court stating that an attempt at personal service made by a sheriff was unsuccessful because the respondent is avoiding service by concealment or otherwise; and

(2) a copy of the petition and order for hearing and any temporary restraining order has been mailed to the respondent at the respondent's residence or the respondent's residence is not known to the petitioner.

Sec. 16. Minnesota Statutes 1991 Supplement, section 609.748, subdivision 4, is amended to read:

Subd. 4. [TEMPORARY RESTRAINING ORDER.] (a) The court may issue a temporary restraining order ordering the respondent to cease or avoid the harassment of another person or to have no contact with that

person if the petitioner files a petition in compliance with subdivision 3 and if the court finds reasonable grounds to believe that the respondent has engaged in harassment.

(b) Notice need not be given to the respondent before the court issues a temporary restraining order under this subdivision. *A copy of the restraining order must be served on the respondent along with the order for hearing and petition, as provided in subdivision 3.* A temporary restraining order may be entered only against the respondent named in the petition.

(c) The temporary restraining order is in effect until a hearing is held on the issuance of a restraining order under subdivision 5. The court shall hold the hearing on the issuance of a restraining order within 14 days after the temporary restraining order is issued unless (1) the time period is extended upon written consent of the parties; or (2) the time period is extended by the court for one additional 14-day period upon a showing that the respondent has not been served with a copy of the temporary restraining order despite the exercise of due diligence *or if service is made by published notice under subdivision 3 and the petitioner files the affidavit required under that subdivision.*

Sec. 17. Minnesota Statutes 1990, section 609.748, subdivision 5, is amended to read:

Subd. 5. [RESTRAINING ORDER.] (a) The court may grant a restraining order ordering the respondent to cease or avoid the harassment of another person or to have no contact with that person if all of the following occur:

(1) the petitioner has filed a petition under subdivision 3;

(2) the sheriff has served respondent with a copy of the temporary restraining order obtained under subdivision 4, and with notice of the time and place of the hearing, or service has been made by publication under *subdivision 3*, paragraph (b); and

(3) the court finds at the hearing that there are reasonable grounds to believe that the respondent has engaged in harassment.

A restraining order may be issued only against the respondent named in the petition. Relief granted by the restraining order must be for a fixed period of not more than two years.

(b) ~~The order may be served on the respondent by means of a one-week published notice under section 645.11, if:~~

~~(1) the petitioner files an affidavit with the court stating that an attempt at personal service made by a sheriff was unsuccessful because the respondent is avoiding service by concealment or otherwise; and~~

~~(2) a copy of the order is mailed to the respondent at the respondent's residence or the respondent is not known to the petitioner.~~

~~Service under this paragraph is complete seven days after publication~~ *An order issued under this subdivision must be personally served upon the respondent.*

Sec. 18. Minnesota Statutes 1990, section 611A.0311, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF PLAN.] ~~The commissioner of public safety shall select five county attorneys and five city attorneys whose jurisdictions~~

~~have higher than a 50 percent dismissal rate of domestic abuse cases and direct them to~~ *Each county and city attorney shall* develop and implement a written plan to expedite and improve the efficiency and just disposition of domestic abuse cases brought to the prosecuting authority. Domestic abuse advocates, *law enforcement officials*, and other interested members of the public must have an opportunity to assist in the ~~development of a model plan and in the~~ development or adaptation of the plans in each ~~of the jurisdictions selected for the pilot program~~ *jurisdiction*. ~~Once a model plan is developed.~~ The commissioner shall make ~~it~~ *the model and related training and technical assistance* available to all city and county attorneys ~~regardless of whether they are participating in the pilot program~~. All plans must state goals and contain policies and procedures to address the following matters:

(1) early assignment of a trial prosecutor who has the responsibility of handling the domestic abuse case through disposition, whenever feasible, or, where applicable, probation revocation; and early contact between the trial prosecutor and the victim;

(2) procedures to facilitate the earliest possible contact between the prosecutor's office and the victim for the purpose of acquainting the victim with the criminal justice process, the use of subpoenas, the victim's role as a witness in the prosecution, and the domestic abuse or victim services that are available;

(3) procedures to coordinate the trial prosecutor's efforts with those of the domestic abuse advocate or victim advocate, where available, and to facilitate the early provision of advocacy services to the victim;

(4) *procedures to encourage the prosecution of all domestic abuse cases where a crime can be proven;*

(5) methods that will be used to identify, gather, and preserve evidence in addition to the victim's in-court testimony that will enhance the ability to prosecute a case when a victim is reluctant to assist, including but not limited to physical evidence of the victim's injury, evidence relating to the scene of the crime, eyewitness testimony, and statements of the victim made at or near the time of the injury;

~~(5)~~ *(6)* procedures for educating local law enforcement agencies about the contents of the plan and their role in assisting with its implementation;

~~(6)~~ *(7)* the use for subpoenas to victims and witnesses, where appropriate;

~~(7)~~ *(8)* procedures for annual review of the plan to evaluate whether it is meeting its goals effectively and whether improvements are needed; and

~~(8)~~ *(9)* a timetable for implementation.

Sec. 19. Minnesota Statutes 1990, section 611A.0311, subdivision 3, is amended to read:

Subd. 3. [~~COPY~~ *NOTICE* FILED WITH DEPARTMENT OF PUBLIC SAFETY.] ~~A copy of the written plan must be filed with the commissioner of public safety on or before November 15, 1990. The~~ *Each* city and county ~~attorneys selected for the pilot program~~ *attorney* shall file a ~~status report on the pilot program~~ *notice that a prosecution plan has been adopted with the commissioner of public safety* by ~~January 1, 1992. The status report must contain information on the number of prosecutions and dismissals of domestic abuse cases in the prosecutor's office~~ *June 1, 1994*.

Sec. 20. [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 adopt 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. 21. Minnesota Statutes 1991 Supplement, section 611A.32, subdivision 1, is amended to read:

Subdivision 1. [GRANTS AWARDED.] The commissioner shall award grants to programs which provide emergency shelter services and support services to battered women and their children. The commissioner shall also award grants for training, technical assistance, and for the development and implementation of education programs to increase public awareness of the causes of battering, the solutions to preventing and ending domestic violence, and the problems faced by battered women. Grants shall be awarded in a manner that ensures that they are equitably distributed to programs serving metropolitan and nonmetropolitan populations. *By July 1, 1995, community-based domestic abuse advocacy and support services programs must be established in every judicial assignment district.*

Sec. 22. [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.] *(a) 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, include consideration of whether one of the parties acted in self defense, and provide guidance to officers concerning instances in which officers should remain at the scene of a domestic abuse incident until the likelihood of further imminent violence has been eliminated.*

(b) The bureau of criminal apprehension, the board of peace officer standards and training, and the battered women's advisory council appointed by the commissioner of corrections under section 611A.34, in consultation with the Minnesota chiefs of police association, the Minnesota sheriffs association, and the Minnesota police and peace officers association, shall develop a written model policy regarding arrest procedures for domestic

abuse incidents for use by local law enforcement agencies. Each law enforcement agency may adopt the model policy in lieu of developing its own policy under the provisions of paragraph (a).

(c) Local law enforcement agencies that have already developed a written policy regarding arrest procedures for domestic abuse incidents before the effective date of this subdivision are not required to develop a new policy but must review their policies and consider the written model policy developed under paragraph (b).

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; and

(2) providing the victim with the notice of rights under section 629.341, subdivision 3.

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. 23. [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. 24. 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 commissioner of corrections 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. 25. 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. 26. 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. 27. [EFFECTIVE DATE.]

Sections 4, paragraph (a), clause (3); and 5 are effective the day following final enactment.

Sections 7, 11, and 13 are effective August 1, 1992, and apply to crimes committed on or after that date.

ARTICLE 7

JUVENILES

Section 1. Minnesota Statutes 1990, section 260.125, subdivision 3a, is amended to read:

Subd. 3a. [PRIOR REFERENCE; EXCEPTION.] Notwithstanding the provisions of subdivisions 2 and 3, the court shall order a reference in any case where the prosecutor shows that the child has been previously referred for prosecution on a felony charge by an order of reference issued pursuant to either a hearing held under subdivision 2 or pursuant to the waiver of the right to such a hearing, other than a prior reference in the same case.

This subdivision only applies if the child is convicted of the offense or offenses for which the child was prosecuted pursuant to the order of reference or of a lesser included offense which is a felony.

This subdivision does not apply to juvenile offenders who are subject to criminal court jurisdiction under section 609.055.

Sec. 2. 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 a child is (1) found to be delinquent for violating a provision of chapter 152, *or for committing a felony-level violation of a provision of chapter 609 if the probation officer determines that alcohol or drug use was a contributing factor in the commission of the offense,* or (2) alleged to be delinquent for violating a provision of chapter 152, if the child is being held in custody under a detention order. 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. 3. 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. 4. Minnesota Statutes 1990, section 260.161, subdivision 1, is amended to read:

Subdivision 1. *(a)* The juvenile court judge shall keep such minutes and in such manner as the court deems necessary and proper. *Except as provided in paragraph (b),* the court shall keep and maintain records pertaining to delinquent adjudications until the person reaches the age of 23 years and shall release the records on an individual to a requesting adult court for purposes of sentencing, or to an adult court or juvenile court as required by the right of confrontation of either the United States Constitution or the Minnesota Constitution. The juvenile court shall provide, upon the request of any other juvenile court, copies of the records concerning adjudications involving the particular child. The court shall also keep an index in which files pertaining to juvenile matters shall be indexed under the name of the child. After the name of each file shall be shown the file number and, if ordered by the court, the book and page of the register in which the documents pertaining to such file are listed. The court shall also keep a register properly indexed in which shall be listed under the name of the child all documents filed pertaining to the child and in the order filed. The list shall show the name of the document and the date of filing thereof. The juvenile court legal records shall be deposited in files and shall include the petition, summons, notice, findings, orders, decrees, judgments, and motions and such other matters as the court deems necessary and proper. The legal records maintained in this file shall be open at all reasonable times to the inspection of any child to whom the records relate, and to the child's parent and guardian.

(b) The court shall retain records of the court finding that a juvenile committed an act that would be a violation of, or an attempt to violate, section 609.342, 609.343, 609.344, or 609.345, until the offender reaches the age of 25. If the offender commits another violation of sections 609.342 to 609.345 as an adult, the court shall retain the juvenile records for as long as the records would have been retained if the offender had been an adult at the time of the juvenile offense. This paragraph does not apply unless the juvenile was represented by an attorney when the petition was admitted or proven.

Sec. 5. Minnesota Statutes 1990, section 260.161, is amended by adding a subdivision to read:

Subd. 1a. [RECORD OF ADJUDICATIONS; NOTICE TO BUREAU OF CRIMINAL APPREHENSION.] *(a) The juvenile court shall forward to the bureau of criminal apprehension the following data on juveniles adjudicated delinquent for having committed an act described in subdivision 1, paragraph (b):*

(1) the name and birth date of the juvenile;

(2) the type of act for which the juvenile was adjudicated delinquent and date of the offense; and

(3) the date and county of the adjudication.

(b) The bureau shall retain data on a juvenile until the offender reaches the age of 25. If the offender commits another violation of sections 609.342 to 609.345 as an adult, the bureau shall retain the data for as long as the data would have been retained if the offender had been an adult at the time of the juvenile offense.

Sec. 6. Minnesota Statutes 1990, section 260.172, subdivision 1, is amended to read:

Subdivision 1. (a) If a child was taken into custody under section 260.165, subdivision 1, clause (a) or (c)(2), the court shall hold a hearing within 72 hours of the time the child was taken into custody, excluding Saturdays, Sundays, and holidays, to determine whether the child should continue in custody.

(b) In all other cases, the court shall hold a detention hearing:

(1) within 36 hours of the time the child was taken into custody, excluding Saturdays, Sundays, and holidays, if the child is being held at a juvenile secure detention facility or shelter care facility; or

(2) within 24 hours of the time the child was taken into custody, excluding Saturdays, Sundays, and holidays, if the child is being held at an adult jail or municipal lockup.

(c) Unless there is reason to believe that the child would endanger self or others, not return for a court hearing, run away from the child's parent, guardian, or custodian or otherwise not remain in the care or control of the person to whose lawful custody the child is released, or that the child's health or welfare would be immediately endangered, the child shall be released to the custody of a parent, guardian, custodian, or other suitable person, *subject to reasonable conditions of release including, but not limited to, a requirement that the child undergo a chemical use assessment as provided in section 260.151, subdivision 1.* In determining whether the child's health or welfare would be immediately endangered, the court shall consider whether the child would reside with a perpetrator of domestic child abuse. In a proceeding regarding a child in need of protection or services, the court, before determining whether a child should continue in custody, shall also make a determination, consistent with section 260.012 as to whether reasonable efforts, or in the case of an Indian child, active efforts, according to the Indian Child Welfare Act of 1978, United States Code, title 25, section 1912(d), were made to prevent placement or to reunite the child with the child's family, or that reasonable efforts were not possible. The court shall also determine whether there are available services that would prevent the need for further detention.

If the court finds the social services agency's preventive or reunification efforts have not been reasonable but 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. 7. 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. 8. Minnesota Statutes 1990, section 260.185, is amended by adding a subdivision to read:

Subd. 1a. [POSSESSION OF FIREARM.] *If the child is petitioned and found delinquent by the court, and the court also finds that the child was in possession of a firearm at the time of the offense, in addition to any other disposition the court shall order that the firearm be immediately seized and shall order that the child be required to serve at least 100 hours of community work service unless the child is placed in a residential treatment program or a juvenile correctional facility.*

Sec. 9. 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. 10. [299C.095] [SYSTEM FOR IDENTIFICATION OF ADJUDICATED JUVENILES.]

The bureau shall establish a system for recording the data on adjudicated juveniles received from the juvenile courts under section 5. The data in the system are private data as defined in section 13.02, subdivision 12, but are accessible to a person who has access to the juvenile court records as provided in section 260.161 or under court rule.

Sec. 11. 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. 12. Minnesota Statutes 1990, section 609.055, is amended to read:

609.055 [LIABILITY OF CHILDREN.]

Subdivision 1. [GENERAL RULE.] Children under the age of 14 years are incapable of committing crime.

Subd. 2. [ADULT PROSECUTION.] Children of the age of 14 years or over but under 18 years may be prosecuted for a criminal offense if the alleged violation is duly referred to the appropriate prosecuting authority in accordance with the provisions of chapter 260. *A child who is 16 years of age or older but under 18 years of age is capable of committing a crime and may be prosecuted for a felony if:*

(1) the child has been previously referred for prosecution on a felony charge by an order of reference issued pursuant to a hearing under section 260.125, subdivision 2, or pursuant to the waiver of the right to such a hearing, or prosecuted pursuant to this subdivision; and

(2) the child was convicted of the felony offense or offenses for which the child was prosecuted or of a lesser included felony offense.

Sec. 13. [ADVISORY TASK FORCE ON THE JUVENILE JUSTICE SYSTEM.]

Subdivision 1. [MEMBERSHIP.] *The supreme court shall conduct a study of the juvenile justice system. To conduct the study, the court shall convene an advisory task force on the juvenile justice system, consisting of the following 20 members:*

(1) four judges appointed by the chief justice of the supreme court;

(2) two members of the house of representatives, one of whom must be a member of the minority party, appointed by the speaker, and two members of the senate, one of whom must be a member of the minority party, appointed by the subcommittee on committees of the senate committee on rules and administration;

(3) two professors of law appointed by the chief justice of the supreme court;

(4) the state public defender;

(5) one county attorney who is responsible for juvenile court matters, appointed by the chief justice of the supreme court on recommendation of the Minnesota county attorneys association;

(6) two corrections administrators appointed by the governor, one from a community corrections act county and one from a noncommunity corrections act county;

(7) the commissioner of human services;

(8) the commissioner of corrections;

(9) two public members appointed by the governor, one of whom is a

victim of crime; and

(10) two law enforcement officers who are responsible for juvenile delinquency matters, appointed by the governor.

Subd. 2. [SELECTION OF CHAIR.] *The task force shall select a chair from among its membership other than the members appointed under subdivision 1, clause (2).*

Subd. 3. [STAFF.] *The task force may employ necessary staff to provide legal counsel, research, and clerical assistance.*

Subd. 4. [DUTIES.] *The task force shall conduct a study of the juvenile justice system and make recommendations concerning the following:*

(1) the juvenile certification process;

(2) the retention of juvenile delinquency adjudication records and their use in subsequent adult proceedings;

(3) the feasibility of a system of statewide juvenile guidelines;

(4) the effectiveness of various juvenile justice system approaches, including behavior modification and treatment; and

(5) the extension to juveniles of a nonwaivable right to counsel and a right to a jury trial.

Subd. 5. [REPORT.] *The task force shall submit a written report to the governor and the legislature by December 1, 1993, containing its findings and recommendations. The task force expires upon submission of its report.*

Sec. 14. [PLAN TO INCREASE OPPORTUNITIES FOR JUVENILES AND YOUNG ADULTS.]

Subdivision 1. [COMPREHENSIVE PLAN.] *The advisory task force on mentoring and community service shall, by January 15, 1993, propose to the legislature a comprehensive plan to improve and increase opportunities for juveniles and young adults to engage in meaningful service and work that benefits communities and the state. The plan shall reflect the legislature's intent to prevent crime and to minimize the expenditure of limited corrections resources by engaging young people in constructive alternatives to criminal and other antisocial activities. The plan shall also reflect the legislature's recognition that each young person has significant strengths, and that state investment should build on these strengths rather than plan for failure. The plan must include at least the following components:*

(1) an analysis of the fiscal impact of the state's sentencing and corrections policies, including unfunded liabilities for state and local governments;

(2) policies to assure school-to-work transition for noncollege bound young adults;

(3) policies to improve community service opportunities for young people;

(4) policies to assure well-supervised summer and year-round employment opportunities that teach young people a strong work ethic;

(5) policies to improve role models for young people by increasing mentoring and tutoring opportunities; and

(6) recommendations for funding new programs, including redirecting and reprioritizing existing resources.

Subd. 2. [LEGISLATIVE MEMBERS.] *The speaker of the house and the majority leader of the senate shall each appoint three legislators to serve as nonvoting members of the advisory task force.*

Subd. 3. [CONSULTATION.] *In developing the plan required by subdivision 1, the advisory task force on mentoring and community service shall consult with the department of jobs and training, the department of natural resources, the higher education coordinating board, the office of volunteer services, the department of education, and other appropriate agencies.*

Sec. 15. [EFFECTIVE DATE.]

Sections 1 to 12 are effective August 1, 1992, and apply to violations occurring on or after that date. Section 13 is effective the day following final enactment.

ARTICLE 8

SEX OFFENDER TREATMENT

Section 1. 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 4.

Sec. 2. 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, 1994, 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.

(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. 3. Minnesota Statutes 1990, section 241.67, is amended by adding a subdivision to read:

Subd. 7. [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. 4. [241.671] [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, 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 under the supervision of the commissioner of corrections, approving sex offender treatment vendors under subdivision 8, 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 duties required under this section. The commissioner of corrections and the commissioner of human services shall coordinate activities relating to the sex offender treatment fund with activities relating to the consolidated chemical dependency treatment fund.*

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 under, 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, subdivision 1; 609.79; or 617.23, or another offense arising out of a charge or delinquency petition based on one or more of those 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.] *(a) 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.*

(b) 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 treatment 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.

(f) Money appropriated specifically for sex offender assessments must be allocated to counties based on the number of sex offender convictions and delinquency adjudications in the county in the previous year. The money must be used to pay for assessments conducted under subdivision 3.

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. Two or more counties may undertake any of the activities required under this section as a joint action under section 471.59. 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 subdivision 7.

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. [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. 9. [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. 10. [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. 5. 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. 6. [SEX OFFENDER TREATMENT; PILOT PROGRAM.]

The commissioner of corrections, in consultation with the commissioner of 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. 7. [REPORT ON SEX OFFENDER TREATMENT FUNDING.]

By January 1, 1993, the commissioners of corrections and human services 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 7;

(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. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective the day following final enactment.

ARTICLE 9

PROCEDURAL PROVISIONS

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~~ *may be* jointly charged with a felony~~, they may be tried separately or jointly in the discretion of the court. 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.~~ *and tried if they are alleged to have participated in the same act or transaction or in the same series of acts or transactions constituting an offense. The defendants may be charged in one or more counts and tried together or separately and all of the defendants need not be charged in each count.*

Subd. 2. [RELIEF FROM PREJUDICIAL JOINDER.] *If it appears that a defendant is prejudiced by a joinder of defendants in a complaint or indictment or by joinder for trial together, the court may, upon motion of the defendant or the court's own motion, order an election or separate trials of counts, grant a severance of defendants, or provide whatever other relief justice requires. In making its determination, the court shall consider the impact on the victim. 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.*

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. The supreme court is also requested to study whether the constitution and laws of this state should be amended to authorize the preventive detention of certain arrested persons who are accused of dangerous crimes.

ARTICLE 10

VIOLENCE PREVENTION

AND EDUCATION

Section 1. 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. 2. 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. 3. Minnesota Statutes 1991 Supplement, section 124A.29, subdivision 1, as amended by H.F. 2121, article 1, section 18, is amended to read:

Subdivision 1. [STAFF DEVELOPMENT, AND *VIOLENCE PREVENTION* PARENTAL INVOLVEMENT 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 *in-service education for violence prevention programs under section 126.77, subdivision 2, or* staff development programs, including outcome-based education, under section 126.70, subdivisions 1 and 2a. 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.

(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. A district may use up to $1 of the $5 times the number of actual pupil units for promoting parental involvement in the PER process.

Sec. 4. Minnesota Statutes 1991 Supplement, section 126.70, subdivision 1, as amended by H.F. 2121, article 1, section 19, is amended to read:

Subdivision 1. [ELIGIBILITY FOR REVENUE.] A school board may use the revenue authorized in section 124A.29 *for in-service education for violence prevention programs under section 126.77, subdivision 2, or* if it establishes a staff development advisory committee and adopts a staff development plan under 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 that includes 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. Districts must submit approved plans to the commissioner.

Sec. 5. 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. 6. [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, racial, and cultural harassment that promotes equality, respect, understanding, effective communication, individual responsibility, thoughtful decision making, 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, racial, and cultural 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, racial, or cultural 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. 7. 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 agreements 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. 8. [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. 9. [145A.15] [HOME VISITING PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] *The commissioner of health shall establish 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. 10. 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. 11. 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. 12. 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. 13. 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. 14. 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. 15. 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. 16. [256.486] [ASIAN JUVENILE CRIME PREVENTION GRANT PROGRAM.]

Subdivision 1. [GRANT PROGRAM.] *The commissioner of human services shall establish a grant program for coordinated, family-based crime prevention services for Asian youth. The commissioners of human services, education, and public safety shall work together to coordinate grant activities.*

Subd. 2. [GRANT RECIPIENTS.] *The commissioner shall award grants in amounts up to $150,000 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. [USE OF GRANT MONEY TO MATCH FEDERAL FUNDS.] *Grant money awarded under this section may be used to satisfy any state or local match requirement that must be satisfied in order to receive federal funds.*

Subd. 5. [ANNUAL REPORT.] *Grant recipients must report to the 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. 17. [256E.10] [GRANTS FOR CHILDREN'S SAFETY CENTERS.]

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

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

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

(1) areas of the state where no children's safety center or similar facility exists;

(2) applicants who demonstrate that private funding for the center is available and will continue; and

(3) facilities that are adapted for use to care for children, such as day care centers, religious institutions, community centers, schools, technical colleges, parenting resource centers, and child care referral services.

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

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

Sec. 18. [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 commissioners of human services and education 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 and public safety shall assist the commissioners of human services and education 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 commissioners of human services and education 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 collocating 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 commissioners of human services and education 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. 19. [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 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 commissioner of 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. 20. 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 activities 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) *in coordination with the chemical abuse prevention resource council, review, approve, and* coordinate the administration of prevention, criminal justice, and treatment grants.

Sec. 21. 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. 22. 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. 23. 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. 24. [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. 25. 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. 26. [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 comprehensive 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. 27. [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. 28. [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. 29. [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. 30. [VIOLENCE PREVENTION EDUCATION GRANTS.]

Subdivision 1. [GRANT PROGRAM ESTABLISHED.] *The commissioner of education, after consulting with the assistant commissioner 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 may award grants for a violence prevention education program to eligible applicants as defined in subdivision 2. Grant amounts may not exceed $3 per actual pupil unit in the district or group of districts in the prior school year. Grant recipients should be geographically distributed throughout the state.*

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.*

ARTICLE 11

STATE AND LOCAL CORRECTIONS

Section 1. 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 9530.6500, for treatment programs operated by community-based residential treatment facilities.*

Sec. 2. Minnesota Statutes 1990, section 243.53, is amended to read:

243.53 [SEPARATE CELLS; *MULTIPLE OCCUPANCY STANDARDS.*]

Subdivision 1. [SEPARATE CELLS.] When there are cells sufficient, each convict shall be confined in a separate cell. *Each inmate shall be confined in a separate cell in close, maximum, and high security facilities, including St. Cloud, Stillwater, and Oak Park Heights, but not including geriatric or honor dormitory-type facilities.*

Subd. 2. [MULTIPLE OCCUPANCY STANDARDS.] *A medium security correctional facility that is built or remodeled after July 1, 1992, for the purpose of increasing 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. A minimum security correctional facility that is built or remodeled after July 1, 1992, must be designed and built to comply with minimum security multiple-occupancy standards.

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. [244.051] [EARLY REPORTS OF MISSING OFFENDERS.]

All programs serving inmates on supervised release following a prison sentence shall notify the appropriate probation officer, appropriate law enforcement agency, and the department of corrections within two hours after an inmate in the program fails to make a required report or after program officials receive information indicating that an inmate may have left the area in which the inmate is required to remain or may have otherwise violated conditions of the inmate's supervised release. The department of corrections and county corrections agencies shall ensure that probation offices are staffed on a 24-hour basis or make available a 24-hour telephone number to receive the reports.

Sec. 5. [244.17] [CHALLENGE INCARCERATION PROGRAM.]

Subdivision 1. [GENERALLY.] *The commissioner may select offenders who meet the eligibility requirements of subdivisions 2 and 3 to participate in a challenge incarceration 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 challenge incarceration 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 challenge incarceration 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. 6. [244.171] [CHALLENGE INCARCERATION PROGRAM; BASIC ELEMENTS.]

Subdivision 1. [REQUIREMENTS.] *The commissioner shall administer an intensive, structured, and disciplined program with a high level of offender accountability and control and direct and related consequences for failure to meet behavioral expectations. The program shall have the following goals:*

(1) to punish and hold the offender accountable;

(2) to protect the safety of the public;

(3) to treat offenders who are chemically dependent; and

(4) to prepare the offender for successful reintegration into society.

Subd. 2. [PROGRAM COMPONENTS.] *The program shall contain all of the components described in paragraphs (a) to (e).*

(a) The program shall contain a highly structured daily schedule for the offender.

(b) The program shall contain a rigorous physical program designed to teach personal discipline and improve the physical and mental well-being of the offender. It shall include skills designed to teach the offender how to reduce and cope with stress.

(c) The program shall contain individualized educational programs designed to improve the basic educational skills of the offender and to provide vocational training.

(d) The program shall contain programs designed to promote the offender's self-worth and the offender's acceptance of responsibility for the consequences of the offender's own decisions.

(e) The program shall contain culturally sensitive chemical dependency programs, licensed by the department of human services and designed to serve the inmate population. It shall require that each offender submit to a chemical use assessment and that the offender receive the appropriate level of treatment as indicated by the assessment.

Subd. 3. [GOOD TIME NOT AVAILABLE.] *An offender in the challenge incarceration program does not earn good time during phases I and II of the program, notwithstanding section 244.04.*

Subd. 4. [SANCTIONS.] *The commissioner shall impose severe and meaningful sanctions for violating the conditions of the challenge incarceration program. The commissioner shall remove an offender from the challenge incarceration 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 challenge incarceration 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 challenge incarceration 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.

Subd. 5. [TRAINING.] *The commissioner shall develop specialized training for correctional employees who supervise and are assigned to the challenge incarceration program.*

Sec. 7. [244.172] [CHALLENGE INCARCERATION 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 supervision and surveillance program established by the commissioner. The commissioner may impose such requirements on the offender as are necessary to carry out the goals of the program. 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. 8. [244.173] [CHALLENGE INCARCERATION PROGRAM; EVALUATION AND REPORT.]

The commissioner shall file a report with the house and senate judiciary committees by September 1, 1992, which sets forth with specificity the program's design. The commissioner shall also develop a system for gathering and analyzing information concerning the value and effectiveness of the challenge incarceration program. The commissioner shall report to the legislature by January 1, 1996, on the operation of the program.

Sec. 9. [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 13. 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 13. 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. 10. 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. 11. 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. 12. 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 13

in addition to any other sentence imposed by the court.

Sec. 13. [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 9.*

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 9.*

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 9, 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. 14. 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 13 in addition to any other sentence imposed by the court.

Sec. 15. [PROBATION STANDARDS TASK FORCE.]

The commissioner of corrections shall establish a probation standards task force of up to 12 members. Members of the task force must represent the department of corrections, probation officers, law enforcement, public defenders, county attorneys, county officials from community corrections act counties and other counties, victims of crimes committed by offenders while on probation, and the sentencing guidelines commission. The task force shall choose co-chairs from among the county officials sitting on the task force. One co-chair must be a probation officer or county official from a community corrections act county, and the other co-chair must be a member of the Minnesota association of county probation officers. The commissioner shall report to the legislature by December 1, 1992, concerning the following:

(1) the number of offenders being supervised by individual probation

officers across the state, including a statewide average, metropolitan and nonmetropolitan, a statewide metropolitan and nonmetropolitan range, and other relevant information about current caseloads;

(2) minimum caseload goals and an appropriate mix for types of offenders;

(3) the adequacy of current staffing levels to provide effective supervision of violent offenders on probation and supervised release;

(4) the need for increasing the number of probation officers and the cost of doing so; and

(5) any other relevant recommendations.

Sec. 16. [COUNTY JUVENILE FACILITY NEEDS ASSESSMENT.]

The county correctional administrators of each judicial district shall jointly evaluate and provide a report on behalf of the entire judicial district to the chairs of the judiciary committees in the senate and house of representatives by November 1, 1992, concerning the needs of the counties in that judicial district for secure juvenile detention facilities, including the need for preadjudication facilities and, in conjunction with the commissioner of corrections, the need for postadjudication facilities.

Sec. 17. [CLARIFICATION OF CONFLICTING PROVISIONS.]

Notwithstanding Minnesota Statutes, section 645.26 or 645.33, the provisions of sections 5 to 8 supersede the provisions of article 9, sections 3 to 6, of a bill styled as H.F. 2694, if enacted by the 1992 legislature.

ARTICLE 12

CIVIL LAW PROVISIONS

Section 1. [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, 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 similar 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 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. 2. 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. 3. [EFFECTIVE DATE.]

Section 2 is effective retroactive to August 1, 1991, and applies to actions pending on or commenced on or after that date.

ARTICLE 13

CRIMINAL JUSTICE DATA PRIVACY PROVISIONS

Section 1. Minnesota Statutes 1990, section 171.07, subdivision 1a, is amended to read:

Subd. 1a. [FILING PHOTOGRAPHS OR IMAGES; DATA CLASSIFICATION.] The department shall file, or contract to file, all photographs or electronically produced images obtained in the process of issuing driver licenses or Minnesota identification cards. The photographs or electronically produced images shall be private data pursuant to section 13.02, subdivision 12. Notwithstanding section 13.04, subdivision 3, the department shall not be required to provide copies of photographs or electronically produced images to data subjects. The use of the files is restricted:

(1) to the issuance and control of driver licenses;

(2) for law enforcement purposes in the investigation and prosecution of felonies and violations of section 169.09; 169.121; 169.123; 169.129;

171.22; 171.24; 171.30; 609.41; 609.487, subdivision 3; 609.631, subdivision 4, clause (3); ~~or~~ 609.821, subdivision 3, clauses (1), item (iv), and (3); *or 617.23;* and

(3) for child support enforcement purposes under section 256.978.

Sec. 2. [241.301] [FINGERPRINTS OF INMATES, PAROLEES, AND PROBATIONERS FROM OTHER STATES.]

The commissioner of corrections shall establish procedures so that whenever this state receives an inmate, parolee, or probationer from another state under sections 241.28 to 241.30 or 243.16, fingerprints and thumbprints of the inmate, parolee, or probationer are obtained and forwarded to the bureau of criminal apprehension.

Sec. 3. Minnesota Statutes 1991 Supplement, section 260.161, subdivision 3, is amended to read:

Subd. 3. (a) Except for records relating to an offense where proceedings are public under section 260.155, subdivision 1, peace officers' records of children shall be kept separate from records of persons 18 years of age or older and shall not be open to public inspection or their contents disclosed to the public except (1) by order of the juvenile court, (2) as required by section 126.036, (3) as authorized under section 13.82, subdivision 2, (4) to the child's parent or guardian unless disclosure of a record would interfere with an ongoing investigation, or (5) as provided in paragraph (d). Except as provided in paragraph (c), no photographs of a child taken into custody may be taken without the consent of the juvenile court ~~unless the child is alleged to have violated section 169.121 or 169.129~~. Any person violating any of the provisions of this subdivision shall be guilty of a misdemeanor.

(b) Nothing in this subdivision prohibits the exchange of information by law enforcement agencies if the exchanged information is pertinent and necessary to the requesting agency in initiating, furthering, or completing a criminal investigation.

(c) *A photograph may be taken of a child taken into custody pursuant to section 260.165, subdivision 1, clause (b), provided that the photograph must be destroyed when the child reaches the age of 19 years.* The commissioner of corrections may photograph juveniles whose legal custody is transferred to the commissioner. Photographs of juveniles authorized by this paragraph may be used only for institution management purposes and to assist law enforcement agencies to apprehend juvenile offenders. The commissioner shall maintain photographs of juveniles in the same manner as juvenile court records and names under this section.

(d) Traffic investigation reports are open to inspection by a person who has sustained physical harm or economic loss as a result of the traffic accident. Identifying information on juveniles who are parties to traffic accidents may be disclosed as authorized under section 13.82, subdivision 4, unless the information would identify a juvenile who was taken into custody or who is suspected of committing an offense that would be a crime if committed by an adult, or would associate a juvenile with the offense, and the offense is not a minor traffic offense under section 260.193.

Sec. 4. [DATA PRACTICES RECOMMENDATIONS.]

The commissioners of administration, public safety, human services, health, corrections, and education, a representative of the data practices division of the department of administration, and the state public defender,

shall make recommendations regarding the exchange of data among law enforcement agencies, local social service agencies, schools, the courts, court service agencies, and correctional agencies. The recommendations shall be developed in consultation with the following groups and others: local public social service agencies, police departments, sheriffs' offices, crime victims, and court services departments. In conducting the study the officials shall review data practices laws and rules and shall determine whether there are changes in statute or rule required to enhance the functioning of the criminal justice system. The officials shall consider the impact of any proposed recommendations on individual privacy rights. The officials shall submit a written report to the governor and the legislature not later than February 1, 1993.

Sec. 5. [STUDY OF CRIMINAL AND JUVENILE JUSTICE INFORMATION.]

The chair of the sentencing guidelines commission, the commissioner of corrections, the commissioner of public safety, and the state court administrator shall study and make recommendations to the governor and the legislature:

(1) on a framework for integrated criminal justice information systems;

(2) on the responsibilities of each entity within the criminal and juvenile justice systems concerning the collection, maintenance, dissemination, and sharing of criminal justice information with one another;

(3) to ensure that information maintained in the criminal justice information systems is accurate and up-to-date;

(4) on an information system containing criminal justice information on felony-level juvenile offenders that is part of the integrated criminal justice information system framework;

(5) on an information system containing criminal justice information on misdemeanor arrests, prosecutions, and convictions that is part of the integrated criminal justice information system framework;

(6) on comprehensive training programs and requirements for all individuals in criminal justice agencies to ensure the quality and accuracy of information in those systems;

(7) on continuing education requirements for individuals in criminal justice agencies who are responsible for the collection, maintenance, dissemination, and sharing of criminal justice data;

(8) on a periodic audit process to ensure the quality and accuracy of information contained in the criminal justice information systems;

(9) on the equipment, training, and funding needs of the state and local agencies that participate in the criminal justice information systems; and

(10) on the impact of integrated criminal justice information systems on individual privacy rights.

The chair, the commissioners, and the administrator shall file a report with the governor and the legislature by December 1, 1992. The report must make recommendations concerning any legislative changes or appropriations that are needed to ensure that the criminal justice information systems operate accurately and efficiently. To assist them in developing their recommendations, the chair, the commissioners, and the administrator shall

appoint a task force consisting of the members of the commission on criminal and juvenile justice information or their designees and the following additional members:

(1) the director of the office of strategic and long-range planning;

(2) two sheriffs recommended by the Minnesota sheriffs association;

(3) two police chiefs recommended by the Minnesota chiefs of police association;

(4) two county attorneys recommended by the Minnesota county attorneys association;

(5) two city attorneys recommended by the Minnesota league of cities;

(6) two district judges appointed by the conference of chief judges, one of whom is currently assigned to the juvenile court;

(7) two community corrections administrators recommended by the Minnesota association of counties, one of whom represents a community corrections act county;

(8) two probation officers; and

(9) two citizens, one of whom has been a victim of crime.

The task force expires upon submission of the report by the chair, the commissioners, and the administrator.

ARTICLE 14

MANDATORY VEHICLE INSURANCE PROVISIONS

Section 1. Minnesota Statutes 1991 Supplement, section 168.041, subdivision 4, is amended to read:

Subd. 4. [IMPOUNDMENT ORDER; PLATES SURRENDERED.] If the court issues an impoundment order, the registration plates must be surrendered to the court either three days after the order is issued or on the date specified by the court, whichever date is later. The court may destroy the surrendered registration plates. Except as provided in subdivision ~~1a,~~ 6, or 7, no new registration plates may be issued to the violator or owner until the driver's license of the violator has been reissued or reinstated. The court shall notify the commissioner of public safety within ten days after issuing an impoundment order.

Sec. 2. Minnesota Statutes 1990, section 169.791, is amended to read:

169.791 [CRIMINAL PENALTY FOR FAILURE TO PRODUCE PROOF OF INSURANCE.]

Subdivision 1. [TERMS.] (a) For purposes of this section and sections 169.792 to ~~169.796~~ *169.799*, the following terms have the meanings given.

(b) "Commissioner" means the commissioner of public safety.

(c) "Insurance identification card" means a card issued by an obligor to an insured stating that security as required by section 65B.48 has been provided for the insured's vehicle.

(d) "Proof of insurance" means an insurance identification card, written statement, or insurance policy as defined by section 65B.14, subdivision 2.

(e) "Written statement" means a written statement by a licensed insurance agent ~~in a form acceptable to the commissioner~~ stating *the name and address of the insured, the vehicle identification number of the insured's vehicle,* that *a plan of reparation* security *as required by section 65B.48* has been provided for the insured's vehicle, and the dates of the coverage.

(f) "District court administrator" or "court administrator" means the district court administrator or a deputy district court administrator of the district court that has jurisdiction of a violation of this section.

(g) "Vehicle" means a motor vehicle as defined in section 65B.43, subdivision 2, or a motorcycle as defined in section 65B.43, subdivision 13.

(h) "Peace officer" or "officer" means an employee of a political subdivision or state law enforcement agency, including the Minnesota state patrol, who is licensed by the Minnesota board of peace officer standards and training and is authorized to make arrests for violations of traffic laws.

(i) "Law enforcement agency" means the law enforcement agency that employed the peace officer who demanded proof of insurance under this section or section 169.792.

(j) The definitions in section 65B.43 apply to sections 169.792 to 169.799.

Subd. 2. [REQUIREMENT FOR DRIVER WHETHER OR NOT THE OWNER.] Every driver shall have in possession at all times when operating a ~~motor~~ vehicle and shall produce on demand of a peace officer proof of insurance in force at the time of the demand covering the vehicle being operated. If the driver ~~is unable to~~ *does not* produce the required proof of insurance upon the demand of a peace officer, *the driver is guilty of a misdemeanor. A person is guilty of a gross misdemeanor who violates this section within ten years of the first of two prior convictions under this section, section 169.797, or a statute or ordinance in conformity with one of those sections. A driver who is not the owner of the vehicle may not be convicted under this section unless the driver knew or had reason to know that the owner did not have proof of insurance required by this section, provided that the driver provides the officer with the name and address of the owner at the time of the demand or complies with subdivision 3.*

Subd. 2a. [LATER PRODUCTION OF PROOF BY DRIVER WHO IS THE OWNER.] ~~The~~ *A* driver ~~shall~~ *who is the owner of the vehicle may,* within ~~14~~ *ten* days after the demand, produce proof of insurance stating that security had been provided for the vehicle that was being operated at the time of the demand~~, or the name and address of the owner to the place stated in the notice provided by the officer~~ *to the court administrator.* The required proof of insurance may be sent by mail by the driver as long as it is received within ~~14~~ *ten* days. ~~Except as provided in subdivision 3, any driver who fails to produce proof of insurance as required by this section within 14 days of the demand is guilty of a misdemeanor. The peace officer may mail the citation to the address given by the driver or to the address stated on the driver's license, and such service by mail is valid notwithstanding section 629.34. It is not a defense to service that a 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. A driver who is not the owner of the motor vehicle or motorcycle does not violate this section unless the driver knew or had reason to know that the owner did not have proof of insurance required by this section.~~ *If a citation is issued, no person shall be convicted of violating this section if the court administrator*

receives the required proof of insurance within ten days of the issuance of the citation. If the charge is made other than by citation, no person shall be convicted of violating this section if the person presents the required proof of insurance at the person's first court appearance after the charge is made.

Subd. 3. [~~REQUIREMENT FOR~~ *LATER PRODUCTION OF INFORMATION BY* DRIVER WHO IS NOT THE OWNER.] If the driver is not the owner of the vehicle, the driver shall, within ~~14~~ *ten* days of the officer's demand, provide the ~~officer~~ *district court administrator* with proof of insurance or the name and address of the owner. ~~Any driver under this subdivision who fails to provide proof of insurance or to inform the officer of the name and address of the owner within 14 days of the officer's demand is guilty of a misdemeanor.~~ *Upon receipt of the name and address of the owner, the district court administrator shall communicate the information to the law enforcement agency.*

Subd. 4. [REQUIREMENT FOR OWNER WHO IS NOT THE DRIVER.] *If the driver is not the owner of the vehicle,* the officer may send or provide a notice to the owner of the ~~motor~~ vehicle requiring the owner to produce proof of insurance for the vehicle that was being operated at the time of the demand. Notice by mail is presumed to be received five days after mailing and shall be sent to the owner's current address or the address listed on the owner's driver's license. Within ~~14~~ *ten* days after receipt of the notice, the owner shall produce the required proof of insurance to the place stated in the notice received by the owner. The required proof of insurance may be sent by mail by the owner as long as it is received within ~~14~~ *ten* days. Any owner who fails to produce proof of insurance within ~~14~~ *ten* days of an officer's request is guilty of a misdemeanor. ~~It is an affirmative defense to a charge against the owner that the driver used the owner's vehicle without consent or misrepresented his or her insurance coverage to the owner.~~ The peace officer may mail the citation to the owner's current address or address stated on the owner's driver's license. *It is an affirmative defense to a charge against the owner that the driver used the owner's vehicle without consent, if insurance would not have been required in the absence of the unauthorized use by the driver.* It is not a defense that a 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~~ *ten-day* period.

Subd. 5. [EXEMPTIONS.] Buses or other commercial vehicles operated by the metropolitan transit commission, commercial vehicles required to file proof of insurance pursuant to chapter 221, and school buses as defined in section 171.01, subdivision 21, are exempt from this section.

Subd. 6. [PENALTY.] ~~Any violation of this section is a misdemeanor.~~ *In addition to any sentence of imprisonment that the court may impose, the court shall impose a fine of not less than $200 nor more than the maximum fine applicable to misdemeanors upon conviction under this section. The court may allow community service in lieu of any fine imposed if the defendant is indigent. In addition to criminal penalties, a person convicted under this section is subject to revocation of a driver's license or permit to drive under section 169.792, subdivision 7, and to revocation of motor vehicle registration under section 169.792, subdivision 12.*

Subd. 7. [FALSE INFORMATION; PENALTY.] *Any person who knowingly provides false information to an officer or district court administrator*

under this section is guilty of a misdemeanor.

Sec. 3. Minnesota Statutes 1990, section 169.792, is amended to read:

169.792 [REVOCATION OF LICENSE FOR FAILURE TO PRODUCE PROOF OF INSURANCE.]

Subdivision 1. [IMPLIED CONSENT.] Any driver or owner of a ~~motor~~ vehicle consents, subject to the provisions of this section and section 169.791, to the requirement of having possession of proof of insurance, and to the revocation of the person's license if the driver or owner ~~is unable to~~ *does not* produce the required proof of insurance within ~~14~~ *ten* days of an officer's demand. Any driver of a ~~motor~~ vehicle who is not the owner of the ~~motor~~ vehicle consents, subject to the provisions of this section and section 169.791, to providing to the officer the name and address of the owner of the ~~motor~~ vehicle ~~or motorcycle~~.

Subd. 2. [REQUIREMENT FOR DRIVER WHETHER OR NOT THE OWNER.] Except as provided in subdivision 3, every driver of a ~~motor~~ vehicle shall, within ~~14~~ *ten* days after the demand of a peace officer, produce proof of insurance in force for the vehicle that was being operated at the time of the demand, to ~~the place stated in the notice provided by the officer~~ *the district court administrator*. The required proof of insurance may be sent by the driver by mail as long as it is received within ~~14~~ *ten* days. A driver who is not the owner does not violate this section unless the driver knew or had reason to know that the owner did not have proof of insurance required by this section, *provided that the driver provides the officer with the owner's name and address at the time of the demand or complies with subdivision 3.*

Subd. 3. [REQUIREMENT FOR DRIVER WHO IS NOT THE OWNER.] If the driver is not the owner of the vehicle, then the driver shall *provide the officer with the name and address of the owner at the time of the demand or shall* within ~~14~~ *ten* days of the officer's demand provide the ~~officer~~ *district court administrator* with proof of insurance or the name and address of the owner. *Upon receipt of the owner's name and address, the district court administrator shall forward the information to the law enforcement agency. If the name and address received from the driver do not match information available to the district court administrator, the district court administrator shall notify the law enforcement agency of the discrepancy.*

Subd. 4. [REQUIREMENT FOR OWNER WHO IS NOT THE DRIVER.] *If the driver is not the owner of the vehicle,* the officer may send or provide a notice to the owner requiring the owner to produce proof of insurance in force at the time of the demand covering the ~~motor~~ vehicle being operated. The notice shall be sent to the owner's current address or the address listed on the owner's driver's license. Within ~~14~~ *ten* days after receipt of the notice, the owner shall produce the required proof of insurance to the place stated in the notice received by the owner. Notice *to the owner* by mail is presumed to be received within five days after mailing. It is not a defense that a person failed to notify the department of public safety of a change of name or address as required under section 171.11.

Subd. 5. [*WRITTEN* NOTICE ~~OF REVOCATION~~.] *(a)* When proof of insurance is demanded and none is in possession, the ~~officer shall~~ *law enforcement agency may send or* give the driver written notice as provided herein, *unless the officer issues a citation to the driver under section 169.791 or 169.797.* If the driver is not the owner and does not produce the required

proof of insurance within ~~14~~ *ten* days of the demand, the ~~officer~~ *law enforcement agency* may send *or give* written notice to the owner of the vehicle.

(b) Within ten days after receipt of the notice, if given, the driver or owner shall produce the required proof of insurance to the place stated in the notice. Notice to the driver or owner by mail is presumed to be received within five days after mailing. It is not a defense that a person failed to notify the department of public safety of a change of name or address as required under section 171.11.

(c) The department of public safety shall prescribe a form setting forth the written notice to be provided to the driver or owner. *The department shall, upon request, provide a sample of the form to any law enforcement agency.* The notice shall ~~specify the place to which~~ *provide that* the driver or owner must produce the proof of insurance *to the law enforcement agency, at the place specified in the notice*. The notice shall also state:

(1) that Minnesota law requires every driver and owner to produce an insurance identification card, insurance policy, or written statement indicating that the vehicle had insurance at the time of an officer's demand within ~~14~~ *ten* days of the demand, provided, however, that a driver who does not own the vehicle shall provide the name and address of the owner;

(2) that if the driver fails to produce the information within ~~14~~ *ten* days from the date of demand or if the owner fails to produce the information within ~~14~~ *ten* days of receipt of the notice from the peace officer, the commissioner of public safety shall revoke the person's driver's license or permit to drive~~, or nonresident operating privileges~~ for a minimum of 30 days, *and shall revoke the registration of the vehicle*;

(3) that any person who displays or causes another to display an insurance identification card, insurance policy, or written statement, knowing that the insurance is not in force, is guilty of a misdemeanor; and

(4) that any person who alters or makes a fictitious identification card, insurance policy, or written statement, or knowingly displays an altered or fictitious identification card, insurance policy, or written statement, is guilty of a misdemeanor.

Subd. 6. [REPORT TO THE COMMISSIONER OF PUBLIC SAFETY.] If a driver fails to produce the required proof of insurance or name and address of the owner within ~~14~~ *ten* days of the demand, the ~~officer~~ *district court administrator* shall report the failure to the commissioner ~~and may send a written notice to the owner~~. If ~~the~~ *an* owner *who is not the driver* fails to produce the required proof of insurance, *or if a driver to whom a citation has not been issued does not provide proof of insurance or the owner's name and address*, within ~~14~~ *ten* days of receipt of the notice, the ~~officer~~ *law enforcement agency* shall report the failure to the commissioner. *Failure to produce proof of insurance or the owner's name and address as required by this section must be reported to the commissioner promptly regardless of the status or disposition of any related criminal charges.*

Subd. 7. [LICENSE REVOCATION.] Upon receiving the notification under subdivision 6 *or notification of a conviction for violation of section 169.791*, the commissioner shall revoke the person's driver's license or permit to drive~~, or nonresident operating privileges~~. The revocation shall be effective beginning 14 days after the date of notification by the *district court administrator or* officer to the department of public safety. In order to be revoked, notice must have been ~~given or~~ mailed to the person~~, as~~

~~provided in this section~~ *by the commissioner at least ten days before the effective date of the revocation. If the person, before the effective date of the revocation, provides the commissioner with the proof of insurance or other verifiable insurance information as determined by the commissioner, establishing that the required insurance covered the vehicle at the time of the original demand, the revocation must not become effective. Revocation based upon receipt of a notification under subdivision 6 must be carried out regardless of the status or disposition of any related criminal charge.* The person's driver's license or permit to drive~~, or nonresident operating privileges,~~ shall be revoked for the longer of: (i) ~~30 days~~ *the period provided in section 169.797, subdivision 4, paragraph (b), including any rules adopted under that paragraph*, or (ii) until the driver or owner files proof of insurance with the department of public safety satisfactory to the commissioner of public safety. *A license must not be revoked more than once based upon the same demand for proof of insurance.*

Subd. 7a. [EARLY REINSTATEMENT.] *A person whose license or permit has been revoked under subdivision 7 may obtain a new license or permit before the expiration of the period specified in subdivision 7 if the person provides to the department of public safety proof of insurance or other verifiable insurance information as determined by the commissioner, establishing that insurance covered the vehicle at the time of the original demand and that any required insurance on any vehicle registered to the person remains in effect. The person shall pay the fee required by section 171.29, subdivision 2, paragraph (a), before reinstatement. The commissioner shall make a notation on the person's driving record indicating that the person satisfied the requirements of this subdivision. A person who knowingly provides false information for purposes of this subdivision is guilty of a misdemeanor.*

Subd. 8. [ADMINISTRATIVE AND JUDICIAL REVIEW.] At any time during a period of revocation imposed under this section, a driver or owner may request in writing a review of the order of revocation by the commissioner. 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 send the results of the review in writing to the person requesting the review. The review provided in this subdivision is not subject to the contested case provisions of the administrative procedure act in sections 14.001 to 14.69.

The availability of administrative review for an order of revocation shall have no effect upon the availability of judicial review under section 171.19.

~~Subd. 9. [NOTICE OF ACTION TO OTHER STATES.] When it has been finally determined that a nonresident's operating privilege in this state has been revoked or denied, the commissioner of public safety shall give information in writing of the action taken to the official in charge of traffic control or public safety of the state of the person's residence and of any state in which the person has a license.~~

Subd. 10. [TERMINATION OF REVOCATION PERIOD.] Before reinstatement of a driver's license or permit to drive, ~~or nonresident operating privileges,~~ the driver or owner shall produce proof of insurance, *or other form of verifiable insurance information as determined by the commissioner,* indicating that the driver or owner has insurance coverage satisfactory to

the commissioner. The commissioner may require the insurance identification card provided to satisfy this subdivision be certified by the insurance carrier to be noncancelable for a period not to exceed 12 months. The commissioner of public safety may also require an insurance identification card to be filed with respect to any and all vehicles required to be insured under section 65B.48 and owned by any person whose driving privileges have been revoked as provided in this section before reinstating the person's driver's license. *A person who knowingly provides false information for purposes of this subdivision is guilty of a misdemeanor.*

Subd. 11. [EXEMPTIONS.] Buses or other commercial vehicles operated by the metropolitan transit commission, commercial vehicles required to file proof of insurance pursuant to chapter 221, and school buses as defined in section 171.01, subdivision 21, are exempt from this section.

Subd. 12. [VEHICLE REGISTRATION REVOCATION.] *If a person whose driver's license or permit is revoked under subdivision 7 is also the owner of the vehicle, the commissioner shall revoke the registration of the vehicle at the same time. If the owner of the vehicle does not have a driver's license or permit to drive, the commissioner shall revoke the registration of the vehicle. The commissioner shall reinstate registration of the vehicle only upon receiving proof of insurance or other verifiable insurance information as determined by the commissioner, and proof of compliance with all other requirements for reinstatement of motor vehicle registration, including payment of required fees.*

Sec. 4. Minnesota Statutes 1990, section 169.793, is amended to read:

169.793 [UNLAWFUL ACTS.]

Subdivision 1. [ACTS.] It shall be unlawful for any person:

(1) to issue, to display, or cause or permit to be displayed, or have in possession, an insurance identification card, policy, or written statement knowing or having reason to know that the insurance is not in force or is not in force as to the ~~motor~~ vehicle ~~or motorcycle~~ in question;

(2) to alter or make a fictitious insurance identification card, policy, or written statement; and

(3) to display an altered or fictitious insurance identification card, insurance policy, or written statement knowing or having reason to know that the proof has been altered or is fictitious.

Subd. 2. [PENALTY.] Any person who violates any of the provisions of subdivision 1 is guilty of a misdemeanor. *In addition to any sentence of imprisonment that the court may impose, the court shall impose a fine of not less than $200 nor more than the maximum fine applicable to misdemeanors. The court may allow community service in lieu of any fine imposed if the defendant is indigent.*

Sec. 5. Minnesota Statutes 1991 Supplement, section 169.795, is amended to read:

169.795 [RULES.]

The commissioner of public safety shall adopt rules necessary to implement sections 168.041, ~~subdivisions 1a and~~ *subdivision* 4; 169.09, subdivision 14; and 169.791 to 169.796.

Sec. 6. Minnesota Statutes 1990, section 169.796, is amended to read:

169.796 [VERIFICATION OF INSURANCE COVERAGE.]

Subdivision 1. [RELEASE OF INFORMATION.] An insurance company shall release information to the department of public safety or the law enforcement authorities necessary to the verification of insurance coverage. An insurance company or its agent acting on its behalf, or an authorized person who releases the above information, whether oral or written, acting in good faith, is immune from any liability, civil or criminal, arising in connection with the release of the information.

Subd. 2. [RECEIPT OF DATA BY ELECTRONIC TRANSFER.] *The commissioner may, in the commissioner's discretion, agree to receive by electronic transfer any information required by this chapter to be provided to the commissioner by an insurance company.*

Sec. 7. [169.797] [PENALTIES FOR FAILURE TO PROVIDE SECURITY FOR BASIC REPARATION BENEFITS.]

Subdivision 1. [TORT LIABILITY.] *Every owner of a vehicle for which security has not been provided as required by section 65B.48, shall not by the provisions of this chapter be relieved of tort liability arising out of the operation, ownership, maintenance, or use of the vehicle.*

Subd. 2. [VIOLATION BY OWNER.] *Any owner of a vehicle with respect to which security is required under sections 65B.41 to 65B.71 who operates the vehicle or permits it to be operated upon a public highway, street, or road in this state and who knows or has reason to know that the vehicle does not have security complying with the terms of section 65B.48 is guilty of a crime and shall be sentenced as provided in subdivision 4.*

Subd. 3. [VIOLATION BY DRIVER.] *Any other person who operates a vehicle upon a public highway, street, or road in this state who knows or has reason to know that the owner does not have security complying with the terms of section 65B.48 in full force and effect is guilty of a crime and shall be sentenced as provided in subdivision 4.*

Subd. 3a. [FALSE STATEMENTS.] *Any owner of a vehicle who falsely claims to have a plan of reparation security in effect at the time of registration of a vehicle pursuant to section 65B.48 is guilty of a crime and shall be sentenced as provided in subdivision 4.*

Subd. 4. [PENALTY.] *(a) A person who violates this section is guilty of a misdemeanor. A person is guilty of a gross misdemeanor who violates this section within ten years of the first of two prior convictions under this section, section 169.791, or a statute or ordinance in conformity with one of those sections. The operator of a vehicle who violates subdivision 3 and who causes or contributes to causing a vehicle accident that results in the death of any person or in substantial bodily harm to any person, as defined in section 609.02, subdivision 7a, is guilty of a gross misdemeanor. The same prosecuting authority who is responsible for prosecuting misdemeanor violations of this section is responsible for prosecuting gross misdemeanor violations of this section. In addition to any sentence of imprisonment that the court may impose on a person convicted of violating this section, the court shall impose a fine of not less than $200 nor more than the maximum amount authorized by law. The court may allow community service in lieu of any fine imposed if the defendant is indigent.*

(b) In addition to the criminal penalty, the driver's license of an operator convicted under this section shall be revoked for not more than 12 months.

If the operator is also an owner of the vehicle, the registration of the vehicle shall also be revoked for not more than 12 months. Before reinstatement of a driver's license or registration, the operator shall file with the commissioner of public safety the written certificate of an insurance carrier authorized to do business in this state stating that security has been provided by the operator as required by section 65B.48.

(c) The commissioner shall include a notice of the penalties contained in this section on all forms for registration of vehicles required to maintain a plan of reparation security.

Subd. 4a. [REVOCATION OF REGISTRATION AND SUSPENSION OF LICENSE.] *The commissioner of public safety shall revoke the registration of any vehicle and may suspend the driver's license of any operator, without preliminary hearing upon a showing by department records, including accident reports required to be submitted by section 169.09, or other sufficient evidence that security required by section 65B.48 has not been provided and maintained. Before reinstatement of the registration, there shall be filed with the commissioner of public safety the written certificate of an insurance carrier authorized to do business in the state stating that security has been provided as required by section 65B.48. The commissioner of public safety may require the certificate of insurance provided to satisfy this subdivision to be certified by the insurance carrier to be noncancelable for a period not to exceed one year. The commissioner of public safety may also require a certificate of insurance to be filed with respect to all vehicles required to be insured under section 65B.48 and owned by any person whose driving privileges have been suspended or revoked as provided in this section before reinstating the person's driver's license.*

Subd. 5. [NONRESIDENTS.] *When a nonresident's operating privilege is suspended pursuant to this section, the commissioner of public safety or a designee shall transmit a copy of the record of the action to the official in charge of the issuance of licenses in the state in which the nonresident resides.*

Subd. 6. [LICENSE SUSPENSION.] *Upon receipt of notification that the operating privilege of a resident of this state has been suspended or revoked in any other state pursuant to a law providing for its suspension or revocation for failure to deposit security for the payment of judgments arising out of a vehicle accident, or for failure to provide security covering a vehicle if required by the laws of that state, the commissioner of public safety shall suspend the operator's license of the resident until the resident furnishes evidence of compliance with the laws of this state and if applicable the laws of the other state.*

Sec. 8. [169.798] [RULES OF COMMISSIONER OF PUBLIC SAFETY.]

Subdivision 1. [AUTHORITY.] *The commissioner of public safety shall have the power and perform the duties imposed by sections 65B.41 to 65B.71, this section, and sections 169.797 and 169.799, and may adopt rules to implement and provide effective administration of the provisions requiring security and governing termination of security.*

Subd. 2. [EVIDENCE OF SECURITY REQUIRED.] *The commissioner of public safety may by rule provide that vehicles owned by certain persons may not be registered in this state unless satisfactory evidence is furnished that security has been provided as required by section 65B.48. If a person who is required to furnish evidence ceases to maintain security, the person*

shall immediately surrender the registration certificate and license plates for the vehicle. These requirements may be imposed if:

(1) The registrant has not previously registered a vehicle in this state; or

(2) An owner or operator of the vehicle has previously failed to comply with the security requirements of sections 65B.41 to 65B.71 or of prior law; or

(3) The driving record of an owner or operator of the vehicle evidences a continuing disregard of the laws of this state enacted to protect the public safety; or

(4) Other circumstances indicate that action is necessary to effectuate the purposes of sections 65B.41 to 65B.71.

Subd. 3. [SECURITY NOT REQUIRED.] *No owner of a boat, snowmobile, or utility trailer registered for a gross weight of 3,000 pounds or less shall be required by the commissioner of public safety to furnish evidence that the security required by section 65B.48 has been provided.*

Sec. 9. [169.799] [OBLIGOR'S NOTIFICATION OF LAPSE, CANCELLATION, OR FAILURE TO RENEW POLICY OF COVERAGE.]

If the required plan of reparation security of an owner or named insured is canceled, and notification of such fact is given to the insured as required by section 65B.19, a copy of such notice shall within 30 days after coverage has expired be sent to the commissioner of public safety. If, on or before the end of that 30-day period, the insured owner of a vehicle has not presented the commissioner of public safety or an authorized agent with evidence of required security which shall have taken effect upon the expiration of the previous coverage, or if the insured owner or registrant has not instituted an objection to the obligor's cancellation under section 65B.21, within the time limitations therein specified, the insured owner or registrant shall immediately surrender the registration certificate and vehicle license plates to the commissioner of public safety and may not operate or permit operation of the vehicle in this state until security is again provided and proof of security furnished as required by sections 65B.41 to 65B.71.

Sec. 10. Minnesota Statutes 1990, section 171.19, is amended to read:

171.19 [PETITION FOR REINSTATEMENT OF LICENSES.]

Any person whose driver's license has been refused, revoked, suspended, or canceled by the commissioner, except where the license is revoked under section 169.123, may file a petition for a hearing in the matter in the district court in the county wherein such person shall reside and, in the case of a nonresident, in the district court in any county, and such court is hereby vested with jurisdiction, and it shall be its duty, to set the matter for hearing upon 15 days' written notice to the commissioner, and thereupon to take testimony and examine into the facts of the case to determine whether the petitioner is entitled to a license or is subject to revocation, suspension, cancellation, or refusal of license, ~~under the provisions of this chapter,~~ and shall render judgment accordingly. The petition shall be heard by the court without a jury and may be heard in or out of term. The commissioner may appear in person, or by agents or representatives, and may present evidence upon the hearing by affidavit personally, by agents, or by representatives. The petitioner may present evidence by affidavit, except that the petitioner

must be present in person at such hearing for the purpose of cross-examination. In the event the department shall be sustained in these proceedings, the petitioner shall have no further right to make further petition to any court for the purpose of obtaining a driver's license until after the expiration of one year after the date of such hearing.

Sec. 11. Minnesota Statutes 1991 Supplement, section 171.29, subdivision 1, is amended to read:

Subdivision 1. [EXAMINATION REQUIRED.] No person whose driver's license has been revoked by reason of conviction, plea of guilty, or forfeiture of bail not vacated, under section *169.791, 169.797, or* 171.17 ~~or 65B.67~~, or revoked under section 169.123 or 169.792 shall be issued another license unless and until that person shall have successfully passed an examination as required for an initial license. *This subdivision does not apply to an applicant for early reinstatement under section 169.792, subdivision 7a.*

Sec. 12. Minnesota Statutes 1991 Supplement, section 171.30, subdivision 1, is amended to read:

Subdivision 1. [CONDITIONS OF ISSUANCE.] In any case where a person's license has been suspended under section 171.18 or revoked under section ~~65B.67,~~ 169.121, 169.123, 169.792, *169.797,* or 171.17, the commissioner may issue a limited license to the driver including under the following conditions:

(1) if the driver's livelihood or attendance at a chemical dependency treatment or counseling program depends upon the use of the driver's license;

(2) if the use of a driver's license by a homemaker is necessary to prevent the substantial disruption of the education, medical, or nutritional needs of the family of the homemaker; or

(3) if attendance at a post-secondary institution of education by an enrolled student of that institution depends upon the use of the driver's license.

The commissioner in issuing a limited license may impose such conditions and limitations as in the commissioner's judgment are necessary to the interests of the public safety and welfare including reexamination as to the driver's qualifications. The license may be limited to the operation of particular vehicles, to particular classes and times of operation and to particular conditions of traffic. The commissioner may require that an applicant for a limited license affirmatively demonstrate that use of public transportation or carpooling as an alternative to a limited license would be a significant hardship.

For purposes of this subdivision, "homemaker" refers to the person primarily performing the domestic tasks in a household of residents consisting of at least the person and the person's dependent child or other dependents.

The limited license issued by the commissioner shall clearly indicate the limitations imposed and the driver operating under the limited license shall have the license in possession at all times when operating as a driver.

In determining whether to issue a limited license, the commissioner shall consider the number and the seriousness of prior convictions and the entire driving record of the driver and shall consider the number of miles driven by the driver annually.

If the person's driver's license or permit to drive~~, or nonresident operating~~

~~privileges.~~ ~~have~~ *has* been revoked under section 65B.67 or 169.792, the commissioner may only issue a limited license to the person after the person has presented an insurance identification card, policy, or written statement indicating that the driver or owner has insurance coverage satisfactory to the commissioner of public safety. The commissioner of public safety may require the insurance identification card provided to satisfy this subdivision be certified by the insurance company to be noncancelable for a period not to exceed 12 months.

Sec. 13. [INSTRUCTION TO REVISOR.]

Subdivision 1. [CROSS-REFERENCES.] *The revisor of statutes shall make necessary cross-reference changes in statutes and rules, consistent with the renumbering and recodification of sections 65B.67 as 169.797, 65B.68 as 169.798, and 65B.69 as 169.799.*

Subd. 2. [REORDERING.] *The revisor of statutes shall reorder the paragraphs of section 169.791, subdivision 1, as amended by this act, so that the definitions appear in alphabetical order. The revisor shall also make necessary cross-reference changes in statutes and rules consistent with the reordering.*

Sec. 14. [REPEALER.]

Minnesota Statutes 1990, sections 65B.67; 65B.68; 65B.69; and 169.792, subdivision 9; and Minnesota Statutes 1991 Supplement, section 168.041, subdivision 1a, are repealed.

Sec. 15. [APPROPRIATION.]

$66,000 is appropriated from the trunk highway fund to the commissioner of public safety to cover the additional expenditures required by this article, to be added to the appropriation in Laws 1991, chapter 233, section 5, subdivision 8, for fiscal year 1993.

The approved complement of the department of public safety is increased by one position.

Sec. 16. [EFFECTIVE DATE.]

Sections 1 to 14 are effective January 1, 1993.

ARTICLE 15

LAW ENFORCEMENT AND PUBLIC SAFETY

Section 1. [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, and 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. 2. 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. 3. Minnesota Statutes 1991 Supplement, section 481.10, is amended to read:

481.10 [CONSULTATION WITH PERSONS RESTRAINED.]

All officers or persons having in their custody a person restrained of liberty ~~upon any charge or cause alleged~~, except in cases where imminent danger of escape exists, shall admit any ~~resident~~ attorney retained by or in behalf of the person restrained, or whom the restrained person may desire to consult, to a private interview at the place of custody. Such custodians, upon request of the person restrained, as soon as practicable, and before other proceedings shall be had, shall notify ~~any~~ *the* attorney ~~residing in the county~~ of the request for a consultation with the attorney. *At all times through the period of custody, whether or not the person restrained has been charged, tried, convicted, or is serving an executed sentence,* reasonable telephone access to the attorney shall be provided to the person restrained at no charge to the attorney or to the person restrained. Every officer or person who shall violate any provision of this section shall be guilty of a misdemeanor and, in addition to the punishment prescribed therefor shall forfeit $100 to the person aggrieved, to be recovered in a civil action.

Sec. 4. Minnesota Statutes 1990, section 611.271, is amended to read:

611.271 [COPIES OF DOCUMENTS; FEES.]

The court administrators of ~~all~~ courts, *the prosecuting attorneys of counties and municipalities, and the law enforcement agencies of the state and its political subdivisions* shall furnish, upon the request of the district public defender or the state public defender, copies of any documents, *including police reports,* in their possession at no charge to the public defender.

Sec. 5. Minnesota Statutes 1990, section 624.7131, subdivision 1, is amended to read:

Subdivision 1. [INFORMATION.] Any person may apply for a pistol transferee permit by providing the following information in writing to the chief of police of an organized full time police department of the municipality in which the person resides or to the county sheriff if there is no such local chief of police:

(a) The name, residence, telephone number and driver's license number or nonqualification certificate number, if any, of the proposed transferee;

(b) The sex, date of birth, height, weight and color of eyes, *and distinguishing physical characteristics, if any,* of the proposed transferee; *and*

(c) A statement by the proposed transferee that the proposed transferee is not prohibited by section 624.713 from possessing a pistol.

The statement shall be signed by the person applying for a permit. At the time of application, the local police authority shall provide the applicant with a dated receipt for the application.

Sec. 6. Minnesota Statutes 1990, section 624.7131, subdivision 6, is amended to read:

Subd. 6. [PERMITS VALID STATEWIDE; ~~RENEWAL.~~] Transferee permits issued pursuant to this section are valid statewide and shall expire after one year. A transferee permit may be renewed in the same manner and subject to the same provisions by which the original permit was obtained, *except that all renewed permits must comply with the standards adopted by the commissioner of public safety under section 624.7151.* Permits issued pursuant to this section are not transferable. A person who transfers a permit in violation of this subdivision is guilty of a misdemeanor.

Sec. 7. Minnesota Statutes 1990, section 624.7132, subdivision 1, is

amended to read:

Subdivision 1. [REQUIRED INFORMATION.] Except as provided in this section and section 624.7131, every person who agrees to transfer a pistol shall report the following information in writing to the chief of police of the organized full-time police department of the municipality where the agreement is made or to the appropriate county sheriff if there is no such local chief of police:

(a) The name, residence, telephone number and driver's license number or nonqualification certificate number, if any, of the proposed transferee;

(b) The sex, date of birth, height, weight and color of eyes, *and distinguishing physical characteristics, if any,* of the proposed transferee;

(c) A statement by the proposed transferee that the transferee is not prohibited by section 624.713 from possessing a pistol; and

(d) The address of the place of business of the transferor.

The report shall be signed by the transferor and the proposed transferee. The report shall be delivered by the transferor to the chief of police or sheriff no later than three days after the date of the agreement to transfer, excluding weekends and legal holidays.

Sec. 8. Minnesota Statutes 1990, section 624.714, subdivision 3, is amended to read:

Subd. 3. [CONTENTS.] Applications for permits to carry shall set forth ~~the name, residence, date of birth, height, weight, color of eyes and hair, sex and distinguishing physical characteristics, if any, of the applicant~~ *in writing the following information:*

(1) the name, residence, telephone number, and driver's license number or nonqualification certificate number, if any, of the applicant;

(2) the sex, date of birth, height, weight, and color of eyes and hair, and distinguishing physical characteristics, if any, of the applicant;

(3) a statement by the applicant that the applicant is not prohibited by section 624.713 from possessing a pistol; and

(4) a recent color photograph of the applicant.

The application shall be signed by the applicant.

Sec. 9. Minnesota Statutes 1990, section 624.714, subdivision 7, is amended to read:

Subd. 7. [RENEWAL.] Permits to carry a pistol issued pursuant to this section shall expire after one year and shall thereafter be renewed in the same manner and subject to the same provisions by which the original permit was obtained, *except that all renewed permits must comply with the standards adopted by the commissioner of public safety under section 11.*

Sec. 10. [624.7151] [STANDARDIZED FORMS.]

By December 1, 1992, the commissioner of public safety shall adopt statewide standards governing the form and contents, as required by sections 624.7131 to 624.714, of every application for a pistol transferee permit, pistol transferee permit, report of transfer of a pistol, application for a permit to carry a pistol, and permit to carry a pistol that is granted or

renewed on or after January 1, 1993. The adoption of these standards is not subject to the rulemaking provisions of chapter 14.

Every application for a pistol transferee permit, pistol transferee permit, report of transfer of a pistol, application for a permit to carry a pistol, and permit to carry a pistol that is received, granted, or renewed by a police chief or county sheriff on or after January 1, 1993, must meet the statewide standards adopted by the commissioner of public safety. Notwithstanding the previous sentence, neither failure of the department of public safety to adopt standards nor failure of the police chief or county sheriff to meet them shall delay the timely processing of applications nor invalidate permits issued on other forms meeting the requirements of sections 624.7131 to 624.714.

Sec. 11. [624.7161] [FIREARMS DEALERS; CERTAIN SECURITY MEASURES REQUIRED.]

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

(b) "Firearms dealer" means a dealer federally licensed to sell pistols who operates a retail business in which pistols are sold from a permanent business location other than the dealer's home.

(c) "Small firearms dealer" means a firearms dealer who operates a retail business at which no more than 50 pistols are displayed for sale at any time.

(d) "Large firearms dealer" means a firearms dealer who operates a retail business at which more than 50 pistols are displayed for sale at any time.

Subd. 2. [SECURITY MEASURES REQUIRED.] *After business hours when the dealer's place of business is unattended, a small firearms dealer shall place all pistols that are located in the dealer's place of business in a locked safe or locked steel gun cabinet, or on a locked, hardened steel rod or cable that runs through the pistol's trigger guards. The safe, gun cabinet, rod, or cable must be anchored to prevent its removal from the premises.*

Subd. 3. [SECURITY STANDARDS.] *The commissioner of public safety shall adopt standards specifying minimum security requirements for small and large firearms dealers. By January 1, 1993, all firearms dealers shall comply with the standards. The standards may provide for:*

(1) alarm systems for small and large firearms dealers;

(2) site hardening and other necessary and effective security measures required for large firearms dealers;

(3) a system of inspections, during normal business hours, by local law enforcement officials for compliance with the standards; and

(4) other reasonable requirements necessary and effective to reduce the risk of burglaries at firearms dealers' business establishments.

Sec. 12. Minnesota Statutes 1990, section 626.5531, subdivision 1, is amended to read:

Subdivision 1. [REPORTS REQUIRED.] A peace officer must report to the head of the officer's department every violation of chapter 609 or a local criminal ordinance if the officer has reason to believe, *or if the victim*

alleges, that the offender was motivated to commit the act by the victim's race, religion, national origin, sex, age, disability, or characteristics identified as sexual orientation. The superintendent of the bureau of criminal apprehension shall adopt a reporting form to be used by law enforcement agencies in making the reports required under this section. The reports must include for each incident all of the following:

(1) the date of the offense;

(2) the location of the offense;

(3) whether the target of the incident is a person, private property, or public property;

(4) the crime committed;

(5) the type of bias and information about the offender and the victim that is relevant to that bias;

(6) any organized group involved in the incident;

(7) the disposition of the case; ~~and~~

(8) *whether the determination that the offense was motivated by bias was based on the officer's reasonable belief or on the victim's allegation; and*

(9) any additional information the superintendent deems necessary for the acquisition of accurate and relevant data.

Sec. 13. 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. 14. 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.] *In consultation with the crime victim and witness advisory council and the school*

of law enforcement, the board shall prepare a training course to assist peace officers in responding to crimes of violence and to enhance peace officer sensitivity in interacting with and assisting crime victims. The course must include information about:

(1) the needs of victims of these crimes and the most effective and sensitive way to meet those needs or arrange for them to be met;

(2) the extent and causes of crimes of violence, including physical and sexual abuse, physical violence, and neglect;

(3) the identification of crimes of violence and patterns of violent behavior; 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*. 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 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. 15. 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. 16. [ADVISORY TASK FORCE.]

The commissioner of public safety shall appoint a task force to recommend firearms dealers' security standards as required by section 11. The task

force shall consist of appropriate interested persons, including firearms dealers and crime prevention officers. The task force shall recommend standards by September 1, 1992, and the commissioner shall adopt standards by October 1, 1992.

Sec. 17. [EFFECTIVE DATE.]

Section 16 is effective the day following final enactment. Sections 1 and 2 are effective August 1, 1992, and apply to crimes committed on or after that date.

ARTICLE 16

CAMPUS SAFETY AND SECURITY

Section 1. [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 avoid problems of violence and sexual harassment on campus. The plans shall indicate the current status of the components in subdivision 2, the means to improve that status, a timeline for implementation of the improvements, and an estimated cost of implementing each improvement.*

Subd. 2. [COMPONENTS.] *Each campus plan shall address at least the following components:*

(1) security such as type and level of security systems on campus, including physical plant, escort services, and other human resources; and

(2) training such as 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 the extent and causes of violence.

Subd. 3. [IMPLEMENTATION.] *Each campus shall present its plan to its governing board by November 15, 1992. Each governing board 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. Each campus shall begin implementation of its plans following the approval of its governing board and review by the higher education coordinating board and the attorney general. Except for capital improvements, full implementation must be accomplished by the beginning of the 1994-1995 academic year.*

Subd. 4. [REPORT.] *The higher education coordinating board and the attorney general shall report their review and comment on the plans to the legislature by March 15, 1993.*

Sec. 2. [CURRICULUM AND TRAINING ABOUT VIOLENCE AND ABUSE.]

Subdivision 1. [SURVEY OF EFFECTIVENESS OF INSTRUCTION.] *The higher education coordinating board shall conduct a random survey of recent Minnesota graduates of an "eligible institution," focusing on teachers, school district administrators, school district professional support staff, child protection workers, law enforcement officers, probation officers, parole officers, lawyers, physicians, nurses, mental health professionals, social workers, guidance counselors, and all other mental health and health care professionals who work with adult and child victims and perpetrators*

of violence and abuse. The survey shall be designed to ascertain whether the instructional programs the graduates completed provided adequate instruction about:

(1) the extent and causes of violence and the identification of violence, which includes physical or sexual abuse or neglect, and racial or cultural violence; and

(2) culturally and historically sensitive approaches to dealing with victims and perpetrators of violence.

For the purpose of this section, "eligible institution" has the meaning given it in Minnesota Statutes, section 136A.101, subdivision 4.

Subd. 2. [CURRENT COURSE OFFERINGS.] *Each public eligible institution must report, and the University of Minnesota and each private eligible institution are requested to report, to the higher education coordinating board current course offerings and special programs relating to the issues described in subdivision 1, clauses (1) and (2). At a minimum, the reports must be filed for those departments offering majors for students entering the professions described in subdivision 1.*

Subd. 3. [CURRICULAR RECOMMENDATION.] *The higher education coordinating board shall convene and staff meetings of the boards that license occupations listed in subdivision 1, the University of Minnesota, the technical college, community college, and state university systems, and the Minnesota private college council. The boards, the systems, and the council shall develop recommendations indicating how eligible institutions can strengthen curricula and special programs in the areas described in subdivision 1, clauses (1) and (2). The recommendations shall consider the results of the random survey required by subdivision 1, and the review of current programs required in subdivision 2. The recommendations are advisory only and are intended to assist the institutions in strengthening curricula and special programs.*

Subd. 4. [REPORT TO LEGISLATURE.] *By February 15, 1993, the higher education coordinating board shall report to the legislature the results of the survey required by subdivision 1, the review of current programs required by subdivision 2, and the implementation plan required by subdivision 3.*

Sec. 3. [STAFF DEVELOPMENT USING TECHNOLOGY.]

The departments of education, health, human services, and administration shall develop recommendations about improved uses of interactive television and the statewide telecommunications access routing system (STARS) to efficiently and effectively provide staff development for school district licensed and nonlicensed staff and training programs for child protection workers, law enforcement officers, probation officers, parole officers, lawyers, physicians, nurses, mental health professionals, social workers, guidance counselors, and all other mental health and health care professionals who work with adult and child victims and perpetrators of violence and abuse. The higher education coordinating board shall convene meetings of the departments and coordinate efforts to develop those recommendations. The recommendations shall be reported by the higher education coordinating board to the legislature by February 15, 1993.

Sec. 4. [MULTIDISCIPLINARY PROGRAM GRANTS.]

The higher education coordinating board may award grants to "eligible

institutions" as defined in Minnesota Statutes, section 136A.101, subdivision 4, to provide multidisciplinary training programs that provide training about:

(1) the extent and causes of violence and the identification of violence, which includes physical or sexual abuse or neglect, and racial or cultural violence; and

(2) culturally and historically sensitive approaches to dealing with victims and perpetrators of violence.

The programs shall be multidisciplinary and include teachers, child protection workers, law enforcement officers, probation officers, parole officers, lawyers, physicians, nurses, mental health professionals, social workers, guidance counselors, and all other mental health and health care professionals who work with adult and child victims and perpetrators of violence and abuse.

ARTICLE 17

MISCELLANEOUS PROVISIONS

Section 1. 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. 2. 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 actual costs expended 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.

ARTICLE 18

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 $3,897,000

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, $500,000 is for battered women services, $300,000 is for domestic abuse advocacy grants, $400,000 is for sexual assault victim services, and $200,000 is for crime victim center grants. Up to 2.5 percent of the funding for victim services may be used for administration of these programs.

Of this appropriation, $250,000 is for the costs of increased supervised release efforts provided for in article 1, section 7. The complement of the department is increased by three positions for this purpose.

Of this appropriation, $350,000 is for the costs of operating a sex offender program at the St. Cloud correctional facility and for research of the effectiveness of the program.

Of this appropriation, $500,000 is for the costs of operating a sex offender program at Sauk Centre juvenile correctional facility and for research of the effectiveness of the program.

Of this appropriation, $150,000 is for the costs of developing a sex offender treatment fund as provided for in article 8, section 4. The complement of the department is increased by two positions until July 1, 1993. The commissioner shall report to the legislature on the development of this program by January 15, 1993.

Sec. 3. HUMAN SERVICES

Total General Fund Appropriation 1,500,000

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.

The commissioner shall distribute the appropriation for family-based services as special incentive bonus payments under Minnesota Statutes, section 256F.05, subdivision 4a, or as family-based crisis service grants under Minnesota Statutes, section 256F.05, subdivision 8.

Of this appropriation, $200,000 is for children's safety center demonstration projects.

Sec. 4. EDUCATION

Total General Fund Appropriation 2,250,000

Up to $50,000 of this appropriation may be used for administration of the programs funded in this section. The state complement of the department of education is increased by one position until July 1, 1993.

Up to $500,000 of this appropriation is for ECFE and is added to the appropriation in Laws 1991, chapter 265, article 4, section 30, subdivision 5. In fiscal year 1993 only, a district receiving additional revenue for ECFE shall receive all the additional revenue as aid and shall not have its levy for ECFE 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 Minnesota Statutes, section 124.195, subdivision 9.

One hundred percent of the aid appropriated for violence prevention education grants must be paid in fiscal year 1993 according to the process established in Minnesota Statutes, section 124.195, subdivision 9.

$250,000 of this appropriation is to encourage the establishment of community violence prevention councils by cities, counties, and school boards. Councils shall identify community needs and resources for violence prevention and development services that address community needs related to violence prevention. One hundred percent of the aid appropriated for community violence prevention education grants must be paid in fiscal year 1993 according to the process established in Minnesota Statutes, section 124.195, subdivision 9.

Any of the funds in this section awarded to school districts but not expended in fiscal year 1993 shall be available to the award recipient in fiscal year 1994 for the same purposes and activities.

Sec. 5. PUBLIC SAFETY

Total General Fund Appropriation 1,352,000

Of this appropriation, $60,000 is available immediately after enactment of this act and is available for violence prevention efforts until July 1, 1993. The state complement of the department is increased by one position 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 10, sections 8, 9, 13, 14, 24, 26, and Minnesota Statutes, section 144.401.

Of this appropriation, $50,000 is to award a child abuse prevention grant under article 10, section 27.

Sec. 6. HIGHER EDUCATION COORDINATING BOARD

Total General Fund Appropriation 150,000

Sec. 7. HEALTH

Total General Fund Appropriation 315,000

The complement of the department is increased by one position until July 1, 1993, for the home health visit program.

Sec. 8. SUPREME COURT

Total General Fund Appropriation 225,000

Sec. 9. DISTRICT COURTS

Total General Fund Appropriation 500,000

Sec. 10. ATTORNEY GENERAL

Total General Fund Appropriation 75,000

This appropriation is for the costs of managing psychopathic personality commitments. These funds shall not be used for cases in Hennepin and Ramsey counties.

Sec. 11. BOARD OF PUBLIC DEFENSE

Total General Fund Appropriation 800,000

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 1,475,000

$1,000,000 of this appropriation is for head start programs.

$200,000 of this appropriation is to supplement youth employment, training, service, or leadership development programs currently funded under the federal Job Training Partnership Act.

$275,000 of this appropriation is to supplement youth intervention programs under Minnesota Statutes, section 268.30.

Sec. 13. [EFFECTIVE DATE.]

Section 4 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to crime; antiviolence 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 penalty for second degree assault resulting in substantial bodily harm; removing the limit on consecutive sentences for felonies; increasing supervision of sex offenders; requiring review of sex offenders for psychopathic personality commitment before prison release; 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 challenge incarceration program; authorizing the imposition of fees for local correctional services on offenders; requiring the imposition of minimum fines on convicted offenders; expanding certain crime victim rights; providing programs for victim-offender mediation; enhancing protection of domestic abuse victims; requiring city and county attorneys to adopt a domestic abuse prosecution plan; creating a civil cause of action for minors used in a sexual performance; providing for a variety of antiviolence education, prevention, and treatment programs; requiring training of peace officers regarding crimes of violence and sensitivity to victims; creating an advisory task force on the juvenile justice system; providing for chemical dependency treatment for children, high-risk youth, and pregnant women, and women with children; providing for violence prevention training and campus safety and security; appropriating money; amending Minnesota Statutes 1990, sections 8.01; 121.882, by adding a subdivision; 127.46; 135A.15; 169.791; 169.792; 169.793; 169.796; 171.07, subdivision 1a; 171.19; 241.021, by adding a subdivision; 241.67, subdivisions 1, 2, 3, 6, and by adding a subdivision; 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; 253B.18, subdivision 2; 254A.14, by adding a subdivision; 254A.17, subdivision 1, and by adding a subdivision; 259.11; 260.125, subdivision 3a; 260.151, subdivision 1; 260.155, subdivision 1, and by adding a subdivision; 260.161, subdivision 1, and by adding a subdivision; 260.172, subdivision 1; 260.181, by adding a subdivision; 260.185, subdivisions 1, 4, and by adding a subdivision; 260.311, by adding a subdivision; 270A.03, subdivision 5; 401.02, subdivision 4; 485.018, subdivision 5; 518B.01, subdivisions 7, 13, and by adding subdivisions; 526.10; 546.27, subdivision 1; 595.02, subdivision 4; 609.02, by adding a subdivision; 609.055; 609.10; 609.101, by adding a subdivision; 609.125; 609.135, subdivision 5, and by adding a subdivision; 609.1351; 609.1352, subdivisions 1 and 5; 609.15, subdivision 2; 609.152, subdivisions 2 and 3; 609.184, subdivisions 1 and 2; 609.185; 609.19; 609.222; 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; 609.746, subdivision 2; 609.748, subdivision 5; 611.271; 611A.03, subdivision 1; 611A.0311, subdivisions 2 and 3; 611A.034; 611A.04, subdivisions 1 and 1a; 611A.52, subdivision 6; 624.7131, subdivisions 1 and 6; 624.7132, subdivision 1; 624.714, subdivisions 3 and 7; 626.5531, 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; and 631.035; Minnesota Statutes 1991 Supplement, sections 8.15; 121.882, subdivision 2; 124A.29, subdivision 1, as amended; 126.70, subdivisions 1, as amended, and 2a; 168.041, subdivision 4; 169.795; 171.29, subdivision 1; 171.30, subdivision 1; 244.05, subdivision 6; 244.12, subdivision 3; 245.484; 245.4884, subdivision 1; 260.161, subdivision 3; 299A.30; 299A.31, subdivision 1; 299A.32, subdivisions 2 and 2a; 299A.36;

357.021, subdivision 2; 481.10; 518B.01, subdivisions 3a, 4, 6, and 14; 609.101, subdivision 1; 609.135, subdivision 2; 609.748, subdivisions 3 and 4; and 611A.32, subdivision 1; 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; 299C; 480; 526; 609; 611A; 617; 624; and 629; repealing Minnesota Statutes 1990, sections 65B.67; 65B.68; 65B.69; and 169.792, subdivision 9; Minnesota Statutes 1991 Supplement, section 168.041, subdivision 1a."

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

House Conferees: (Signed) Kathleen Vellenga, Loren A. Solberg, Art Seaberg, Jean Wagenius, Thomas W. Pugh

Senate Conferees: (Signed) Allan H. Spear, Randy C. Kelly, Patrick D. McGowan, Jane B. Ranum, John Marty

Mr. Spear moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1849 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 1849 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnston	Metzen	Reichgott
Beckman	DeCramer	Kelly	Moe, R.D.	Renneke
Belanger	Dicklich	Knaak	Mondale	Riveness
Benson, D.D.	Finn	Kroening	Morse	Sams
Benson, J.E.	Flynn	Laidig	Neuville	Samuelson
Berg	Frank	Langseth	Novak	Solon
Berglin	Frederickson, D.J.	Larson	Olson	Spear
Bernhagen	Frederickson, D.R.	Lessard	Pappas	Stumpf
Bertram	Hottinger	Luther	Pariseau	Terwilliger
Brataas	Hughes	Marty	Piper	Traub
Cohen	Johnson, D.E.	McGowan	Pogemiller	Vickerman
Dahl	Johnson, D.J.	Mehrkens	Price	Waldorf
Davis	Johnson, J.B.	Merriam	Ranum	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2884, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2884 has been reconsidered and is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

CONFERENCE COMMITTEE REPORT ON 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.

April 16, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 2884, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 2884 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

BOND ALLOCATION

Section 1. 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. 2. Minnesota Statutes 1991 Supplement, section 462A.073, subdivision 1, is amended to read:

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

(b) "Existing housing" means single-family housing that (i) has been previously occupied prior to the first day of the origination period; or (ii) has been available for occupancy for at least 12 months but has not been previously occupied.

(c) "Metropolitan area" means the metropolitan area as defined in section 473.121, subdivision 2.

(d) "New housing" means single-family housing that has not been previously occupied.

(e) "Origination period" means the period that loans financed with the proceeds of qualified mortgage revenue bonds are available for the purchase of single-family housing. The origination period begins when financing actually becomes available to the borrowers for loans.

(f) "Redevelopment area" means a compact and contiguous area within which the ~~agency~~ *city* finds *by resolution* that 70 percent of the parcels are occupied by buildings, streets, utilities, or other improvements and more than 25 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance.

(g) "Single-family housing" means dwelling units eligible to be financed from the proceeds of qualified mortgage revenue bonds under federal law.

(h) "Structurally substandard" means containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light, ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance.

Sec. 3. Minnesota Statutes 1991 Supplement, section 474A.03, subdivision 4, is amended to read:

Subd. 4. [APPLICATION FEE.] Every entitlement issuer and other issuer shall pay to the commissioner a nonrefundable application fee to offset the state cost of program administration. The application fee is ~~$100~~ *$20* for each ~~$500,000~~ *$100,000* of entitlement or allocation requested, with the request rounded to the nearest ~~$500,000~~ *$100,000*. The minimum fee is ~~$100~~ *$20*. Fees received by the commissioner must be credited to the general fund.

Sec. 4. Minnesota Statutes 1991 Supplement, section 474A.04, subdivision 1a, is amended to read:

Subd. 1a. [ENTITLEMENT RESERVATIONS; CARRYFORWARD; DEDUCTION.] Except as provided in Laws 1987, chapter 268, article 16, section 41, subdivision 2, paragraph (a), any amount returned by an entitlement issuer before the last Monday in July shall be reallocated through the housing pool. Any amount returned on or after the last Monday in July shall be reallocated through the unified pool. An amount returned after the last Monday in November shall be reallocated to the Minnesota housing finance agency. ~~Beginning with entitlement allocations received in 1987 under Minnesota Statutes 1986, section 474A.08, subdivision 1, paragraphs (2) and (3), there shall be deducted from an entitlement issuer's allocation for the subsequent year an amount equal to the entitlement allocation under which bonds are not issued, returned on or before the last Monday in December, or carried forward under federal tax law.~~ Except for the Minnesota housing finance agency, any amount of bonding authority that an entitlement issuer carries forward under federal tax law that is not permanently issued by the end of the succeeding calendar year shall be deducted from the entitlement allocation for that entitlement issuer for the next succeeding calendar year. Any amount deducted from an entitlement issuer's allocation under this subdivision shall be divided equally for allocation through the manufacturing pool and the housing pool.

Sec. 5. Minnesota Statutes 1991 Supplement, section 474A.047, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] An issuer may only use the proceeds from residential rental bonds if the proposed project meets one of the following:

(a) The proposed project is a single room occupancy project and all the

units of the project will be occupied by individuals whose incomes at the time of their initial residency in the project are 50 percent or less of the greater of the statewide or county median income adjusted for household size as determined by the federal Department of Housing and Urban Development; ~~or~~

(b) The proposed project is a multifamily project where at least 75 percent of the units have two or more bedrooms and ~~(1)~~ at least one-third of the 75 percent have three or more bedrooms; or ~~(2)~~

(c) The proposed project *is a multifamily project that* meets the following requirements:

(i) the proposed project is the rehabilitation of an existing multifamily building which meets the requirements for minimum rehabilitation expenditures in section 42(e)(2) of the Internal Revenue Code;

(ii) the developer of the proposed project includes a managing general partner which is a nonprofit organization under chapter 317A and meets the requirements for a qualified nonprofit organization in section 42(h)(5) of the Internal Revenue Code; and

(iii) the proposed project involves participation by a local unit of government in the financing of the acquisition or rehabilitation of the project. At least 75 percent of the units of the multifamily project must be occupied by individuals or families whose incomes at the time of their initial residency in the project are 60 percent or less of the greater of the: (1) statewide median income or (2) county or metropolitan statistical area median income, adjusted for household size as determined by the federal Department of Housing and Urban Development.

The maximum rent for a proposed single room occupancy unit under paragraph (a) is 30 percent of the amount equal to 30 percent of the greater of the statewide or county median income for a one-member household as determined by the federal Department of Housing and Urban Development. The maximum rent for at least 75 percent of the units of a multifamily project under paragraph (b) is 30 percent of the amount equal to 50 percent of the greater of the statewide or county median income as determined by the federal Department of Housing and Urban Development based on a household size with one person per bedroom.

Sec. 6. Minnesota Statutes 1991 Supplement, section 474A.061, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] (a) An issuer may apply for an allocation under this section by submitting to the department an application on forms provided by the department, accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter, (3) the type of qualified bonds to be issued, (4) an application deposit in the amount of one percent of the requested allocation before the last Monday in July, or in the amount of two percent of the requested allocation on or after the last Monday in July, and (5) a public purpose scoring worksheet for manufacturing project applications. The issuer must pay the application deposit by a check made payable to the department of finance. The Minnesota housing finance agency ~~and~~, the Minnesota rural finance authority, *and the Minnesota higher education coordinating board* may apply for and receive an allocation under this section without submitting an application deposit.

(b) An entitlement issuer may not apply for an allocation from the housing pool or from the public facilities pool unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount of bonding authority carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6. *This paragraph does not apply to an application from the Minnesota housing finance agency for an allocation under subdivision 2a for cities who choose to have the agency issue bonds on their behalf.*

(c) If an application is rejected under this section, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted. The granting of an allocation of bonding authority under this section must be evidenced by a certificate of allocation.

Sec. 7. Minnesota Statutes 1991 Supplement, section 474A.061, subdivision 3, is amended to read:

Subd. 3. [ADDITIONAL DEPOSIT.] An issuer which has received an allocation under this section may retain any unused portion of the allocation after the first Tuesday in August only if the issuer has submitted to the department before the first Tuesday in August a letter stating its intent to issue obligations pursuant to the allocation before the end of the calendar year or within the time period permitted by federal tax law and a deposit in addition to that provided under subdivision 1, equal to one percent of the amount of allocation to be retained. *Subdivision 4 applies to an allocation made under this section.* The Minnesota housing finance agency and the Minnesota rural finance authority may retain an unused portion of an allocation after the first Tuesday in August without submitting an additional deposit.

Sec. 8. Minnesota Statutes 1991 Supplement, section 474A.091, subdivision 2, is amended to read:

Subd. 2. [APPLICATION.] Issuers ~~other than the Minnesota rural finance authority~~ may apply for an allocation under this section by submitting to the department an application on forms provided by the department accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter, (3) the type of qualified bonds to be issued, (4) an application deposit in the amount of two percent of the requested allocation, and (5) a public purpose scoring worksheet for manufacturing applications. The issuer must pay the application deposit by check. An entitlement issuer may not apply for an allocation for public facility bonds, residential rental project bonds, or mortgage bonds under this section unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6.

The Minnesota housing finance agency may not apply for an allocation for mortgage bonds under this section until after the last Monday in August. Notwithstanding the restrictions imposed on unified pool allocations after September 1 under subdivision 3, paragraph (c)(2), the Minnesota housing finance agency may be awarded allocations for mortgage bonds from the

unified pool after September 1. The Minnesota housing finance agency, *the Minnesota higher education coordinating board, and the Minnesota rural finance authority* may apply for and receive an allocation under this section without submitting an application deposit.

Sec. 9. Minnesota Statutes 1991 Supplement, section 474A.091, subdivision 3, is amended to read:

Subd. 3. [ALLOCATION PROCEDURE.] (a) The commissioner shall allocate available bonding authority under this section on the Monday of every other week beginning with the first Monday in August through and on the last Monday in November. Applications for allocations must be received by the department by the Monday preceding the Monday on which allocations are to be made. If a Monday falls on a holiday, the allocation will be made or the applications must be received by the next business day after the holiday.

(b) On or before September 1, allocations shall be awarded from the unified pool in the following order of priority:

(1) applications for small issue bonds;

(2) applications for residential rental project bonds;

(3) applications for public facility projects funded by public facility bonds;

(4) applications for redevelopment bonds;

(5) applications for mortgage bonds; and

(6) applications for governmental bonds.

Allocations for residential rental projects may only be made during the first allocation in August. The amount of allocation provided to an issuer for a specific manufacturing project will be based on the number of points received for the proposed project under the scoring system under section 474A.045. Proposed manufacturing projects that receive 50 points or more are eligible for all of the proposed allocation. Proposed manufacturing projects that receive less than 50 points under section 474A.045 are only eligible to receive a proportionally reduced share of the proposed authority, based upon the number of points received. If there are two or more applications for manufacturing projects from the unified pool and there is insufficient bonding authority to provide allocations for all manufacturing projects in any one allocation period, the available bonding authority shall be awarded based on the number of points awarded a project under section 474A.045 with those projects receiving the greatest number of points receiving allocation first.

(c)(1) On the first Monday in August, *$5,000,000 of bonding authority is reserved within the unified pool for agricultural development bond loan projects of the Minnesota rural finance authority and* $20,000,000 of bonding authority or an amount equal to the total annual amount of bonding authority allocated to the small issue pool under section 474A.03, subdivision 1, less the amount allocated to issuers from the small issue pool for that year, whichever is less, is reserved within the unified pool for small issue bonds. On the first Monday in September, $2,500,000 of bonding authority or an amount equal to the total annual amount of bonding authority allocated to the public facilities pool under section 474A.03, subdivision 1, less the amount allocated to issuers from the public facilities pool for that year, whichever is less, is reserved within the unified pool for public

facility bonds. If sufficient bonding authority is not available to reserve the required amounts for ~~both small issue bonds~~ *manufacturing projects* and ~~public facility bonds~~ *agricultural development bond loan projects*, ~~seven-eighths of~~ the remaining available bonding authority ~~is reserved for small issue bonds and one-eighth of the remaining available bonding authority is reserved for public facility bonds~~ *must be distributed between the two reservations on a pro rata basis, based upon the amounts each would have received if sufficient authority was available.*

(2) The total amount of allocations for mortgage bonds from the housing pool and the unified pool may not exceed:

(i) $10,000,000 for any one city; or

(ii) $20,000,000 for any number of cities in any one county.

An allocation for mortgage bonds may be used for mortgage credit certificates.

After September 1, allocations shall be awarded from the unified pool only for the following types of qualified bonds: small issue bonds, public facility bonds *to finance publicly owned facility projects*, and residential rental project bonds.

(d) If there is insufficient bonding authority to fund all projects within any qualified bond category, allocations shall be awarded by lot unless otherwise agreed to by the respective issuers. If an application is rejected, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted. The granting of an allocation of bonding authority under this section must be evidenced by issuance of a certificate of allocation.

Sec. 10. [HIGHER EDUCATION COORDINATING BOARD.]

Subdivision 1. [1992 MANUFACTURING POOL RESERVATION.] *On the first Monday in May of 1992, $15,000,000 of bonding authority is reserved within the manufacturing pool and $5,000,000 of bonding authority is reserved within the public facilities pool for student loan bonds issued by the higher education coordinating board. On the day after the last Monday in July of 1992, any bonding authority remaining unallocated from the student loan bond reservations is transferred to the unified pool and must be reallocated as provided in Minnesota Statutes, section 474A.091. If a common pool is established as provided under section 11, any bonding authority remaining unallocated from the student loan bond reservations is transferred to the common pool on June 1, 1992.*

Subd. 2. [1992 CARRYFORWARD.] *Notwithstanding Minnesota Statutes, section 474A.091, subdivision 4, the commissioner of finance may allocate a portion of remaining available bonding authority to the higher education coordinating board for student loan bonds on December 1 of 1992.*

Subd. 3. [1993 UNIFIED POOL RESERVATION.] *On the first Monday in August of 1993, up to $10,000,000 of bonding authority is reserved within the unified pool for student loan bonds issued by the higher education coordinating board; provided that the total amount of the unified pool reservation authorized under this subdivision and the carryforward authorized under subdivision 2 may not exceed $20,000,000 of bonding authority.*

Sec. 11. [SUNSET OF QUALIFIED BONDS.]

Subdivision 1. [TRANSFER.] *Notwithstanding Minnesota Statutes, sections 474A.061 and 474A.091, if federal tax law is not amended by May 31, 1992, to permit the issuance of tax exempt mortgage bonds or small issue bonds after June 30, 1992, any bonding authority remaining in the small issue, housing, and public facilities pools is transferred on June 1, 1992, to a common pool and is available for allocation as provided in this section. The commissioner of finance shall set aside $30,000,000 of bonding authority from the common pool from June 1, 1992, to July 1, 1992. After July 1, the set-aside is available for allocation as provided under subdivision 2.*

Subd. 2. [ALLOCATION.] *For the period from June 1, 1992, through November 30, 1992, the commissioner of finance may allocate any available bonding authority in the common pool for any purpose authorized under federal tax law. The application and allocation procedures established in Minnesota Statutes, section 474A.091, and the limits on mortgage bonds established in Minnesota Statutes, section 474A.091, subdivision 3, paragraph (c)(2), apply to allocations from the common pool. The reserve and priority requirements established under Minnesota Statutes, section 474A.091, do not apply to allocations from the common pool.*

Subd. 3. [CARRYFORWARD.] *Notwithstanding Minnesota Statutes, section 474A.091, on December 1, 1992, the commissioner may allocate any bonding authority remaining in the common pool to any issuer authorized by federal law to carry forward bonding authority.*

Sec. 12. [EFFECTIVE DATE.]

Sections 1 to 11 are effective the day following final enactment.

ARTICLE 2
PUBLIC FINANCE

Section 1. Minnesota Statutes 1990, section 176.181, subdivision 2, is amended to read:

Subd. 2. [COMPULSORY INSURANCE; SELF-INSURERS.] (1) Every employer, except the state and its municipal subdivisions, liable under this chapter to pay compensation shall insure payment of compensation with some insurance carrier authorized to insure workers' compensation liability in this state, or obtain a written order from the commissioner of commerce exempting the employer from insuring liability for compensation and permitting self-insurance of the liability. The terms, conditions and requirements governing self-insurance shall be established by the commissioner pursuant to chapter 14. The commissioner of commerce shall also adopt, pursuant to clause (2)(c), rules permitting two or more employers, whether or not they are in the same industry, to enter into agreements to pool their liabilities under this chapter for the purpose of qualifying as group self-insurers. With the approval of the commissioner of commerce, any employer may exclude medical, chiropractic and hospital benefits as required by this chapter. An employer conducting distinct operations at different locations may either insure or self-insure the other portion of operations as a distinct and separate risk. An employer desiring to be exempted from insuring liability for compensation shall make application to the commissioner of commerce, showing financial ability to pay the compensation, whereupon by written order the commissioner of commerce, on deeming it proper, may make an exemption. An employer may establish financial ability to pay compensation by: (1) providing financial statements of the employer to the

commissioner of commerce; or (2) filing a surety bond or bank letter of credit with the commissioner of commerce in an amount equal to the anticipated annual compensation costs of the employer, but in no event less than $100,000. Upon ten days' written notice the commissioner of commerce may revoke the order granting an exemption, in which event the employer shall immediately insure the liability. As a condition for the granting of an exemption the commissioner of commerce may require the employer to furnish security the commissioner of commerce considers sufficient to insure payment of all claims under this chapter, *consistent with subdivision 2b*. If the required security is in the form of currency or negotiable bonds, the commissioner of commerce shall deposit it with the state treasurer. In the event of any default upon the part of a self-insurer to abide by any final order or decision of the commissioner of labor and industry directing and awarding payment of compensation and benefits to any employee or the dependents of any deceased employee, then upon at least ten days notice to the self-insurer, the commissioner of commerce may by written order to the state treasurer require the treasurer to sell the pledged and assigned securities or a part thereof necessary to pay the full amount of any such claim or award with interest thereon. This authority to sell may be exercised from time to time to satisfy any order or award of the commissioner of labor and industry or any judgment obtained thereon. When securities are sold the money obtained shall be deposited in the state treasury to the credit of the commissioner of commerce and awards made against any such self-insurer by the commissioner of commerce shall be paid to the persons entitled thereto by the state treasurer upon warrants prepared by the commissioner of commerce and approved by the commissioner of finance out of the proceeds of the sale of securities. Where the security is in the form of a surety bond or personal guaranty the commissioner of commerce, at any time, upon at least ten days notice and opportunity to be heard, may require the surety to pay the amount of the award, the payments to be enforced in like manner as the award may be enforced.

(2)(a) No association, corporation, partnership, sole proprietorship, trust or other business entity shall provide services in the design, establishment or administration of a group self-insurance plan under rules adopted pursuant to this subdivision unless it is licensed to do so by the commissioner of commerce. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license shall be granted only when the commissioner of commerce is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner of commerce may issue a license subject to restrictions or limitations, including restrictions or limitations on the type of services which may be supplied or the activities which may be engaged in. The license is for a two-year period.

(b) To assure that group self-insurance plans are financially solvent, administered in a fair and capable fashion, and able to process claims and pay benefits in a prompt, fair and equitable manner, entities licensed to engage in such business are subject to supervision and examination by the commissioner of commerce.

(c) To carry out the purposes of this subdivision, the commissioner of commerce may promulgate administrative rules, including emergency rules, pursuant to sections 14.001 to 14.69. These rules may:

(i) establish reporting requirements for administrators of group self-insurance plans;

(ii) establish standards and guidelines *consistent with subdivision 2b* to assure the adequacy of the financing and administration of group self-insurance plans;

(iii) establish bonding requirements or other provisions assuring the financial integrity of entities administering group self-insurance plans;

(iv) establish standards, including but not limited to minimum terms of membership in self-insurance plans, as necessary to provide stability for those plans;

(v) establish standards or guidelines governing the formation, operation, administration, and dissolution of self-insurance plans; and

(vi) establish other reasonable requirements to further the purposes of this subdivision.

Sec. 2. Minnesota Statutes 1990, section 176.181, is amended by adding a subdivision to read:

Subd. 2b. [ACCEPTABLE SECURITIES.] *The following are acceptable securities and surety bonds for the purpose of funding self-insurance plans and group self-insurance plans:*

(1) direct obligations of the United States government except mortgage-backed securities of the Government National Mortgage Association;

(2) bonds, notes, debentures, and other instruments which are obligations of agencies and instrumentalities of the United States including, but not limited to, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank, the Student Loan Marketing Association, and the Farm Credit System, and their successors, but not including collateralized mortgage obligations or mortgage pass-through instruments;

(3) bonds or securities that are issued by the state of Minnesota and that are secured by the full faith and credit of the state;

(4) certificates of deposit which are insured by the Federal Deposit Insurance Corporation and are issued by a Minnesota depository institution;

(5) obligations of, or instruments unconditionally guaranteed by, Minnesota depository institutions whose long-term debt rating is at least AA-, Aa3, or their equivalent, by at least two nationally recognized rating agencies;

(6) surety bonds issued by a corporate surety authorized by the commissioner of commerce to transact such business in the state;

(7) obligations of or instruments unconditionally guaranteed by Minnesota insurance companies, whose long-term debt rating is at least AA-, Aa3, or their equivalent, by at least two nationally recognized rating agencies and whose rating is A + by A. M. Best, Inc.; and

(8) any guarantee from the United States government whereby the payment of the workers' compensation liability of a self-insurer is guaranteed; and bonds which are the general obligation of the Minnesota housing finance agency.

Sec. 3. [RULE CHANGE.]

The commissioner of commerce shall amend Minnesota Rules, part 2780.0400, so that it is consistent with the changes in section 2.

Sec. 4. Minnesota Statutes 1990, section 429.091, subdivision 2, is amended to read:

Subd. 2. [TYPES OF OBLIGATIONS PERMITTED.] The council may by resolution adopted prior to the sale of obligations pledge the full faith, credit, and taxing power of the municipality for the payment of the principal and interest. Such obligations shall be called improvement bonds and the council shall pay the principal and interest out of any fund of the municipality when the amount credited to the specified fund is insufficient for the purpose and shall each year levy a sufficient amount to take care of accumulated or anticipated deficiencies, which levy shall not be subject to any statutory or charter tax limitation. Obligations for the payment of which the full faith and credit of the municipality is not pledged shall be called ~~improvement warrants~~ *assessment revenue notes* or, in the case of bonds for fire protection, revenue bonds and shall contain a promise to pay solely out of the proper special fund or funds pledged to their payment. It shall be the duty of the municipal treasurer to pay maturing principal and interest on warrants or revenue bonds out of funds on hand in the proper funds and not otherwise.

Sec. 5. Minnesota Statutes 1990, section 469.015, subdivision 4, is amended to read:

Subd. 4. [EXCEPTIONS.] (a) An authority need not require competitive bidding in the following circumstances:

(1) in the case of a contract for the acquisition of a low-rent housing project:

(i) for which financial assistance is provided by the federal government;

(ii) which does not require any direct loan or grant of money from the municipality as a condition of the federal financial assistance; and

(iii) for which the contract provides for the construction of the project upon land ~~not~~ *that is either* owned by the authority *for redevelopment purposes or not owned by the authority* at the time of the contract~~, or owned by the authority for redevelopment purposes, and~~ *but the contract* provides for the conveyance or lease to the authority of the project or improvements upon completion of construction;

(2) with respect to a structured parking facility:

(i) constructed in conjunction with, and directly above or below, a development; and

(ii) financed with the proceeds of tax increment or parking ramp revenue bonds; and

(3) in the case of a housing development project if:

(i) the project is financed with the proceeds of bonds issued under section 469.034 *or from nongovernmental sources*;

(ii) the project is *either* located on land that is ~~not~~ owned *or is being acquired* by the authority ~~at the time the contract is entered into, or is owned by the authority~~ only for development purposes, ~~and~~ *or is not owned by the authority at the time the contract is entered into but the contract* provides for conveyance or lease to the authority of the project or improvements upon completion of construction; and

(iii) the authority finds and determines that elimination of the public bidding requirements is necessary in order for the housing development project to be economical and feasible.

(b) An authority need not require a performance bond in the case of a contract described in paragraph (a), clause (1).

Sec. 6. Minnesota Statutes 1991 Supplement, section 469.155, subdivision 12, is amended to read:

Subd. 12. [REFUNDING.] It may issue revenue bonds to refund, in whole or in part, bonds previously issued by the municipality or redevelopment agency under authority of sections 469.152 to 469.165, and interest on them. The municipality or redevelopment agency may issue revenue bonds to refund, in whole or in part, bonds previously issued by any other municipality or redevelopment agency on behalf of an organization described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1990, under authority of sections 469.152 to 469.155, and interest on them, but only with the consent of the original issuer of such bonds. The municipality or redevelopment agency may issue and sell warrants which give to their holders the right to purchase refunding bonds issuable under this subdivision prior to a stipulated date. The warrants are not required to be sold at public sale and all or any agreed portion of the proceeds of the warrants may be paid to the contracting party under the revenue agreement required by subdivision 5 or to its designee under the conditions the municipality or redevelopment agency shall agree upon. Warrants shall not be issued which obligate a municipality or redevelopment agency to issue refunding bonds that are or will be subject to federal tax law as defined in section 474A.02, subdivision 8. The warrants may provide a stipulated exercise price or a price that depends on the tax exempt status of interest on the refunding bonds at the time of issuance. The average interest rate on refunding bonds issued upon the exercise of the warrants to refund fixed rate bonds shall not exceed the average interest rate on fixed rate bonds to be refunded. The municipality *or redevelopment agency* may appoint a bank or trust company to serve as agent for the warrant holders and enter into agreements deemed necessary or incidental to the issuance of the warrants.

Sec. 7. Minnesota Statutes 1991 Supplement, section 475.66, subdivision 3, is amended to read:

Subd. 3. Subject to the provisions of any resolutions or other instruments securing obligations payable from a debt service fund, any balance in the fund may be invested

(a) in governmental bonds, notes, bills, mortgages, and other securities, which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, or in certificates of deposit secured by letters of credit issued by federal home loan banks,

(b) in shares of an investment company (1) registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and (2) whose only investments are in (i) securities described in the preceding clause, (ii) general obligation tax-exempt securities rated A or better by a national bond rating service, and

(iii) repurchase agreements or reverse repurchase agreements fully collateralized by those securities, if the repurchase agreements or reverse repurchase agreements are entered into only with those primary reporting dealers that report to the Federal Reserve Bank of New York and with the 100 largest United States commercial banks,

(c) in any security which is (1) a general obligation of the state of Minnesota or any of its municipalities, or *(2)* a general obligation of another state or local government with taxing powers which is rated A or better by a national bond rating service, or ~~(2)~~ *(3)* a general obligation of the Minnesota housing finance agency, or ~~(3)~~ *(4)* a general obligation of a housing finance agency of any state if it includes a moral obligation of the state, or ~~(4)~~ *(5)* a general or revenue obligation of any agency or authority of the state of Minnesota other than a general obligation of the Minnesota housing finance agency; ~~provided that~~. Investments under clauses ~~(2)~~ *(3)* and ~~(3)~~ *(4)* must be in obligations that are rated A or better by a national bond rating service and ~~provided that~~ investments under clause ~~(4)~~ *(5)* must be in obligations that are rated AA or better by a national bond rating service,

(d) in bankers acceptances of United States banks eligible for purchase by the Federal Reserve System,

(e) in commercial paper issued by United States corporations or their Canadian subsidiaries that is of the highest quality and matures in 270 days or less, or

(f) in guaranteed investment contracts issued or guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies or their Canadian or United States subsidiaries; provided that the investment contracts rank on a parity with the senior unsecured debt obligations of the issuer or guarantor and, (1) in the case of long-term investment contracts, either (i) the long-term senior unsecured debt of the issuer or guarantor is rated, or obligations backed by letters of credit of the issuer or guarantor if forming the primary basis of a rating of such obligations would be rated, in the highest or next highest rating category of Standard & Poor's Corporation, Moody's Investors Service, Inc., or a similar nationally recognized rating agency, or (ii) if the issuer is a bank with headquarters in Minnesota, the long-term senior unsecured debt of the issuer is rated, or obligations backed by letters of credit of the issuer if forming the primary basis of a rating of such obligations would be rated in one of the three highest rating categories of Standard & Poor's Corporation, Moody's Investors Service, Inc., or similar nationally recognized rating agency, or (2) in the case of short-term investment contracts, the short-term unsecured debt of the issuer or guarantor is rated, or obligations backed by letters of credit of the issuer or guarantor if forming the primary basis or a rating of such obligations would be rated, in the highest two rating categories of Standard and Poor's Corporation, Moody's Investors Service, Inc., or similar nationally recognized rating agency.

The fund may also be used to purchase any obligation, whether general or special, of an issue which is payable from the fund, at such price, which may include a premium, as shall be agreed to by the holder, or may be used to redeem any obligation of such an issue prior to maturity in accordance with its terms. The securities representing any such investment may be sold or hypothecated by the municipality at any time, but the money so received remains a part of the fund until used for the purpose for which the fund was created.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 3 are effective March 1, 1993. Sections 4 to 7 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to public finance; changing procedures for allocating bonding authority; defining acceptable securities for use by self-insurers for workers' compensation; providing an exemption from competitive bidding for certain HRA projects; correcting and clarifying provisions relating to public obligations; amending Minnesota Statutes 1990, sections 136A.29, subdivision 9; 176.181, subdivision 2, and by adding a subdivision; 429.091, subdivision 2; 469.015, subdivision 4; Minnesota Statutes 1991 Supplement, 462A.073, subdivision 1; 469.155, subdivision 12; 474A.03, subdivision 4; 474A.04, subdivision 1a; 474A.047, subdivision 1; 474A.061, subdivisions 1 and 3; 474A.091, subdivisions 2 and 3; and 475.66, subdivision 3."

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

House Conferees: (Signed) Ann H. Rest, John J. Sarna, Jerry J. Bauerly

Senate Conferees: (Signed) Lawrence J. Pogemiller, Ember D. Reichgott, LeRoy A. Stumpf

Mr. Pogemiller moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2884 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2884 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Adkins	Day	Johnston	Moe, R.D.	Renneke
Beckman	DeCramer	Kelly	Mondale	Sams
Belanger	Dicklich	Knaak	Morse	Samuelson
Benson, D.D.	Finn	Kroening	Neuville	Solon
Benson, J.E.	Flynn	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Stumpf
Berglin	Frederickson, D.J.	Larson	Pappas	Terwilliger
Bernhagen	Frederickson, D.R.	Lessard	Pariseau	Traub
Bertram	Hottinger	Luther	Piper	Vickerman
Brataas	Hughes	Marty	Pogemiller	Waldorf
Cohen	Johnson, D.E.	McGowan	Price	
Dahl	Johnson, D.J.	Mehrkens	Ranum	
Davis	Johnson, J.B.	Metzen	Reichgott	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that H.F. No. 2734 be taken from the table. The motion prevailed.

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; 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.

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 2734 and that the rules of the Senate be so far suspended as to give H.F. No. 2734 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 2734 was read the second time.

Mr. Sams moved to amend H.F. No. 2734 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 2734, and insert the language after the enacting clause, and the title, of S.F. No. 2710, the second engrossment.

The motion prevailed. So the amendment was adopted.

Mr. Sams then moved to amend H.F. No. 2734, as amended by the Senate April 16, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2710.)

Page 1, after line 11, insert:

"Section 1. Minnesota Statutes 1990, section 28A.15, subdivision 7, is amended to read:

Subd. 7. Persons whose principal business is not food handling but who sell only ice manufactured and prepackaged by another or such nonperishable items as bottled or canned soft drinks ~~and~~, prepackaged confections *or nuts* at retail, or persons who for their own convenience or the convenience of their employees have available for rehydration and consumption on the premises such nonperishable items as dehydrated coffee, soup, hot chocolate or other dehydrated food or beverage.

Sec. 2. Minnesota Statutes 1990, section 28A.15, subdivision 8, is amended to read:

Subd. 8. A licensed pharmacy selling only food additives, food supplements, canned or prepackaged infant formulae, ice manufactured and packaged by another, or such nonperishable food items as bottled or canned soft drinks and prepackaged confections *or nuts* at retail."

Page 5, after line 34, insert:

"Sec. 4. [32A.071] [CLASS I MILK PRICE.]

Subdivision 1. [PURPOSE.] *It is the intent of the legislature that establishing an over-order premium milk price will benefit the incomes of all Minnesota dairy farmers and improve the economies in rural communities.*

Subd. 2. [MINIMUM CLASS I MILK PRICE.] *The minimum price for class I milk as defined by the upper midwest federal milk marketing order, Code of Federal Regulations, title 7, part 1068, for milk purchased in Minnesota for class I use shall be not less than $13.20 per hundredweight. Any amount by which this price exceeds the class I price specified in the applicable milk marketing order shall be paid by processors of class I milk directly to their suppliers of grade A milk or to the agents of the suppliers. Suppliers or agents shall pass the entire over-order premium payment on to the dairy producers.*

Subd. 3. [RULES.] *The commissioner of agriculture shall adopt emergency and permanent rules to implement subdivision 2 in a manner that minimizes disruption to existing trade practices and commercial transactions, including pooling of over-order premium payments among grade A milk producers.*

Subd. 4. [REPORT.] *Not later than March 1 of 1993 and each year thereafter, the commissioner of agriculture shall report to the chairs of the senate agriculture and rural development committee and the house of representatives agriculture committee on the impacts and benefits to dairy farmers of the minimum class I milk price established under subdivision 2. 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 7, after line 26, insert:

"Sec. 8. [APPROPRIATION.]

$50,000 is appropriated from the general fund for agricultural information centers to be divided equally between the centers in Wadena and Detroit Lakes.

Sec. 9. [REPEALER.]

1992 S.F. No. 2728, if enacted, is repealed."

Page 7, line 28, delete "*Section 1*" and insert "*Section 3*" and delete "*2 to 4*" and insert "*5 to 9*"

Page 7, line 29, after the period, insert "*Section 4 is effective August 1, 1992, except that the rulemaking authority granted to the commissioner of agriculture is effective the day following final enactment.*"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Knaak questioned whether the amendment was germane.

The President ruled that the amendment was germane.

Mr. Frederickson, D.R. requested division of the amendment as follows:

First portion:

Page 7, after line 26, insert:

"Sec. 5. [APPROPRIATION.]

$50,000 is appropriated from the general fund for agricultural information centers to be divided equally between the centers in Wadena and Detroit Lakes."

Page 7, line 28, delete "*4*" and insert "*5*"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Second portion:

Page 1, after line 11, insert:

"Section 1. Minnesota Statutes 1990, section 28A.15, subdivision 7, is amended to read:

Subd. 7. Persons whose principal business is not food handling but who sell only ice manufactured and prepackaged by another or such nonperishable items as bottled or canned soft drinks ~~and~~, prepackaged confections *or nuts* at retail, or persons who for their own convenience or the convenience of their employees have available for rehydration and consumption on the premises such nonperishable items as dehydrated coffee, soup, hot chocolate or other dehydrated food or beverage.

Sec. 2. Minnesota Statutes 1990, section 28A.15, subdivision 8, is amended to read:

Subd. 8. A licensed pharmacy selling only food additives, food supplements, canned or prepackaged infant formulae, ice manufactured and packaged by another, or such nonperishable food items as bottled or canned soft drinks and prepackaged confections *or nuts* at retail."

Page 5, after line 34, insert:

"Sec. 4. [32A.071] [CLASS I MILK PRICE.]

Subdivision 1. [PURPOSE.] *It is the intent of the legislature that establishing an over-order premium milk price will benefit the incomes of all Minnesota dairy farmers and improve the economies in rural communities.*

Subd. 2. [MINIMUM CLASS I MILK PRICE.] *The minimum price for class I milk as defined by the upper midwest federal milk marketing order, Code of Federal Regulations, title 7, part 1068, for milk purchased in Minnesota for class I use shall be not less than $13.20 per hundredweight. Any amount by which this price exceeds the class I price specified in the applicable milk marketing order shall be paid by processors of class I milk directly to their suppliers of grade A milk or to the agents of the suppliers. Suppliers or agents shall pass the entire over-order premium payment on to the dairy producers.*

Subd. 3. [RULES.] *The commissioner of agriculture shall adopt emergency and permanent rules to implement subdivision 2 in a manner that minimizes disruption to existing trade practices and commercial transactions, including pooling of over-order premium payments among grade A milk producers.*

Subd. 4. [REPORT.] *Not later than March 1 of 1993 and each year thereafter, the commissioner of agriculture shall report to the chairs of the senate agriculture and rural development committee and the house of representatives agriculture committee on the impacts and benefits to dairy farmers of the minimum class I milk price established under subdivision 2. 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 7, after line 26, insert:

"Sec. 8. [REPEALER.]

1992 S.F. No. 2728, if enacted, is repealed."

Page 7, line 28, delete "*Section 1*" and insert "*Section 3*" and delete "*2 to 4*" and insert "*5 to 8*"

Page 7, line 29, after the period, insert "*Section 4 is effective August 1, 1992, except that the rulemaking authority granted to the commissioner of agriculture is effective the day following final enactment.*"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the first portion of the amendment.

The roll was called, and there were yeas 34 and nays 29, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kelly	Novak	Sams
Beckman	Finn	Langseth	Piper	Samuelson
Bertram	Frederickson, D.J.	Lessard	Pogemiller	Solon
Cohen	Hottinger	Luther	Price	Stumpf
Dahl	Hughes	Moe, R.D.	Ranum	Traub
Davis	Johnson, D.J.	Mondale	Reichgott	Vickerman
DeCramer	Johnson, J.B.	Morse	Riveness	

Those who voted in the negative were:

Belanger	Brataas	Johnston	McGowan	Pariseau
Benson, D.D.	Day	Knaak	Mehrkens	Renneke
Benson, J.E.	Flynn	Kroening	Metzen	Spear
Berg	Frank	Laidig	Neuville	Terwilliger
Berglin	Frederickson, D.R.	Larson	Olson	Waldorf
Bernhagen	Johnson, D.E.	Marty	Pappas	

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

The question was taken on the adoption of the second portion of the amendment. The motion prevailed. So the second portion of the amendment was adopted.

Mr. Davis moved to amend H.F. No. 2734, as amended by the Senate April 16, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2710.)

Page 5, after line 34, insert:

"Sec. 2. Minnesota Statutes 1990, section 41.56, subdivision 3, is amended to read:

Subd. 3. [DEFAULT, FILING CLAIM.] Within 90 days of a default on a guaranteed family farm security loan, the lender shall send notice to the participant stating that the commissioner must be notified if the default continues for 180 days, and the consequences of that default. The lender and the participant may agree to take any steps reasonable to assure the fulfillment of the loan obligation.

If a participant cannot meet scheduled loan payments because of unique or temporary circumstances and the participant proves sufficiently to the commissioner that the necessary cash flow can be generated in the future,

the commissioner may use money in the special account in section 41.61, subdivision 1, to meet the participant's loan obligation for up to two consecutive years. This money must be paid back within eight years with interest at an annual percentage rate four percent below the prevailing Federal Land Bank rate.

A contract for deed participant may enter into an agreement with the commissioner whereby the outstanding principal balance of the loan is reduced by a minimum of ten percent, the loan is reamortized for the years remaining, and the commissioner agrees that the state shall pay the lender 100 percent of the sum due and payable if a default occurs during the remaining term of the reamortized loan.

After 180 days from the initial default, if the participant has not made arrangements to meet the obligation, the lender shall file a claim with the commissioner, identifying the loan and the nature of the default, and assigning to the state all of the lender's security and interest in the loan in exchange for payment according to the terms of the family farm security loan guarantee. In the case of a seller-sponsored loan, the seller may elect to pay the commissioner all sums owed the commissioner by the participant and retain title to the property in lieu of payment by the commissioner under the terms of the loan guarantee. If the commissioner determines that the terms of the family farm security loan guarantee have been met, the commissioner shall authorize payment of state funds to the lender, and shall notify the defaulting party. The state of Minnesota shall then succeed to the interest of the mortgagee or the vendor of the contract for deed. Taxes shall be levied and paid on the land as though the owner were a natural person and not a political subdivision of the state. The commissioner may, on behalf of the state, commence foreclosure or termination proceedings in the manner provided by law.

The commissioner may add any unpaid principal and interest payments on special assistance loans to the interest adjustment obligation balance provided for in section 41.57, subdivision 2. The commissioner and participant may agree to any other terms of repayment that are mutually satisfactory.

Sec. 3. Minnesota Statutes 1990, section 41.57, is amended by adding a subdivision to read:

Subd. 2a. [SETTLEMENTS BEFORE DUE DATE.] *The commissioner may settle interest adjustment payment accounts of participants before the contractual due date. These settlements may include receiving partial payments for outstanding obligations if the participant and cooperating lender agree to voluntarily withdraw from the program.*

Sec. 4. Minnesota Statutes 1990, section 41.57, is amended by adding a subdivision to read:

Subd. 2b. [DISCOUNTING USING PRESENT VALUE.] *The commissioner may settle interest adjustment payment accounts by discounting the obligation using a present value calculation. The interest rate used in this calculation must be three percent above the current Farm Credit Bank of St. Paul wholesale loan rate to the agricultural credit associations as certified each month by the commissioner.*"

Page 7, after line 8, insert:

"Sec. 7. Minnesota Statutes 1990, section 116J.9673, subdivision 2, is

amended to read:

Subd. 2. [BOARD OF DIRECTORS.] The governor shall appoint ~~six~~ *seven* members to the authority's board of directors. ~~The~~ Six members shall be knowledgeable in international finance, exporting, or international law *and one member shall represent a company specializing in agricultural trade*.

The commissioner of the department of trade and economic development shall be chair of the board. Membership, terms, compensation and removals are governed by section 15.0575. Board members shall perform their duties in a non-self-serving manner and in compliance with section 10A.07.

Sec. 8. Minnesota Statutes 1990, section 116J.9673, subdivision 7, is amended to read:

Subd. 7. [INSURANCE AND GUARANTEES.] The finance authority may provide insurance and guarantees to the following extent:

(1) The finance authority may ~~not~~ provide to any one person insurance or guarantees ~~in excess of $250,000~~ for preexport transactions ~~and $250,000~~ *or* for postexport transactions. When insuring, coinsuring, or guaranteeing the postexport portion of transactions, the finance authority shall retain not more than ten percent of the commercial risk, or alternatively, the normal and standard deductible of the insurance policy.

(2) The policy of the finance authority is to provide insurance and guarantees for export credits that would otherwise not be made and that the chair and the board deem to represent a reasonable risk and have a sufficient likelihood of repayment.

(3) The finance authority shall contract with, among others, the Foreign Credit Insurance Association, the United States Export-Import Bank, and private insurers to secure insurance or reinsurance for country and commercial risks for the finance authority's insurance program. The finance authority may purchase insurance policies using money from the finance authority's appropriations.

(4) Losses incurred by the finance authority that relate to its insurance or guarantee activities shall be solely borne by the finance authority to the extent of its capital and reserves."

Page 7, line 28, delete "*4*" and insert "*6 and 9*"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 2734 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 51 and nays 12, as follows:

Those who voted in the affirmative were:

Adkins	Finn	Langseth	Novak	Samuelson
Beckman	Frederickson, D.J.	Larson	Olson	Solon
Benson, D.D.	Frederickson, D.R.	Lessard	Pappas	Spear
Berg	Hottinger	Luther	Piper	Stumpf
Bernhagen	Hughes	Marty	Pogemiller	Traub
Bertram	Johnson, D.E.	McGowan	Price	Vickerman
Brataas	Johnson, D.J.	Mehrkens	Ranum	Waldorf
Chmielewski	Johnson, J.B.	Moe, R.D.	Reichgott	
Day	Johnston	Mondale	Renneke	
DeCramer	Kelly	Morse	Riveness	
Dicklich	Laidig	Neuville	Sams	

Those who voted in the negative were:

Belanger	Cohen	Frank	Kroening	Pariseau
Benson, J.E.	Dahl	Knaak	Merriam	Terwilliger
Berglin	Flynn			

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Sams moved that S.F. No. 2710, No. 37 on General Orders, be stricken and laid on the table. The motion prevailed.

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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.

Senate File No. 2213 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

CONCURRENCE AND REPASSAGE

Mr. Solon moved that the Senate concur in the amendments by the House to S.F. No. 2213 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2213 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 54 and nays 9, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	Mondale	Renneke
Beckman	Day	Johnson, J.B.	Morse	Riveness
Benson, D.D.	DeCramer	Johnston	Novak	Sams
Berg	Dicklich	Kelly	Olson	Samuelson
Berglin	Finn	Laidig	Pappas	Solon
Bernhagen	Flynn	Langseth	Pariseau	Spear
Bertram	Frank	Larson	Piper	Stumpf
Brataas	Frederickson, D.J.	Lessard	Pogemiller	Traub
Chmielewski	Frederickson, D.R.	Luther	Price	Vickerman
Cohen	Hottinger	Marty	Ranum	Waldorf
Dahl	Hughes	Moe, R.D.	Reichgott	

Those who voted in the negative were:

Belanger	Knaak	McGowan	Metzen	Terwilliger
Benson, J.E.	Kroening	Mehrkens	Neuville	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 2144, 2162, 2475, 695, 1693, 2565, 2115, 2011, 2418, 1841, 651, 1893 and 2509.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2194,

and repassed said bill in accordance with the report of the Committee, so adopted.

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.

Senate File No. 2194 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2314, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 2314: A bill for an act relating to the city of Minneapolis; requiring an equitable participation by planning districts in neighborhood revitalization programs; amending Minnesota Statutes 1990, section 469.1831, by adding a subdivision.

Senate File No. 2314 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1691, and repassed said bill in accordance with the report of the Committee, so adopted.

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.

Senate File No. 1691 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2199, and repassed said bill in accordance with the report of the Committee, so adopted.

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.

Senate File No. 2199 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

I have the honor to announce the passage by the House of the following

Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 2376: A bill for an act relating to game and fish; management of aquatic vegetation and ginseng; rules for stamp design contests; deer license fees for residents under age 16 and for licenses to take a second deer; use of live ammunition in dog training; red or blaze orange hunting clothing; nonresident rough fish taking; raccoon seasons; dark house and fish house licenses on certain boundary waters; and muskie size limits; providing for agricultural crop protection assistance; authorizing advance of matching funds; appropriating money; amending Minnesota Statutes 1990, sections 84.091, subdivisions 1 and 3; 97A.045, subdivision 7; 97A.441, by adding a subdivision; 97B.005, subdivisions 2 and 3; 97B.071; 97B.301, subdivision 4; 97B.621, subdivision 1; 97C.355, subdivision 2; 97C.375; and 97C.405; Minnesota Statutes 1991 Supplement, sections 84.085, by adding a subdivision; 84.091, subdivision 2; and 97A.475, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 97A.

Senate File No. 2376 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

CONCURRENCE AND REPASSAGE

Mr. Berg moved that the Senate concur in the amendments by the House to S.F. No. 2376 and that the bill be placed on its repassage as amended.

Mr. Morse moved that the Senate do not concur in the amendments by the House to S.F. No. 2376, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House.

The question was taken on the adoption of the motion of Mr. Morse.

The roll was called, and there were yeas 33 and nays 31, as follows:

Those who voted in the affirmative were:

Beckman	Dicklich	Knaak	Neuville	Reichgott
Benson, J.E.	Flynn	Luther	Olson	Riveness
Berglin	Frederickson, D.R.	Marty	Pariseau	Spear
Brataas	Hottinger	McGowan	Piper	Traub
Dahl	Johnson, D.E.	Merriam	Pogemiller	Waldorf
Davis	Johnson, D.J.	Mondale	Price	
DeCramer	Johnson, J.B.	Morse	Ranum	

Those who voted in the negative were:

Adkins	Cohen	Kelly	Metzen	Stumpf
Belanger	Day	Kroening	Moe, R.D.	Terwilliger
Benson, D.D.	Finn	Laidig	Novak	Vickerman
Berg	Frank	Langseth	Pappas	
Bernhagen	Frederickson, D.J.	Larson	Renneke	
Bertram	Gustafson	Lessard	Sams	
Chmielewski	Johnston	Mehrkens	Samuelson	

The motion prevailed.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 155, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 155 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

CONFERENCE COMMITTEE REPORT ON H.F. NO. 155

A bill for an act relating to traffic regulations; authorizing immediate towing of certain unlawfully parked vehicles; amending Minnesota Statutes 1990, section 169.041, subdivision 4.

April 13, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 155, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment and that H.F. No. 155 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 169.041, subdivision 4, is amended to read:

Subd. 4. [TOWING ALLOWED.] A towing authority may tow a motor vehicle without regard to the four-hour waiting period if:

(1) the vehicle is parked in violation of snow emergency regulations;

(2) the vehicle is parked in a rush-hour restricted parking area;

(3) the vehicle is blocking a driveway, alley, or fire hydrant;

(4) the vehicle is parked in a bus lane ~~where~~, *or at a bus stop, during hours when* parking is prohibited;

(5) the vehicle is parked within 30 feet of a stop sign and visually blocking the stop sign;

(6) the vehicle is parked in a handicap transfer zone or handicapped parking space without a handicapped parking certificate or handicapped license plates;

(7) the vehicle is parked in an area that has been posted for temporary restricted parking at least 24 hours in advance;

(8) the vehicle is parked within the right-of-way of a controlled access highway or within the traveled portion of a public street when travel is

allowed there;

(9) the vehicle is unlawfully parked in a zone that is restricted by posted signs to use by fire, police, public safety, or emergency vehicles;

(10) the vehicle is unlawfully parked on property at the Minneapolis-St. Paul International Airport owned by the metropolitan airports commission;

(11) a law enforcement official has probable cause to believe that the vehicle is stolen, or that the vehicle constitutes or contains evidence of a crime and impoundment is reasonably necessary to obtain or preserve the evidence;

(12) the driver, operator, or person in physical control of the vehicle is taken into custody and the vehicle is impounded for safekeeping;

(13) a law enforcement official has probable cause to believe that the owner, operator, or person in physical control of the vehicle has failed to respond to five or more citations for parking or traffic offenses; ~~or~~

(14) the vehicle is unlawfully parked in a zone that is restricted by posted signs to use by taxicabs;

(15) the vehicle is unlawfully parked and prevents egress by a lawfully parked vehicle; or

(16) the vehicle is parked, on a school day during prohibited hours, in a school zone on a public street where official signs prohibit parking."

Delete the title and insert:

"A bill for an act relating to traffic regulations; authorizing immediate towing of certain unlawfully parked vehicles; amending Minnesota Statutes 1990, section 169.041, subdivision 4."

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

House Conferees: (Signed) Dave Bishop, Jean D. Wagenius, Henry J. Kalis

Senate Conferees: (Signed) Nancy Brataas, Carol Flynn

Mrs. Brataas moved that the foregoing recommendations and Conference Committee Report on H.F. No. 155 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 155 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnston	Metzen	Reichgott
Beckman	Dicklich	Kelly	Moe, R.D.	Renneke
Benson, D.D.	Finn	Knaak	Mondale	Riveness
Benson, J.E.	Flynn	Kroening	Morse	Sams
Berg	Frank	Laidig	Neuville	Samuelson
Bernhagen	Frederickson, D.J.	Langseth	Novak	Spear
Bertram	Frederickson, D.R.	Larson	Olson	Stumpf
Brataas	Gustafson	Lessard	Pappas	Terwilliger
Chmielewski	Hottinger	Luther	Pariseau	Traub
Cohen	Hughes	Marty	Piper	Vickerman
Dahl	Johnson, D.E.	McGowan	Pogemiller	Waldorf
Davis	Johnson, D.J.	Mehrkens	Price	
Day	Johnson, J.B.	Merriam	Ranum	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 897: A bill for an act relating to driving while intoxicated; making it a crime to refuse to submit to testing under the implied consent law; expanding the scope of the administrative plate impoundment law; authorizing the forfeiture of vehicles used to commit certain repeat DWI offenses; increasing certain license revocation periods; revising the implied consent advisory; imposing waiting periods on the issuance of limited licenses; increasing certain fees; updating laws relating to operating a snowmobile, all-terrain vehicle, motorboat, or aircraft, and to hunting, while intoxicated; imposing penalties for hunting while intoxicated; appropriating money; amending Minnesota Statutes 1990, sections 84.91; 84.911; 86B.331; 86B.335, subdivisions 1, 2, 4, 5, and 6; 97A.421, subdivision 4; 97B.065; 168.042, subdivisions 1, 2, 4, 10, and 11; 169.121, subdivisions 1a, 3, 3a, 3b, 3c, 4, and 5; 169.123, subdivision 4; 169.126, subdivision 1; 169.129; 360.0752, subdivision 6, and by adding a subdivision; and 360.0753, subdivisions 2, 7, and 9; Minnesota Statutes 1991 Supplement, sections 169.121, subdivision 5a; 169.123, subdivision 2; 169.126, subdivision 2; 169.1265, subdivision 3; 171.30, subdivision 2a; and 171.305, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 97B; and 169; repealing Minnesota Statutes 1990, section 169.126, subdivision 4c.

Senate File No. 897 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

CONCURRENCE AND REPASSAGE

Mr. Marty moved that the Senate concur in the amendments by the House to S.F. No. 897 and that the bill be placed on its repassage as amended.

Mr. Lessard moved that the Senate do not concur in the amendments by the House to S.F. No. 897, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate,

to act with a like Conference Committee to be appointed on the part of the House.

The question was taken on the adoption of the motion of Mr. Lessard.

The roll was called, and there were yeas 27 and nays 36, as follows:

Those who voted in the affirmative were:

Berg	Finn	Kroening	Moe, R.D.	Solon
Bertram	Frank	Langseth	Morse	Stumpf
Chmielewski	Frederickson, D.R.	Lessard	Novak	Vickerman
Dahl	Hughes	Mehrkens	Price	
Davis	Johnson, D.J.	Merriam	Sams	
Dicklich	Johnson, J.B.	Metzen	Samuelson	

Those who voted in the negative were:

Adkins	Cohen	Johnston	Neuville	Spear
Beckman	Day	Kelly	Pappas	Terwilliger
Belanger	DeCramer	Knaak	Piper	Traub
Benson, D.D.	Flynn	Laidig	Pogemiller	Waldorf
Benson, J.E.	Frederickson, D.J.	Larson	Ranum	
Berglin	Gustafson	Luther	Reichgott	
Bernhagen	Hottinger	Marty	Renneke	
Brataas	Johnson, D.E.	McGowan	Riveness	

The motion did not prevail.

The question recurred on the motion of Mr. Marty. The motion prevailed.

S.F. No. 897 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 57 and nays 9, as follows:

Those who voted in the affirmative were:

Adkins	Finn	Kelly	Mondale	Renneke
Beckman	Flynn	Knaak	Morse	Riveness
Belanger	Frank	Kroening	Neuville	Sams
Benson, D.D.	Frederickson, D.J.	Laidig	Novak	Solon
Benson, J.E.	Frederickson, D.R.	Larson	Olson	Spear
Berglin	Gustafson	Luther	Pappas	Terwilliger
Bernhagen	Hottinger	Marty	Pariseau	Traub
Brataas	Hughes	McGowan	Piper	Vickerman
Cohen	Johnson, D.E.	Mehrkens	Pogemiller	Waldorf
Dahl	Johnson, D.J.	Merriam	Price	
Day	Johnson, J.B.	Metzen	Ranum	
DeCramer	Johnston	Moe, R.D.	Reichgott	

Those who voted in the negative were:

Berg	Chmielewski	Dicklich	Lessard	Stumpf
Bertram	Davis	Langseth	Samuelson	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1701, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1701 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1701

A bill for an act relating to railroads; authorizing expenditure of rail service improvement account money for maintenance of rail lines and rights-of-way in the rail bank; authorizing the commissioner of transportation to acquire abandoned rail lines and rights-of-way by eminent domain; eliminating requirement to offer state rail bank property to adjacent land owners; amending Minnesota Statutes 1990, sections 222.50, subdivision 7; 222.63, subdivisions 2, 2a, and 4; repealing Minnesota Statutes 1990, section 222.63, subdivision 5.

April 16, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 1701, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 1701 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 168.012, subdivision 1, is amended to read:

Subdivision 1. (a) The following vehicles are exempt from the provisions of this chapter requiring payment of tax and registration fees, except as provided in subdivision 1c:

(1) vehicles owned and used solely in the transaction of official business by representatives of foreign powers, by the federal government, the state, or any political subdivision;

(2) vehicles owned and used exclusively by educational institutions and used solely in the transportation of pupils to and from such institutions;

(3) vehicles used solely in driver education programs at nonpublic high schools;

(4) vehicles owned by nonprofit charities and used exclusively to transport disabled persons for educational purposes;

(5) vehicles owned and used by honorary consul or consul general of foreign governments; and

(6) ambulances owned by ambulance services licensed under section 144.802, the general appearance of which is unmistakable.

(b) Vehicles owned by the federal government, municipal fire apparatus, police patrols and ambulances, the general appearance of which is unmistakable, shall not be required to register or display number plates.

(c) Unmarked vehicles used in general police work and arson investigations, and passenger automobiles, pickup trucks, and buses owned or operated by the department of corrections shall be registered and shall display appropriate license number plates which shall be furnished by the registrar at cost. Original and renewal applications for these license plates authorized for use in general police work and for use by the department of corrections must be accompanied by a certification signed by the appropriate chief of police if issued to a police vehicle, the appropriate sheriff if issued to a sheriff's vehicle, the commissioner of corrections if issued to a department of corrections vehicle, or the appropriate officer in charge if issued to a vehicle of any other law enforcement agency. The certification must be on a form prescribed by the commissioner and state that the vehicle will be used exclusively for a purpose authorized by this section.

(d) Unmarked vehicles used by the department of revenue in conducting seizures or criminal investigations must be registered and must display passenger vehicle classification license number plates which shall be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the commissioner of revenue. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the purposes authorized by this section.

(e) All other motor vehicles shall be registered and display tax-exempt number plates which shall be furnished by the registrar at cost, except as provided in subdivision 1c. All vehicles required to display tax-exempt number plates shall have the name of the state department or political subdivision, or the nonpublic high school operating a driver education program, on the vehicle plainly displayed on both sides thereof in letters not less than 2-1/2 inches high and one-half inch wide; except that each state hospital and institution for the mentally ill and mentally retarded may have one vehicle without the required identification on the sides of the vehicle, *and county social service agencies may have vehicles used for child and vulnerable adult protective services without the required identification on the sides of the vehicle*. Such identification shall be in a color giving contrast with that of the part of the vehicle on which it is placed and shall endure throughout the term of the registration. The identification must not be on a removable plate or placard and shall be kept clean and visible at all times; except that a removable plate or placard may be utilized on vehicles leased or loaned to a political subdivision or to a nonpublic high school driver education program.

Sec. 2. Minnesota Statutes 1990, section 168.012, is amended by adding a subdivision to read:

Subd. 12. [FEES CREDITED TO HIGHWAY USER FUND.] *Administrative fees and fees collected from the sale of license plates under this section must be paid into the state treasury and credited to the highway user tax distribution fund.*

Sec. 3. Minnesota Statutes 1991 Supplement, section 168.041, is amended by adding a subdivision to read:

Subd. 11. [FEES CREDITED TO HIGHWAY USER FUND.] *Fees collected from the sale of license plates under this section must be paid into the state treasury and credited to the highway user tax distribution fund.*

Sec. 4. Minnesota Statutes 1990, section 168.042, is amended by adding

a subdivision to read:

Subd. 15. [FEES CREDITED TO HIGHWAY USER FUND.] *Fees collected from the sale of license plates under this section must be paid into the state treasury and credited to the highway user tax distribution fund.*

Sec. 5. 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, 65,* 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.

Sec. 6. Minnesota Statutes 1990, section 168.12, subdivision 2, is amended to read:

Subd. 2. [AMATEUR RADIO STATION LICENSEE; SPECIAL LICENSE PLATES.] Any applicant who is an owner or joint owner of a passenger automobile, van or pickup truck, or a self-propelled recreational vehicle, and a resident of this state, and who holds an official amateur radio station license, or a citizens radio service class D license, in good standing, issued by the Federal Communications Commission shall upon compliance with all laws of this state relating to registration and the licensing of motor vehicles and drivers, be furnished with license plates for the motor vehicle, as prescribed by law, upon which, in lieu of the numbers required for identification under subdivision 1, shall be inscribed the official amateur call letters of the applicant, as assigned by the Federal Communications Commission. The applicant shall pay in addition to the registration tax required by law, the sum of $10 for the special license plates, and at the time of delivery of the special license plates the applicant shall surrender to the registrar the current license plates issued for the motor vehicle. This provision for the issue of special license plates shall apply only if the applicant's vehicle is already registered in Minnesota so that the applicant has valid regular Minnesota plates issued for that vehicle under which to operate it during the time that it will take to have the necessary special license plates made. If owning or jointly owning more than one motor vehicle of the type specified in this subdivision, the applicant may apply for special plates for each of not more than two vehicles, and, if each application complies with this subdivision, the registrar shall furnish the applicant with the special plates, inscribed with the official amateur call letters and other distinguishing information as the registrar considers necessary, for each of the two vehicles. And the registrar may make reasonable rules governing the use of the special license plates as will assure the full compliance by

the owner and holder of the special plates, with all existing laws governing the registration of motor vehicles, the transfer and the use thereof.

Despite any contrary provision of subdivision 1, the special license plates issued under this subdivision may be transferred to another motor vehicle upon the payment of a fee of $5. ~~The fee must be paid into the state treasury and credited to the highway user tax distribution fund.~~ The registrar must be notified of the transfer and may prescribe a form for the notification.

Fees collected under this subdivision must be paid into the state treasury and credited to the highway user tax distribution fund.

Sec. 7. Minnesota Statutes 1990, section 168.12, subdivision 5, is amended to read:

Subd. 5. [ADDITIONAL FEE.] In addition to any fee otherwise authorized or any tax otherwise imposed upon any motor vehicle, the payment of which is required as a condition to the issuance of any number license plate or plates, the commissioner of public safety may impose a fee ~~of $2 for a~~ *that is calculated to cover the cost of manufacturing and issuing the* license plate ~~for a motorcycle, motorized bicycle, or motorized sidecar, and $2 for license~~ *or* plates, ~~other than~~ *except for license plates issued to disabled veterans as defined in section 168.031 and* license plates issued pursuant to section *168.124 or* 168.27, subdivisions 16 and 17, for passenger automobiles. Graphic design license plates shall only be issued for vehicles registered pursuant to section 168.017 and recreational vehicles registered pursuant to section 168.013, subdivision 1g.

Fees collected under this subdivision must be paid into the state treasury and credited to the highway user tax distribution fund.

Sec. 8. Minnesota Statutes 1990, section 168.128, is amended by adding a subdivision to read:

Subd. 4. [FEES CREDITED TO HIGHWAY USER FUND.] *Fees collected from the sale of license plates under this section must be paid into the state treasury and credited to the highway user tax distribution fund.*

Sec. 9. 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. 10. 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. 11. Minnesota Statutes 1990, section 168.29, is amended to read:

168.29 [~~DUPLICATE~~ *REPLACEMENT* PLATES.]

In the event of the defacement, loss or destruction of any number plates *or validation stickers*, the registrar, upon receiving and filing a sworn statement of the vehicle owner, setting forth the circumstances of the defacement, loss, destruction or theft of the number plates *or validation stickers*, together with any defaced plates *or stickers* and the payment of ~~the~~ *a* fee ~~of $5~~ *calculated to cover the cost of replacement*, shall issue a new set of plates~~, except for duplicate personalized license plates provided for in section 168.12, subdivision 2a. The registrar shall impose a fee to replace personalized plates not to exceed the actual cost of producing the plates~~ *or stickers*.

The registrar shall then note on the registrar's records the issue of ~~such~~ new number plates and shall proceed in such manner as the registrar may deem advisable to cancel and call in the original plates so as to insure against their use on another motor vehicle.

Duplicate registration certificates plainly marked as duplicates may be issued in like cases upon the payment of a $1 fee.

Fees collected under this section must be paid into the state treasury and credited to the highway user tax distribution fund.

Sec. 12. Minnesota Statutes 1990, section 169.67, subdivision 1, is amended to read:

Subdivision 1. [MOTOR VEHICLES.] Every motor vehicle, other than a motorcycle, when operated upon a highway, shall be equipped with brakes adequate to control the movement of and to stop and hold such vehicle, including two separate means of applying the brakes, each of which means shall be effective to apply the brakes to at least two wheels. If these two separate means of applying the brakes are connected in any way, they shall be so constructed that failure of any one part of the operating mechanism shall not leave the motor vehicle without brakes on at least two wheels. *The requirement in this subdivision for separate braking systems does not apply to a commercial motor vehicle described in section 169.781, subdivision 5, paragraph (d).*

Sec. 13. Minnesota Statutes 1991 Supplement, section 169.781, subdivision 5, is amended to read:

Subd. 5. [INSPECTION DECALS.] (a) A person inspecting a commercial motor vehicle shall issue an inspection decal for the vehicle if each inspected component of the vehicle complies with federal motor carrier safety regulations. The decal must state that in the month specified on the decal the vehicle was inspected and each inspected component complied with federal motor carrier safety regulations. The decal is valid for 12 months after the month specified on the decal. The commissioners of public safety and transportation shall make decals available, at a fee of not more than $2 for each decal, to persons certified to perform inspections under subdivision 3, paragraph (b).

(b) Minnesota inspection decals may be affixed only to commercial motor vehicles bearing Minnesota-based license plates.

(c) Notwithstanding paragraph (a), a person inspecting (1) a vehicle of less than 57,000 pounds gross vehicle weight and registered as a farm truck, ~~or~~ (2) a storage semitrailer, *or (3) a building mover vehicle* must issue an inspection decal to the vehicle unless the vehicle has one or more defects that would result in the vehicle being declared out of service under the

North American Uniform Driver, Vehicle, and Hazardous Materials Out-of-Service Criteria issued by the federal highway administration and the commercial motor vehicle safety alliance. A decal issued to a vehicle described in clause (1) ~~or~~, (2), *or (3)* is valid for two years from the date of issuance. A decal issued to such a vehicle must clearly indicate that it is valid for two years from the date of issuance.

(d) Notwithstanding paragraph (a), a commercial motor vehicle that (1) is registered as a farm truck, (2) is not operated more than 75 miles from the owner's home post office, and (3) was manufactured before 1979 that has a dual transmission system, is not required to comply with a requirement in an inspection standard that requires that the service brake system and parking brake system be separate systems in the motor vehicle.

Sec. 14. Minnesota Statutes 1990, section 171.02, is amended by adding a subdivision to read:

Subd. 2a. [RESTRICTED COMMERCIAL DRIVERS' LICENSES.] *(a) The commissioner may issue restricted commercial drivers' licenses and take the following actions to the extent that the actions are authorized by regulation of the United States Department of Transportation entitled "waiver for farm-related service industries" as published in the Federal Register, April 17, 1992:*

(1) prescribe examination requirements and other qualifications for the license;

(2) prescribe classes of vehicles that may be operated by holders of the license;

(3) specify commercial motor vehicle operation that is authorized by the license, and prohibit other commercial vehicle operation by holders of the license; and

(4) prescribe the period of time during which the license is valid.

(b) Restricted commercial drivers' licenses are subject to sections 171.165 and 171.166 in the same manner as other commercial drivers' licenses.

(c) Actions of the commissioner under this subdivision are not subject to sections 14.05 to 14.47 of the administrative procedure act.

Sec. 15. Minnesota Statutes 1991 Supplement, section 171.07, subdivision 3, is amended to read:

Subd. 3. [IDENTIFICATION CARD; FEE.] Upon payment of the required fee, the department shall issue to every applicant therefor a Minnesota identification card. The department may not issue a Minnesota identification card to a person who has a driver's license, other than an instruction permit or a limited license. The card must bear a distinguishing number assigned to the applicant, a colored photograph or an electronically produced image, the full name, date of birth, residence address, a description of the applicant in the manner as the commissioner deems necessary, and a space upon which the applicant shall write the usual signature and the date of birth of the applicant with pen and ink.

Each Minnesota identification card must be plainly marked "Minnesota identification card - not a driver's license."

The fee for a Minnesota identification card issued to a person who is mentally retarded, as defined in section 252A.02, subdivision 2, *or to a*

physically disabled person, as defined in section 169.345, subdivision 2, is 50 cents.

Sec. 16. Minnesota Statutes 1990, section 222.50, subdivision 7, is amended to read:

Subd. 7. The commissioner may expend money from the rail service improvement account for the following purposes:

(a) To pay interest adjustments on loans guaranteed under the state rail user loan guarantee program;

(b) To pay a portion of the costs of capital improvement projects designed to improve rail service including construction or improvement of short segments of rail line such as side track, team track and connections between existing lines, and construction and improvement of loading, unloading, storage and transfer facilities of a rail user;

(c) To acquire, maintain, manage and dispose of railroad right-of-way pursuant to the state rail bank program;

(d) To provide for aerial photography survey of proposed and abandoned railroad tracks for the purpose of recording and reestablishing by analytical triangulation the existing alignment of the inplace track; ~~or~~

(e) To pay a portion of the costs of acquiring a rail line by a regional railroad authority established pursuant to chapter 398A;

(f) To pay for the maintenance of rail lines and rights-of-way acquired for the state rail bank under section 222.63, subdivision 2c; and

(g) To pay the state matching portion of federal grants for rail-highway grade crossing improvement projects.

All money derived by the commissioner from the disposition of railroad right-of-way or of any other property acquired pursuant to sections 222.46 to 222.62 shall be deposited in the rail service improvement account.

Sec. 17. Minnesota Statutes 1990, section 222.63, subdivision 2, is amended to read:

Subd. 2. [PURPOSE.] A state rail bank shall be established for the acquisition and preservation of abandoned rail lines and ~~right-of-way~~ *rights-of-way, and of rail lines and rights-of-way proposed for abandonment in a railroad company's system diagram map,* for future public use including trail use, or for disposition for commercial use in serving the public, by providing transportation of persons or freight or transmission of energy, fuel, or other commodities. *Abandoned rail lines and rights-of-way may be acquired for trail use by another state agency or department or by a political subdivision only if (1) no future commercial transportation use is identified by the commissioner, and (2) the commissioner and the owner of the abandoned rail line have not entered into or are not conducting good-faith negotiations for acquisition of the property.*

Sec. 18. Minnesota Statutes 1990, section 222.63, subdivision 2a, is amended to read:

Subd. 2a. [ACQUISITION.] The commissioner of transportation may acquire by purchase all or part of any abandoned rail line or right-of-way *or rail line or right-of-way proposed for abandonment in a railroad company's system diagram map* which is necessary for preservation in the state rail bank to meet the future public and commercial transportation and

transmission needs of the state. The commissioner ~~shall not~~ *may* acquire ~~any~~ *by eminent domain under chapter 117 an* interest in ~~an~~ abandoned rail ~~line~~ *lines* or ~~right-of-way for inclusion in the state rail bank~~ *rights-of-way except that the commissioner may not acquire* by eminent domain ~~except to quiet title or when all owners as defined in section 117.025 that are known to the court have no objection to the taking~~ *rail lines or rights-of-way that are not abandoned or are owned by a political subdivision of the state or by another state. All property taken by exercise of the power of eminent domain under this subdivision is declared to be taken for a public governmental purpose and as a matter of public necessity.*

Sec. 19. Minnesota Statutes 1990, section 222.63, subdivision 4, is amended to read:

Subd. 4. [DISPOSITION PERMITTED.] The commissioner may lease any rail line or right-of-way held in the state rail bank or enter into an agreement with any person for the operation of any rail line or right-of-way for any of the purposes set forth in subdivision 2 in accordance with a fee schedule to be developed by the commissioner ~~in consultation with the advisory task force established in section 222.65~~. The commissioner may after consultation convey any rail line or right-of-way, for consideration or for no consideration and upon other terms as the commissioner may determine to be in the public interest, to any other state agency or to a governmental subdivision of the state having power by law to utilize it for any of the purposes set forth in subdivision 2.

Sec. 20. [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.*

Sec. 21. [REPEALER.]

Minnesota Statutes 1990, sections 222.63, subdivision 5; and 296.17, subdivision 9a, are repealed."

Delete the title and insert:

"A bill for an act relating to transportation; exempting certain vehicles of county social services agencies from the requirement to display identification; authorizing issuance of restricted commercial drivers' licenses; crediting license plate fees to highway uses tax distribution; updating collector vehicle list for vehicle registration purposes; exempting certain farm trucks from requirement for separate braking systems; authorizing expenditure of rail service improvement account money for maintenance of rail lines and rights-of-way in the rail bank; authorizing the commissioner of transportation to acquire abandoned rail lines and rights-of-way by eminent domain; eliminating requirement to offer state rail bank property to adjacent land owners; authorizing fuel tax compacts; providing for fees; amending Minnesota Statutes 1990, sections 168.012, subdivision 1, and by adding a subdivision; 168.042, by adding a subdivision; 168.12, subdivisions 2 and 5; 168.128, by adding a subdivision; 168.187, subdivisions 17 and 26; 168.29; 169.67, subdivision 1; 171.02, by adding a subdivision; 222.50, subdivision 7; 222.63, subdivisions 2, 2a, and 4; Minnesota Statutes 1991 Supplement, sections 168.041, by adding a subdivision; 168.10, subdivision 1b; 169.781, subdivision 5; 171.07, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 296; repealing Minnesota Statutes 1990, sections 222.63, subdivision 5; and 296.17, subdivision 9a."

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

House Conferees: (Signed) Andy Steensma, James I. Rice, Henry J. Kalis

Senate Conferees: (Signed) Gary M. DeCramer, Keith Langseth, Roy W. Terwilliger

Mr. DeCramer moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1701 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 1701 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 51 and nays 12, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Morse	Sams
Beckman	DeCramer	Kelly	Novak	Solon
Belanger	Dicklich	Laidig	Olson	Spear
Benson, J.E.	Flynn	Langseth	Pappas	Stumpf
Berg	Frank	Larson	Pariseau	Terwilliger
Berglin	Frederickson, D.J.	Lessard	Pogemiller	Traub
Bernhagen	Frederickson, D.R.	Luther	Price	Vickerman
Bertram	Hottinger	Mehrkens	Ranum	
Cohen	Hughes	Metzen	Reichgott	
Dahl	Johnson, D.E.	Moe, R.D.	Renneke	
Davis	Johnson, D.J.	Mondale	Riveness	

Those who voted in the negative were:

Benson, D.D.	Finn	Knaak	McGowan	Neuville
Brataas	Gustafson	Kroening	Merriam	Samuelson
Chmielewski	Johnston			

So the bill, as amended by the Conference Committee, was repassed and

its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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.

Senate File No. 1898 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

CONCURRENCE AND REPASSAGE

Mr. Dahl moved that the Senate concur in the amendments by the House to S.F. No. 1898 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1898 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 57 and nays 6, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Mehrkens	Reichgott
Beckman	Davis	Johnson, J.B.	Merriam	Renneke
Belanger	Day	Johnston	Metzen	Sams
Benson, D.D.	DeCramer	Kelly	Moe, R.D.	Solon
Benson, J.E.	Flynn	Knaak	Mondale	Spear
Berg	Frank	Laidig	Neuville	Stumpf
Berglin	Frederickson, D.J.	Langseth	Olson	Terwilliger
Bernhagen	Frederickson, D.R.	Larson	Pappas	Traub
Bertram	Gustafson	Lessard	Pariseau	Vickerman
Brataas	Hottinger	Luther	Piper	
Chmielewski	Hughes	Marty	Price	
Cohen	Johnson, D.E.	McGowan	Ranum	

Those who voted in the negative were:

Dicklich	Novak	Pogemiller	Riveness	Samuelson
Finn				

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has refused to adopt the Conference Committee report on the following Senate File and is returning the bill, together with the Conference Committee Report, to the Senate and to the Conference Committee.

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.

Senate File No. 1993 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. Moe, R.D. moved that S.F. No. 1993 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 2042.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

FIRST READING OF HOUSE BILLS

The following bill was read the first time and referred to the committee indicated.

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.

Referred to the Committee on Education.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

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

S.F. No. 2795: A bill for an act relating to legislative enactments; providing for the correction of miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors of a noncontroversial nature; amending Minnesota Statutes 1991 Supplement, section 302A.402, subdivision 3.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 2, after line 7, insert:

"Sec. 2. [CORRECTION 51.] Minnesota Statutes 1990, section 148B.21, subdivision 7, as added by Laws 1992, chapter 460, section 14, is amended to read:

Subd. 7. [ESTABLISHMENT OF CANDIDACY STATUS.] (a) The board may issue a practice permit to an applicant in the following situations, provided the applicant meets all other requirements for licensure:

(1) the applicant has applied to take the first examination for licensure given by the board following either graduation or anticipated graduation from an accredited program of social work; or

(2) the applicant is licensed or certified to practice social work in Minnesota or another jurisdiction, meets the requirements in section 148B.24, ~~has or~~ is intending to establish a ~~residence~~ *practice* in Minnesota before being able to take the next examination for licensure given by the board, and has applied to take the same examination.

(b) The practice permit is valid until the board takes final action on the application, which shall occur within 60 days of the board's receipt of the applicant's examination results. The board, at its discretion, may extend the practice permit if the applicant fails to pass or take the examination. If the board determines that an extension of the practice permit is not warranted, the applicant must cease practicing social work immediately.

(c) An applicant who obtains a practice permit, and who has applied for a level of licensure which requires supervision upon licensure, may practice social work only under the supervision of a licensed social worker who is eligible to provide supervision under section 148B.18, subdivision 12. The applicant's supervisor must provide evidence to the board, before the applicant is approved by the board for licensure, that the applicant has practiced social work under supervision. This supervision will not apply toward the supervision requirement required after licensure.

Sec. 3. [CORRECTION 52; EDUCATION AIDS.] 1992 H.F. No. 2121, article 8, section 33, if enacted, is amended to read:

Sec. 33. [STATE BOARD GRADUATION RULE.]

The state board of education shall report to the education committees of the legislature a progress report about the proposed high school graduation rule by February 1, 1993, and a final report about the proposed rule by January 1, 1994. Notwithstanding Minnesota Statutes, section 121.11, subdivision 12, the state board of education may continue its proceedings to adopt a graduation rule but must not take final action under Minnesota Statutes, sections 14.131 to 14.20 to adopt the rule before July 1, *1994*. The 180-day time limit in Minnesota Statutes, section 14.19, does not apply to the rule.

Sec. 4. [CORRECTION 52; EDUCATION AIDS.] Minnesota Statutes 1990, section 275.125, subdivision 6k, as added by 1992 H.F. No. 2121, article 7, section 12, is amended to read:

Subd. 6k. [HEALTH INSURANCE LEVY.] (a) A school district may levy the amount necessary to make employer contributions for insurance for retired employees under this subdivision. Notwithstanding section 121.904, 50 percent of the amount levied shall be recognized as revenue

for the fiscal year in which the levy is certified. This levy shall not be considered in computing the aid reduction under section 124.155.

(b) The school board of a joint vocational technical district formed under sections 136C.60 to 136C.69 and the school board 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 of which the person is a member 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;

(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 May 15, 1992, and before July 21, 1992.

A school board paying insurance under this subdivision may not exclude any eligible employees.

(c) An employee who is eligible both for the health insurance benefit under this subdivision 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 provided under the collective bargaining agreement personnel plan or the incentive provided under this subdivision, but may not receive both. For purposes of this subdivision, 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.

(d) An employee who retires under this subdivision using the rule of 90 must not be included in the calculations required by section 356.85.

(e) Unilateral implementation of this section by a public employer is not an unfair labor practice for purposes of chapter 179A. The authority provided in this subdivision for an employer to pay health insurance costs for certain retired employees is not subject to the limits in section 179A.20, subdivision 2a.

(f) If a school district levies according to this subdivision, it may not also levy according to article 6, section 9 *13*, for eligible employees.

Sec. 5. [CORRECTION 52: EDUCATION AIDS.] 1992 H.F. No. 2121, article 1, section 20, is amended to read:

Sec. 20. [LOW FUND BALANCE LEVY.]

(a) For 1992 taxes payable in 1993, a district meeting the qualifications in paragraph (b) may levy an amount not to exceed $40 times the number of actual pupil units in the district in fiscal year 1993.

(b) a district qualifies for a levy under this section if:

(1) its net unappropriated operating fund balance on June 30, 1991, divided by its actual pupil units for fiscal year 1993 is less than $85;

(2) its adjusted net tax capacity used to compute fiscal year 1993 general education revenue divided by its fiscal year 1993 actual pupil units is less than $2,100; and

(3) it does not have referendum levy authority under Minnesota Statutes, section 124A.03.

Notwithstanding Minnesota Statutes, section 121.904, or H.F. No. 2121, article 12, section 25, or any other law to the contrary, the entire amount of this levy shall be recognized in the fiscal year in which the levy is certified.

Sec. 6. [CORRECTION 52; EDUCATION AIDS.] 1992 H.F. No. 2121, article 5, section 37, is amended to read:

Sec. 37. [EFFECTIVE DATE.]

Sections 7, 8, 9, 10, 11, *16*, 25, 30, 31, 32, 33, and 36 are effective the day following final enactment.

Section 3 is effective the day following final enactment and applies to 1991-1992 and later school years.

Section 1 is effective July 1, 1992, and applies to school facilities projects submitted to the commissioner on or after July 1, 1992.

Section 4 is effective July 1, 1993.

Sec. 7. [CORRECTION 52; EDUCATION AIDS.] 1992 H.F. No. 2121, article 6, section 39, is amended to read:

Sec. 39. [REPEALER.]

Subdivision 1. [JUNE 1991.] Minnesota Statutes 1990, section 136D.76, subdivision 3; Minnesota Statutes 1991 Supplement, sections 124.2727, subdivisions 1, 2, 3, 4, and 5; and 136D.90, subdivision 2, are repealed as of June 1, 1991.

Subd. 2. [JULY 1, 1992.] Minnesota Statutes 1990, ~~section~~ *sections 122.23, subdivisions 16a and 16b*, 136D.74, subdivision 3; Laws 1991, chapter 265, article 6, section 64; Laws 1991, chapter 265, article 6, sections 4, 20, 22 to 26, 28, 30 to 33, and 41 to 45, are repealed.

Subd. 3. [EXPIRATION.] Minnesota Statutes 1990, chapter 136D, as amended, sections 121.935, 122.91 to 122.95, 123.351, ~~123.358~~ *123.58*, and 124.575, and Minnesota Statutes 1991, sections 124.2721 and 124.2727 expire as of July 1, 1995.

Sec. 8. [CORRECTION 52; EDUCATION AIDS.] Minnesota Statutes 1991 Supplement, section 275.125, subdivision 6j, as amended by 1992 H.F. No. 2121, article 7, section 11, is amended to read:

Subd. 6j. [LEVY FOR CRIME RELATED COSTS.] For taxes levied in 1991 and subsequent years, payable in 1992 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 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. 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. 9. [CORRECTION 52; EDUCATION AIDS.] 1992 H.F. No. 2121, article 8, section 32, is amended to read:

Sec. 32. [LEGISLATIVE COMMITMENT TO A RESULTS-ORIENTED GRADUATION RULE.]

The legislature is committed to establishing a rigorous, results-oriented graduation rule for Minnesota's public school students. To that end, the state board of education shall use its rulemaking authority granted under Minnesota Statutes, section 121.11, subdivision 12, to adopt a statewide, results-oriented graduation rule according to the timeline in section ~~34~~ *33*. The board shall not prescribe in rule or otherwise the delivery system, form of instruction, or a single statewide form of assessment that local sites must use to meet the requirements contained in the rule.

Sec. 10. [CORRECTION 52; EDUCATION AIDS.] Minnesota Statutes 1991 Supplement, section 124A.03, subdivision 2b, as added by 1992 H.F. No. 2121, article 1, section 14, is amended to read:

Subd. 2b. [REFERENDUM DATE.] In addition to the referenda allowed in subdivision 2, clause ~~(g)~~ *(a)*, the commissioner may authorize a referendum for a different day.

(a) The commissioner may grant authority to a district to hold a referendum on a different day if the district is in statutory operating debt and has an approved plan or has received an extension from the department to file a plan to eliminate the statutory operating debt.

(b) The commissioner must approve, deny, or modify each district's request for a referendum levy on a different day within 60 days of receiving the request from a district.

Sec. 11. [CORRECTION 52; EDUCATION AIDS.] Minnesota Statutes 1990, section 124.155, subdivision 1, as amended by 1992 H.F. No. 2121, article 1, section 6, is amended to read:

Subdivision 1. [AMOUNT OF ADJUSTMENT.] Each year state aids and credits enumerated in subdivision 2 payable to any school district, education district, or secondary vocational cooperative for that fiscal year shall be adjusted, in the order listed, by an amount equal to (1) the amount the district, education district, or secondary vocational cooperative recognized as revenue for the prior fiscal year pursuant to section 121.904, subdivision 4a, clause (b), plus revenue recognized according to section 121.904, subdivision 4e, minus (2) the amount the district recognizes as revenue for the current fiscal year pursuant to section 121.904, subdivision 4a, clause (b), plus revenue recognized according to section 121.904, subdivision 4e. For the purposes of making the aid adjustment under this subdivision, the amount the district recognizes as revenue for either the prior fiscal year or the current fiscal year pursuant to section 121.904, subdivision 4a, clause (b), plus revenue recognized according to section 121.904, subdivision 4e, shall not include any amount levied pursuant to sections 124A.03, subdivision 2, and 275.125, subdivisions ~~5~~ *5i*, 6e, 6i, 6k, and 24; article 6, sections 29 and 36; article 12, section 25; and section 20 of this article. Payment from the permanent school fund shall not be adjusted pursuant to this section. The school district shall be notified of the amount of the adjustment made to each payment pursuant to this section.

Sec. 12. [CORRECTION 53: LOCAL AIDS.] 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 December ~~15~~ *26* 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. [CORRECTION 54: AMUSEMENT RIDES.] Laws 1992, chapter 382, section 8, is amended to read:

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective August 1, ~~1991~~ *1992*.

Sec. 14. [CORRECTION 55: APPROPRIATIONS.] 1992 H.F. No. 2694, article 5, section 2, subdivision 2, if enacted, is amended to read:

Subd. 2. Human Services Administration	(2,150,000)	(3,939,000)

Up to $500,000 may be transferred within the department as the commissioner considers necessary, with the advance approval of the commissioner of finance.

For fiscal year 1993, $75,000 is appropriated to the commissioner for a cooperative project with Alexandria technical college regarding MAXIS data. If the commissioner and the college jointly develop a feasible project, the commissioner may transfer the $75,000 to the

college and may transfer summary data from the MAXIS data system to the 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 Minnesota Statutes, section 13.02, subdivision 19.

Sec. 15. [CORRECTION 55; APPROPRIATIONS.] 1992 H.F. No. 2694, article 5, section 12, is amended to read:

Sec. 12. [EFFECTIVE DATE.]

Section 11 is effective July 1, 1992. The remaining sections in this article ~~is~~ *are* effective the day following final enactment.

Sec. 16. [CORRECTION 55; APPROPRIATIONS.] Minnesota Statutes 1990, section 256B.431, subdivision 17, as added by 1992 H.F. No. 2694, article 7, section 99, is amended to read:

Subd. 17. [SPECIAL PROVISIONS FOR MORATORIUM EXCEPTIONS.] (a) Notwithstanding Minnesota Rules, part 9549.0060, subpart 3, for rate periods beginning on October 1, 1992, and for rate years beginning after June 30, 1993, 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 subdivision 16 and this subdivision.

(b) Notwithstanding Minnesota Rules, part 9549.0060, subpart 5, item A, subitems (1) and (3), and subpart 7, item D, allowable interest expense on debt shall include:

(1) interest expense on 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) interest expense on 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; and

(3) interest on debt incurred for the establishment of a debt reserve fund, net of the interest earned on the debt reserve fund.

(c) Debt incurred for costs under paragraph (b) is not subject to Minnesota Rules, part 9549.0060, subpart 5, item A, subitem (5) or (6).

(d) The incremental increase in a nursing facility's rental rate, determined under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section, resulting from the acquisition of allowable capital assets, and allowable debt and interest expense under this subdivision 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 moratorium project was completed.

(e) Notwithstanding subdivision 3f, paragraph (a), for rate periods beginning on October 1, 1992, and for rate years beginning after June 30, 1993, 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 $150,000 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), beginning January 1, 1993.

(f) A nursing facility that completes a project identified in this subdivision and, as of April 17, 1992, has not been mailed a rate notice with a special appraisal for a completed project, or completes a project after April 17, 1992, but before September 1, 1992, may elect either to request a special reappraisal with the corresponding adjustment to the property-related payment rate under the laws in effect on June 30, 1992, or to submit their capital asset and debt information after that date and obtain the property-related payment rate adjustment under this section, but not both.

Sec. 17. [CORRECTION 55; APPROPRIATIONS.] 1992 H.F. No. 2694, article 7, section 132, is amended to read:

Sec. 132. [HEALTH MAINTENANCE ORGANIZATION REIMBURSEMENT.]

Effective October 1, 1992, the commissioner shall adjust rates paid to a health maintenance organization under contract with the commissioner to reflect rate increases provided in Minnesota Statutes, section 256.969, subdivisions 1, 9, ~~and~~ 20, *and 21*, and sections 130 and 131. The adjustment to reflect increases under section 256.969, subdivision 9, must be made on a nondiscounted basis.

Sec. 18. [CORRECTION 55; APPROPRIATIONS.] 1992 H.F. No. 2694, article 7, section 137, is amended to read:

Sec. 137. [EFFECTIVE DATES.]

Section 39 is effective January 1, 1993.

Section 60 is effective the day following final enactment.

Sections 9, 15, 16, 18 to 21, 25, 27, 46, 82, 123, and 124 are effective October 1, 1992.

Section 42 is effective July 1, 1992, and applies to transfers or payments made on or after that date.

Section 130 is not effective in the event that the health right program is not enacted into law prior to October 1, 1992. In the event the health right program is not enacted into law prior to October 1, 1992, the percentage increase in reimbursement rates scheduled to be effective October 1, 1992, and provided for in section 131 shall not be effective, and the commissioner shall implement, effective October 1, 1992, the rate increases provided in Minnesota Statutes, section 256B.74, subdivision 2 and 5.

That portion of section 28 *which amends Minnesota Statutes, section 256.9695, subdivision 3, paragraph (c),* is effective for admissions occurring on or after October 1, 1992.

The provisions of section 44 relating to prior authorization of drugs are effective for all drugs added to the list of drugs requiring prior authorization on or after July 1, 1992.

Sec. 19. [CORRECTION 56; PESTICIDE FEES.] Minnesota Statutes 1990, section 18B.26, subdivision 3, as amended by 1992 H.F. No. 2694, article 2, section 15, if enacted, 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, at one-fifth of one percent for calendar year 1991, and at two-fifths 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 $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 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, ~~at least $500,000~~ *$600,000* per fiscal year must be credited to the waste pesticide account under section 18B.065, subdivision 5, ~~and $100,000 per fiscal year~~ *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. 20. [CORRECTION 58; SALES TAX ADMINISTRATION.] 1992 H.F. No. 2940, article 8, is amended by adding a section to read:

Sec. 40. [APPROPRIATION.]

$110,000 is appropriated from the general fund to the commissioner of revenue for the purpose of administering the city of Ely local sales tax authorized in section 31. This appropriation is contingent upon the passage of a referendum by the city of Ely authorizing the additional tax.

$110,000 is appropriated from the general fund to the commissioner of revenue for the purpose of administering the city of Thief River Falls local sales tax authorized in section 32. This appropriation is contingent upon the passage of a referendum by the city of Thief River Falls authorizing the additional tax.

Sec. 21. [CORRECTION 59: COUNTY LEVY HEARING.] Minnesota Statutes 1991 Supplement, section 275.065, subdivision 6, as amended by 1992 H.F. No. 2940, article 3, section 7, if enacted, is amended to read:

Subd. 6. [PUBLIC HEARING; ADOPTION OF BUDGET AND LEVY.] Between November 29 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;

(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 governing body of a county shall hold its hearing on the ~~first~~ *second* Tuesday in December each year. The county auditor shall provide for the coordination of hearing dates for all cities and school districts within the county.

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. 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 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. The city must not select dates that conflict with the county hearing dates or with those elected by or assigned to the school districts in which the city is located.

Sec. 22. [CORRECTION 60; LOCAL GOVERNMENT TRUST FUND.] 1992 H.F. No. 2940, article 1, section 3, if enacted, is amended to read:

Sec. 3. [16A.712] [LOCAL GOVERNMENT TRUST: APPROPRIATIONS IN FISCAL YEAR 1993 AND SUBSEQUENT YEARS.]

(a) The amounts necessary to make the following payments in fiscal year 1993 and subsequent years are appropriated from the local government trust fund to the commissioner of revenue unless otherwise specified:

(1) attached machinery aid to counties under section 273.138;

(2) in fiscal year 1993 only, supplemental homestead credit under section 273.1391; ~~The school district's supplemental homestead credit shall be appropriated to the commissioner of education~~;

(3) $560,000 in fiscal year 1993 and $300,000 annually in fiscal years 1994 and 1995 for tax administration;

(4) $105,000 annually to the commissioner of finance in fiscal years 1993, 1994, and 1995 to administer the trust fund;

(5) $25,000 annually to the advisory commission on intergovernmental relations in fiscal years 1993, 1994, and 1995 to pay nonlegislative members' per diem expenses and such other expenses as the commission deems appropriate;

(6) $350,000 in fiscal year 1993 and $1,200,000 annually in fiscal years

1994 and 1995 to the intergovernmental information systems advisory council to develop a local government financial reporting system, with the participation and ongoing oversight of the legislative commission on planning and fiscal policy; and

(7) in fiscal year 1993 only, the transition credit under section 273.1398, subdivision 5, and the disparity reduction credit under section 273.1398, subdivision 4, for school districts. The school districts' transition credit and disparity reduction credit shall be appropriated to the commissioner of education.

(b) In addition, the legislature shall appropriate the rest of the trust fund receipts for fiscal year 1993 and subsequent years to finance intergovernmental aid formulas or programs prescribed by law.

Sec. 23. [CORRECTION 61; LOCAL GOVERNMENT TRUST FUND.] Minnesota Statutes 1991 Supplement, section 16A.711, subdivision 5, as added by 1992 H.F. No. 2940, article 1, section 2, if enacted, is amended to read:

Subd. 5. [ADJUSTMENTS FOR LOCAL GOVERNMENT TRUST FUND REVENUES.] For the second fiscal year of each biennium, the commissioner of revenue shall make adjustments in aid amounts so that the anticipated total obligations of the local government trust fund are equal to anticipated total revenues.

In the event that anticipated total obligations of the trust fund exceed anticipated total revenues, each jurisdiction's aid will be reduced as provided under section 477A.0132. For fiscal year 1993 only, if reductions are necessary in an amount greater than $6,700,000, the additional reduction for the shortfall beyond $6,700,000 will be applied only to aids under section 477A.013.

In the event that anticipated total obligations of the trust fund are less than anticipated total revenues, aid amounts for the following programs will be proportionately increased to bring anticipated total expenditures into conformance with anticipated total revenues:

(1) local government aid and equalization aid under section 477A.013;

(2) community social services aid under section 256E.06; and

(3) county criminal justice aid under section 477A.0121.

~~If the commissioner estimates further aid adjustments are necessary after aid amounts have already been certified, but before all aid amounts have been paid, all remaining aid payments will be increased or decreased proportionately.~~

Sec. 24. [CORRECTION 62; PROPOSED PROPERTY TAX NOTICE.] 1992 H.F. No. 2940, article 3, section 10, if enacted, is amended to read:

Sec. 10. [EFFECTIVE DATE.]

Sections 2 to 9 are effective for taxes levied in 1992, payable in 1993, and thereafter *except that section 4, paragraph (g), is effective for taxes levied in 1993, payable in 1994, and thereafter.* Section 1 is effective for aids paid in 1993 and thereafter.

Sec. 25. [CORRECTION 63; HEALTH RIGHT.] 1992 H.F. No. 2800, article 1, section 6, subdivision 5, if enacted, is amended to read:

Subd. 5. [CONFLICTS OF INTEREST.] No member may participate or vote in ~~commission~~ *board* proceedings involving an individual provider, purchaser, or patient, or a specific activity or transaction, if the member has a direct financial interest in the outcome of the ~~commission's~~ *board's* proceedings other than as an individual consumer of health care services.

Sec. 26. [CORRECTION 63; HEALTH RIGHT.] 1992 H.F. No. 2800, article 1, section 9, if enacted, is amended to read:

Sec. 9. [62J.19] [SUBMISSION OF REGIONAL PLAN TO COMMISSIONER.]

Each regional coordinating ~~organization~~ *board* 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~~ *boards* exist, the commissioner has the authority to establish a public regional coordinating ~~organization~~ *board* for purposes of establishing a regional plan which will achieve the objectives. The public regional coordinating ~~organization~~ *board* shall be appointed by the commissioner and under the commissioner's direction.

Sec. 27. [CORRECTION 63; HEALTH RIGHT.] 1992 H.F. No. 2800, article 1, section 10, if enacted, is amended to read:

Sec. 10. [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~~ *board* 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~~ *board* 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.

Sec. 28. [CORRECTION 63; HEALTH RIGHT.] Minnesota Statutes 1990, section 256.936, subdivision 2a, as added by 1992 H.F. No. 2800, article 4, section 4, if enacted, is amended 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 adult enrollee and $2,500 per child enrollee per 12-month eligibility period, and chemical dependency services. Outpatient mental health services covered under the health right plan are limited to diagnostic assessments, psychological testing, explanation of findings, and individual, family, and group psychotherapy. Medication management by a physician is not subject to the $1,000 and $2,500 limitations on outpatient

mental health services. Covered health services shall be expanded as provided in this subdivision.

(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 dependency 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 those limitations necessary to coordinate the provision of these services with eligibility under the medical assistance spenddown. The inpatient hospital benefit for adult enrollees not eligible for medical assistance is subject to an annual benefit limit of $10,000. The commissioner shall provide enrollees with at least 60 days' notice of coverage for inpatient hospital services and any premium increase associated with the inclusion of this benefit.

(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 COINSURANCE.] The health right benefit plan shall include the following copayments and coinsurance requirements:

(1) ten percent for inpatient hospital services for adult enrollees not eligible for medical assistance, subject to an annual out-of-pocket maximum of $2,000 per individual and $3,000 per family;

(2) 50 percent for adult dental services, except for preventive services;

(3) $3 per prescription for adult enrollees; and

(4) $25 for eyeglasses for adult enrollees.

Enrollees who would be eligible for medical assistance with a spenddown ~~must pay~~ *shall be financially responsible for* the coinsurance amount up to the spenddown limit or the coinsurance amount, whichever is less, in order to become eligible for the medical assistance program.

Sec. 29. [CORRECTION 64; CRIME BILL.] 1992 H.F. No. 1849, article 10, section 28, if enacted, is amended to read:

Sec. 28. [CHILD ABUSE PREVENTION GRANT.]

The commissioner of ~~human services~~ *public safety* 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. 30. [CORRECTION 66; LOCAL GOVERNMENT PURCHASES.] *Laws 1992, chapter 380, takes effect the day after final enactment.*

Sec. 31. [CORRECTION 67; MEDICAL ASSISTANCE PAYMENTS.] Minnesota Statutes 1991 Supplement, section 256.969, subdivision 20, as amended by 1992 H.F. No. 2694, article 1, section 26, if enacted, 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~~ *payment rates* 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. 32. [CORRECTION 67; MEDICAL ASSISTANCE RATES.] Minnesota Statutes 1991 Supplement, section 256.969, subdivision 21, as amended by 1992 H.F. No. 2694, article 1, section 27, if enacted, is amended to read:

Subd. 21. [MENTAL HEALTH OR CHEMICAL DEPENDENCY ADMISSIONS; *RATES*.] ~~Mental health and chemical dependency inpatient hospital services for a hold or commitment ordered by the court~~ *Admissions under the general assistance medical care program occurring on or after July 1, 1990, and admissions under medical assistance, excluding general assistance medical care, occurring on or after July 1, 1990, and on or before September 30, 1992, 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* 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. 33. [CORRECTION 68; APPROPRIATION.] 1992 H.F. No. 2694, article 4, section 59, subdivision 3, if enacted, is amended to read:

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~~,~~ *or* 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.

Sec. 34. [CORRECTION 70; MERCURY.] 1992 H.F. No. 2147, section 3, subdivision 9, if enacted, is amended to read:

Subd. 9. [ENFORCEMENT; GENERATORS OF HOUSEHOLD HAZARDOUS WASTE.] (a) A violation of subdivision 2 or 4, paragraph (a), by a generator of household hazardous waste, as defined in section 115A.96, *or a violation of subdivision 8 by a person selling at retail,* is not subject to enforcement under section 115.071, subdivision 3.

(b) An administrative penalty imposed under section 116.072 for a violation of subdivision 2 or 4, paragraph (a), by a generator of household hazardous waste, as defined in section 115A.96, *or for a violation of subdivision 8 by a person selling at retail,* may not exceed $700."

Delete the title and insert:

"A bill for an act relating to legislative enactments; providing for the correction of miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors of a noncontroversial nature; amending Minnesota Statutes 1990, sections 18B.26, subdivision 3, as amended; 124.155, subdivision 1, as amended; 148B.21, subdivision 7, as added; 256.936, subdivision 2a, as added; 256B.431, subdivision 17, as added; 275.125, subdivision 6k, as added; and 477A.015; Minnesota Statutes 1991 Supplement, sections 16A.711, subdivision 5, as added; 124A.03, subdivision 2b, as added; 256.969, subdivisions 20, as amended, and 21, as amended; 275.065, subdivision 6, as amended; 275.125, subdivision 6j, as amended; and 302A.402, subdivision 3; Laws 1992, chapter 382, section 8; 1992 House File 1849, article 10, section 28; House File 2121, article 1, section 20; article 5, section 37; article 6, section 39; article 8, sections 32 and 33; House File 2147, section 3, subdivision 9; House File 2694, article 4, section 59, subdivision 3; article 5, section 2, subdivision 2; and section 12; article 7, sections 132 and 137; House File 2800, article 1, section 6, subdivision 5; sections 9 and 10; House File 2940, article 1, section 3; article 3, section 10; and article 8, by adding a section."

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

SECOND READING OF SENATE BILLS

S.F. No. 2795 was read the second time.

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S.F. No. 2795 and that the rules of the Senate be so far suspended as to give S.F. No. 2795, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

Mr. Spear moved to amend S.F. No. 2795, as amended by the Senate April 16, 1992, as follows:

Page 2, after line 7, insert:

"Sec. 2. [CORRECTION 71; RAILROADS.] 1992 H.F. No. 1701, if enacted, is amended by adding a section to read:

Sec. 22. [EFFECTIVE DATE.]

This act takes effect the day after final enactment."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Spear then moved to amend S.F. No. 2795, as amended by the Senate April 16, 1992, as follows:

Page 2, after line 7, insert:

"Sec. 2. Minnesota Statutes 1990, section 169.965, subdivision 8, as added by 1992 H.F. No. 2694, article 1, section 21, is amended to read:

Subd. 8. [ALLOCATION OF FINES.] The fines collected in Hennepin, St. Louis, and Stevens counties 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~~ *retained by* the court administrator *in Hennepin and St. Louis counties and by the city of Morris in Stevens county.*"

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Spear then moved to amend S.F. No. 2795, as amended by the Senate April 16, 1992, as follows:

Page 2, after line 7, insert:

"Sec. 2. [CORRECTION 73; DAKOTA COUNTY.] 1992 H.F. 1701, if enacted, is amended by adding a section to read:

Sec. 23. [DAKOTA COUNTY; TRANSPORTATION PLANNING.]

Subdivision 1. The Dakota county regional railroad authority may transfer any available money of the authority generated by local property tax levies and state grants, including money in capital accounts, to Dakota county to be expended to meet other transportation purposes. The commissioner of transportation shall amend any contract with Dakota county providing funds for light rail transit purposes under Laws 1989, chapter 269, section 2, subdivision 3, to allow the county to use the funds for purposes consistent with this section.

Subd. 2. This section takes effect the day following final enactment."

The motion prevailed. So the amendment was adopted.

S.F. No. 2795 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 63 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnston	Metzen	Reichgott
Beckman	DeCramer	Kelly	Moe, R.D.	Renneke
Belanger	Dicklich	Knaak	Mondale	Riveness
Benson, D.D.	Finn	Kroening	Morse	Sams
Benson, J.E.	Flynn	Laidig	Neuville	Samuelson
Berg	Frank	Langseth	Novak	Solon
Berglin	Frederickson, D.R.	Larson	Olson	Spear
Bernhagen	Gustafson	Lessard	Pappas	Stumpf
Bertram	Hottinger	Luther	Pariseau	Terwilliger
Brataas	Hughes	Marty	Piper	Traub
Chmielewski	Johnson, D.E.	McGowan	Pogemiller	Vickerman
Dahl	Johnson, D.J.	Mehrkens	Price	
Davis	Johnson, J.B.	Merriam	Ranum	

Messrs. Frederickson, D.J. and Waldorf voted in the negative.

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. McGowan introduced—

Senate Resolution No. 144: A Senate resolution commending Police Chief Bob Burlingame and Lieutenant Ron Markgraf for their many years of dedicated service for the City of Maple Grove.

Referred to the Committee on Rules and Administration.

Messrs. Moe, R.D. and Benson, D.D. introduced —

Senate Resolution No. 145: A Senate resolution commemorating the lives and work of deceased Senators.

The Honorable Ernest J. Anderson 1955-1972
The Honorable Robert O. Ashbach 1967-1982
The Honorable John Blatnik 1941-1946
The Honorable John C. Chenoweth 1971-1980
The Honorable Victor Christgau 1927-1928
The Honorable Robert R. Dunlap 1953-1966
The Honorable Richard W. Fitzsimons 1973-1976
The Honorable Raymond J. Higgins 1965-1970
The Honorable Doran L. Isackson 1983-1986
The Honorable Carl A. Jensen 1967-1980
The Honorable Raymond J. Julkowski 1939-1954
The Honorable Jack I. Kleinbaum 1973-1980
The Honorable Henry Nycklemoe 1955-1958
The Honorable Richard J. Parish 1963-1966 and 1971-1972
The Honorable Gordon Rosenmeier 1941-1970
The Honorable Knut Magnus Wefald 1947-1958
The Honorable Myrton Wegener 1971-1982

The Honorable John Zwach 1947-1966

WHEREAS, those in public office need an uncommon dedication to meet the demands upon their time, resources, and talents; and

WHEREAS, in the history of the Minnesota Senate, there have been countless Senators who have left a heritage of noble deeds, thoughts, and acts; and

WHEREAS, in their endeavors to legislate for the common good of the people of this state, they strove to represent fairly the rights of the people; and

WHEREAS, their spirits continually challenge, enlighten, and encourage those who remain to exercise the work of government; and

WHEREAS, Senators of today take courage and inspiration from those noble servants of another time who saw it better to serve than to be served, and to work honestly and diligently for the common good; NOW, THEREFORE,

BE IT RESOLVED by the Senate of the State of Minnesota that it recognizes the tremendous contributions of the following deceased Senators: The Honorable Ernest J. Anderson, 1955-1972; The Honorable Robert O. Ashbach, 1967-1982; The Honorable John Blatnik, 1941-1946; The Honorable John C. Chenoweth, 1971-1980; The Honorable Victor Christgau, 1927-1928; The Honorable Robert R. Dunlap, 1953-1966; The Honorable Richard W. Fitzsimons, 1973-1976; The Honorable Raymond J. Higgins, 1965-1970; The Honorable Doran L. Isackson, 1983-1986; The Honorable Carl A. Jensen, 1967-1980; The Honorable Raymond J. Julkowski, 1939-1954; The Honorable Jack I. Kleinbaum, 1973-1980; The Honorable Henry Nycklemoe, 1955-1958; The Honorable Richard J. Parish, 1963-1966 and 1971-1972; The Honorable Gordon Rosenmeier, 1941-1970; The Honorable Knut Magnus Wefald, 1947-1958; The Honorable Myrton Wegener, 1971-1982; and The Honorable John Zwach, 1947-1966. Their dedication to the public good is a source of inspiration to, and is worthy of emulation by, their present-day colleagues.

BE IT FURTHER RESOLVED that the Secretary of the Senate is directed to prepare enrolled copies of this resolution, to be authenticated by his signature and that of the Chair of the Senate Rules and Administration Committee, and present them to appropriate relatives of those commemorated by this resolution.

Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

Messrs. Moe, R.D. and Benson, D.D. introduced —

Senate Resolution No. 146: A Senate resolution relating to conduct of Senate business during the interim between Sessions.

BE IT RESOLVED, by the Senate of the State of Minnesota:

The powers, duties, and procedures set forth in this resolution apply during the interim between the adjournment sine die of the 77th Legislature, 1992 Session, and the convening of the 78th Legislature, 1993 Session.

The Committee on Rules and Administration may, from time to time, assign to the various committees and subcommittees of the Senate, in the interim, matters brought to its attention by any member of the Senate for

study and investigation. The standing committees and subcommittees may study and investigate all subjects that come within their usual jurisdiction, as provided by Minnesota Statutes, Section 3.921. A committee shall carry on its work by subcommittee or by committee action as the committee from time to time determines. Any study undertaken by any of the standing committees, or any subcommittee thereof, shall be coordinated to the greatest extent possible with other standing committees or subcommittees of the Senate and House of Representatives, and may, if the committee or subcommittee so determines, be carried on jointly with another committee or subcommittee of the Senate or House of Representatives.

The Subcommittee on Committees of the Committee on Rules and Administration shall appoint persons as necessary to fill any vacancies that may occur in committees, commissions, and other bodies whose members are to be appointed by the Senate authorized by rule, statute, resolution, or otherwise. The Subcommittee on Committees may appoint members of the Senate to assist in the work of any committee.

The Committee on Rules and Administration shall establish positions, set compensation and benefits, appoint employees, and authorize expense reimbursement as it deems proper to carry out the work of the Senate.

The Committee on Rules and Administration may authorize members of the Senate and personnel employed by the Senate to travel and to attend courses of instruction or conferences for the purpose of improving and making more efficient Senate operation and may reimburse these persons for the costs thereof out of monies appropriated to the Senate for the standing committees.

All members of activated standing committees or subcommittees of the Senate, and staff, shall be reimbursed for all expenses actually and necessarily incurred in the performance of their duties during the interim in the manner provided by law. Payment shall be made by the Secretary of the Senate out of monies appropriated to the Senate for the standing committees. The Committee on Rules and Administration shall determine the amount and manner of reimbursement for living and other expenses of each member of the Senate incurred in the performance of his duties when the Legislature is not in regular session.

The Secretary of the Senate shall continue to perform his duties during the interim. During the interim, but not including time which may be spent in any special session, the Secretary of the Senate shall be paid for services rendered the Senate at the rate established for that position for the 1992 regular session, unless otherwise directed by the Committee on Rules and Administration, plus travel and subsistence expense incurred incidental to his Senate duties, including salary and travel expense incurred in attending meetings of the American Society of Legislative Clerks and Secretaries and the National Conference of State Legislatures.

Should a vacancy occur in the position of Secretary of the Senate, by resignation or other causes, the Committee on Rules and Administration shall appoint an acting Secretary of the Senate who shall serve in such capacity during the remainder of the interim under the provisions herein specified.

The Secretary of the Senate is authorized to employ after the close of the session, the employees necessary to finish the business of the Senate at the salaries paid under the rules of the Senate for the 1992 regular session.

He is authorized to employ the necessary employees to prepare for the 1993 session at the salaries in effect at that time.

The Secretary of the Senate shall classify as "permanent" for purposes of Minnesota Statutes, Sections 3.095 and 43A.24, those Senate employees heretofore or hereafter certified as "permanent" by the Committee on Rules and Administration.

The Secretary of the Senate, as authorized and directed by the Committee on Rules and Administration, shall furnish each member of the Senate with postage and supplies, and may reimburse each member for long distance telephone calls and answering services upon proper verification of the expenses incurred, and for other expenses authorized from time to time by the Committee on Rules and Administration.

The Secretary of the Senate shall correct and approve the Journal of the Senate for those days that have not been corrected and approved by the Senate, and shall correct printing errors found in the Journal of the Senate for the 77th Legislature. He may include in the Senate Journal proceedings of the last day, appointments by the Subcommittee on Committees to interim commissions created by legislative action, permanent commissions or committees established by statute, standing committees, official communications and other matters of record received on or after adjournment sine die.

The Secretary of the Senate may pay election and litigation costs up to a maximum of $125.00 per hour as authorized by the Committee on Rules and Administration.

The Secretary of the Senate, with the approval of the Committee on Rules and Administration, shall secure bids and enter into contracts for the printing of the daily Senate journals, bills, general orders, special orders, calendars, resolutions, printing and binding of the permanent Senate Journal, shall secure bids and enter into contracts for remodeling, improvement and furnishing of Senate office space, conference rooms and the Senate Chamber and shall purchase all supplies, equipment and other goods and services necessary to carry out the work of the Senate. Any contracts in excess of $5,000 shall be signed by the Chair of the Committee on Rules and Administration and another member designated by the Committee on Rules and Administration.

The Secretary of the Senate shall draw warrants from the legislative expense fund in payment of the accounts herein referred to.

All Senate records, including committee books, are subject to the direction of the Committee on Rules and Administration.

The Senate Chamber, retiring room, committee rooms, all conference rooms, storage rooms, Secretary of the Senate's office, Rules and Administration office, and any and all other space assigned to the Senate shall be reserved for use by the Senate and its standing committees only and shall not be released or used for any other purpose except upon authorization of the Secretary of the Senate with the approval of the Committee on Rules and Administration, or the Chair thereof.

The custodian of the Capitol shall continue to provide parking space through the Secretary of the Senate for members and staff of the Minnesota State Senate on Aurora Avenue and other areas as may be required during the interim. The Secretary of the Senate may deduct from the check of any legislator or legislative employee a sum adequate to cover the exercise of

the parking privilege herein defined in conformity with the practice of the department of Administration.

Mr. Moe, R.D. moved the adoption of the foregoing resolution.

The question was taken on the adoption of the resolution.

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

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Merriam	Ranum
Beckman	DeCramer	Johnston	Metzen	Reichgott
Belanger	Dicklich	Kelly	Moe, R.D.	Renneke
Benson, D.D.	Finn	Knaak	Mondale	Riveness
Benson, J.E.	Flynn	Kroening	Morse	Sams
Berg	Frank	Laidig	Neuville	Samuelson
Berglin	Frederickson, D.J.	Langseth	Novak	Solon
Bernhagen	Frederickson, D.R.	Larson	Olson	Spear
Bertram	Gustafson	Lessard	Pappas	Stumpf
Brataas	Hottinger	Luther	Pariseau	Terwilliger
Chmielewski	Hughes	Marty	Piper	Traub
Dahl	Johnson, D.E.	McGowan	Pogemiller	Vickerman
Davis	Johnson, D.J.	Mehrkens	Price	Waldorf

The motion prevailed. So the resolution was adopted.

Messrs. Moe, R.D. and Benson, D.D. introduced —

Senate Resolution No. 147: A Senate resolution relating to notifying the House of Representatives the Senate is about to adjourn sine die.

BE IT RESOLVED, by the Senate of the State of Minnesota:

That the Secretary of the Senate shall notify the House of Representatives the Senate is about to adjourn sine die.

Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

Messrs. Moe, R.D. and Benson, D.D. introduced —

Senate Resolution No. 148: A Senate resolution relating to notifying the Governor the Senate is about to adjourn sine die.

BE IT RESOLVED, by the Senate of the State of Minnesota:

That the Secretary of the Senate shall notify The Honorable Arne H. Carlson, Governor of the State of Minnesota, the Senate is ready to adjourn sine die.

Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1880: A bill for an act relating to workers' compensation; funding

various activities of the department of labor and industry; appropriating money.

Senate File No. 1880 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

CONCURRENCE AND REPASSAGE

Mr. Chmielewski moved that the Senate concur in the amendments by the House to S.F. No. 1880 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1880 was read the third time, as amended by the House, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Merriam	Ranum
Beckman	DeCramer	Johnston	Metzen	Reichgott
Belanger	Dicklich	Kelly	Moe, R.D.	Renneke
Benson, D.D.	Finn	Knaak	Mondale	Riveness
Benson, J.E.	Flynn	Kroening	Morse	Sams
Berg	Frank	Laidig	Neuville	Samuelson
Berglin	Frederickson, D.J.	Langseth	Novak	Solon
Bernhagen	Frederickson, D.R.	Larson	Olson	Spear
Bertram	Gustafson	Lessard	Pappas	Stumpf
Brataas	Hottinger	Luther	Pariseau	Terwilliger
Chmielewski	Hughes	Marty	Piper	Traub
Dahl	Johnson, D.E.	McGowan	Pogemiller	Vickerman
Davis	Johnson, D.J.	Mehrkens	Price	Waldorf

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to inform the Senate that the House of Representatives of the State of Minnesota is about to adjourn the 77th Session sine die.

Edward A. Burdick, Chief Clerk, House of Representatives

April 16, 1992

MEMBERS EXCUSED

Mr. Pogemiller was excused from the Session of today from 11:00 a.m. to 12:10 p.m. and from 2:00 to 3:00 p.m. Mr. Davis was excused from the Session of today from 11:00 a.m. to 12:00 noon. Mr. Hottinger was excused from the Session of today from 1:30 to 2:45 p.m. Mr. Neuville was excused from the Session of today from 11:00 a.m. to 12:30 p.m. Messrs. Price and Johnson, D.J. were excused from the Session of today from 5:30 to 6:00 p.m. Mrs. Brataas was excused from the Session of today from 11:00 a.m. to 5:30 p.m. Mr. Dahl was excused from the Session of today until 1:00

p.m. Mr. Chmielewski was excused from the Session of today from 2:15 to 2:45 p.m. Mr. Mondale was excused from the Session of today from 2:45 to 3:00 p.m. Ms. Berglin was excused from the Session of today from 5:00 to 6:00 p.m. Ms. Reichgott, Messrs. Riveness and Sams were excused from the Session of today from 5:30 to 6:30 p.m. Mr. Halberg was excused from the Session of today at 12:30 a.m.

ADJOURNMENT

Mr. Bernhagen moved that the Senate do now adjourn sine die. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

COMMUNICATIONS RECEIVED SUBSEQUENT TO ADJOURNMENT

MESSAGES FROM THE HOUSE

April 15, 1992

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 2795.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1959, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1959: 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 subdivisions; and 86B.401, subdivision 11; Minnesota Statutes 1991 Supplement, sections 84.968; 84.9691; and 86B.415, subdivision 7.

Senate File No. 1959 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2137, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 2137: A bill for an act relating to health; modifying requirements for lead education, assessment, screening and abatement; transferring rule authority from the commissioner of the pollution control agency; defining a residential hospice facility; modifying hospice program conditions; limiting the number of residential hospice facilities; requiring a report; amending Minnesota Statutes 1990, sections 144.871, subdivisions 3, 6, 8, and by adding subdivisions; 144.872, subdivisions 1, 2, 3, and 4; 144.873, subdivisions 2 and 3; 144.874, subdivision 4; 144.876; 144.878, subdivision 2, and by adding a subdivision; and 144A.48, subdivision 1, and 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; and 326.87, subdivision 1; repealing Minnesota Statutes 1990, sections 116.51; 116.52; 116.53, subdivision 1; and 144.878, subdivision 4.

Senate File No. 2137 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

I have the honor to announce the adoption by the house of the following Senate Concurrent Resolution, herewith returned:

Senate Concurrent Resolution No. 11: A Senate concurrent resolution urging certain committees of the Senate and the House of Representatives to conduct an evaluation of funding for community action agency programs.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

EXECUTIVE AND OFFICIAL COMMUNICATIONS

April 15, 1992

The Honorable Jerome M. Hughes
President of the Senate

Dear President Hughes:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 1729, 1801, 1856, 2368, 2547 and 2694.

Warmest regards,
Arne H. Carlson, Governor

April 16, 1992

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
	2438	446		April 15
2177		453	4:47 p.m. April 14	April 15

Sincerely,
Joan Anderson Growe
Secretary of State

April 17, 1992

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
2368		461	1:25 p.m. April 15	April 16
1856		463	1:03 p.m. April 15	April 16
	2647	464	1:07 p.m. April 15	April 16
	2756	465	1:09 p.m. April 15	April 16
2694		468	1:12 p.m. April 15	April 16
2547		471	1:22 p.m. April 15	April 16
1801		472	1:17 p.m. April 15	April 16
1729		473	1:12 p.m. April 15	April 16

Sincerely,
Joan Anderson Growe
Secretary of State

April 17, 1992

The Honorable Jerome M. Hughes
President of the Senate

Dear President Hughes:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 522, 1716, 1805, 2037, 2234, 2247, 2298, 2380, 2389, 1935, 1399 and 2185.

Warmest regards,
Arne H. Carlson, Governor

April 20, 1992

The Honorable Jerome M. Hughes
President of the Senate

Dear President Hughes:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 979, 1319, 1590, 1854, 2017, 2282, 2430, 2556 and 2728.

Warmest regards,
Arne H. Carlson, Governor

April 21, 1992

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
2037		458	10:08 a.m. April 17	April 20
2247		459	10:02 a.m. April 17	April 20
2234		460	9:58 a.m. April 17	April 20
2389		462	9:57 a.m. April 17	April 20
2298		466	9:56 a.m. April 17	April 20
2380		467	9:56 a.m. April 17	April 20
522		469	9:54 a.m. April 17	April 20
1805		470	9:50 a.m. April 17	April 20
1716		474	10:53 a.m. April 17	April 20
	2623	476	5:30 p.m. April 17	April 20
	2551	477	5:20 p.m. April 17	April 20
1399		478	5:15 p.m. April 17	April 20
2185		479	5:10 p.m. April 17	April 20
1935		480	5:12 p.m. April 17	April 20
	2849	481	5:27 p.m. April 17	April 20
	765	482	5:17 p.m. April 17	April 20
	1948	483	5:20 p.m. April 17	April 20
1590		484	6:01 p.m. April 20	April 21
979		485	4:48 p.m. April 20	April 20
	2709	486	4:40 p.m. April 20	April 20
	419	487	4:20 p.m. April 20	April 20
	1873	488	4:54 p.m. April 20	April 20
2728		489	4:45 p.m. April 20	April 20
2430		490	4:36 p.m. April 20	April 20
	2435	491	4:55 p.m. April 20	April 20
	699	492	4:57 p.m. April 20	April 20
2017		493	4:38 p.m. April 20	April 20
2282		494	4:57 p.m. April 20	April 20
2556		496	4:39 p.m. April 20	April 20
1319		497	4:52 p.m. April 20	April 20
1854		498	4:43 p.m. April 20	April 20

Sincerely,
Joan Anderson Growe
Secretary of State

April 23, 1992

The Honorable Jerome M. Hughes
President of the Senate

Dear President Hughes:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 512, 1787 and 2088.

Warmest regards,
Arne H. Carlson, Governor

April 23, 1992

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
512		500	11:47 a.m. April 23	April 23
1787		502	11:52 a.m. April 23	April 23
2088		503	11:48 a.m. April 23	April 23
	2106	504	11:54 a.m. April 23	April 23
	1957	505	11:55 a.m. April 23	April 23
	1985	512	11:55 a.m. April 23	April 23
	2800	549	9:40 a.m. April 23	April 23

Sincerely,
Joan Anderson Growe
Secretary of State

April 24, 1992

The Honorable Jerome M. Hughes
President of the Senate

Dear President Hughes:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 1644, 1778, 2111, 2186 and 2314.

Warmest regards,
Arne H. Carlson, Governor

April 27, 1992

The Honorable Jerome M. Hughes
President of the Senate

Dear President Hughes:

It is my honor to inform you that I have received, approved, signed and

deposited in the Office of the Secretary of State. S.F. Nos. 695, 1619, 1821, 1880, 1893, 1917, 1938, 1959, 2162, 2199, 2213, 2233, 2257, 2463, 2475, 2499, 2514, 2565, 2628, 2662, 2732, 2746, 2750 and 2781.

Warmest regards,
Arne H. Carlson, Governor

April 28, 1992

The Honorable Jerome M. Hughes
President of the Senate

Dear President Hughes:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 2107.

Warmest regards,
Arne H. Carlson, Governor

April 28, 1992

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
1778		Res. No. 10	4:16 p.m. April 24	April 27
	2940	511	11:13 a.m. April 24	April 27
2186		515	4:00 p.m. April 24	April 27
	2804	521	4:02 p.m. April 24	April 27
	2250	523	4:04 p.m. April 24	April 27
	2273	526	4:00 p.m. April 24	April 27
	1738	529	4:08 p.m. April 24	April 27
2111		535	4:10 p.m. April 24	April 27
	2586	550	4:15 p.m. April 24	April 27
1644		565	4:17 p.m. April 24	April 27
2314		590	4:16 p.m. April 24	April 27

Sincerely,
Joan Anderson Growe
Secretary of State

April 29, 1992

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
	217	507	1:46 p.m. April 27	April 28
2107		510	8:40 a.m. April 28	April 28
	2749	518	1:46 p.m. April 27	April 28
	2115	519	1:48 p.m. April 27	April 28
	1980	520	1:49 p.m. April 27	April 28
	769	525	1:50 p.m. April 27	April 28
2257		532	1:52 p.m. April 27	April 28
1938		533	1:53 p.m. April 27	April 28
2514		534	1:54 p.m. April 27	April 28
2499		536	1:55 p.m. April 27	April 28
1619		537	1:56 p.m. April 27	April 28
1917		539	1:57 p.m. April 27	April 28
2463		540	1:57 p.m. April 27	April 28
2781		541	1:58 p.m. April 27	April 28
2746		542	1:59 p.m. April 27	April 28
	2717	544	2:00 p.m. April 27	April 28
	2884	545	2:01 p.m. April 27	April 28
	2649	547	2:02 p.m. April 27	April 28
	2000	548	2:02 p.m. April 27	April 28
	2608	552	2:03 p.m. April 27	April 28
2628		553	2:03 p.m. April 27	April 28
2662		555	2:04 p.m. April 27	April 28
1821		557	2:05 p.m. April 27	April 28
2732		559	2:06 p.m. April 27	April 28
2750		563	2:07 p.m. April 27	April 28
	2030	568	2:08 p.m. April 27	April 28
1893		572	2:09 p.m. April 27	April 28
2233		573	2:10 p.m. April 27	April 28
695		578	2:11 p.m. April 27	April 28
	155	580	2:12 p.m. April 27	April 28
2565		582	2:12 p.m. April 27	April 28
2213		587	2:13 p.m. April 27	April 28
2475		588	2:14 p.m. April 27	April 28
2162		589	2:15 p.m. April 27	April 28
2199		593	2:16 p.m. April 27	April 28
1959		594	2:18 p.m. April 27	April 28
1880		599	2:20 p.m. April 27	April 28

Sincerely,
Joan Anderson Growe
Secretary of State

April 29, 1992

The Honorable Jerome M. Hughes
President of the Senate

Dear President Hughes:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 651, 897, 1648, 1691, 1693, 1841, 1898, 2011, 2115, 2137, 2144, 2194, 2336, 2418, 2432, 2509, 2699, 2743 and 2795.

Warmest regards,
Arne H. Carlson, Governor

April 29, 1992

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
	1681	564	8:12 a.m. April 29	April 29
2432		566	8:15 a.m. April 29	April 29
	2848	567	8:16 a.m. April 29	April 29
	2181	569	8:17 a.m. April 29	April 29
897		570	8:20 a.m. April 29	April 29
	1849	571	4:09 p.m. April 29	April 29
651		574	10:23 a.m. April 29	April 29
2509		575	8:21 a.m. April 29	April 29
1898		576	8:22 a.m. April 29	April 29
1693		577	8:22 a.m. April 29	April 29
2144		579	8:23 a.m. April 29	April 29
	1701	581	8:25 a.m. April 29	April 29
2115		583	8:28 a.m. April 29	April 29
2011		584	8:29 a.m. April 29	April 29
1841		585	10:37 a.m. April 29	April 29
2418		586	8:27 a.m. April 29	April 29
1691		591	8:29 a.m. April 29	April 29
2194		592	8:32 a.m. April 29	April 29
2137		595	4:02 p.m. April 29	April 29
	2001	596	8:34 a.m. April 29	April 29
	2134	597	8:35 a.m. April 29	April 29
	2025	598	8:36 a.m. April 29	April 29
	2368	600	8:38 a.m. April 29	April 29
	1453	601	8:40 a.m. April 29	April 29
	2734	602	8:41 a.m. April 29	April 29
2795		603	11:09 a.m. April 29	April 29

Sincerely,
Joan Anderson Growe
Secretary of State

May 1, 1992

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
	2121	499	7:43 a.m. April 29	April 29
	31	508	7:45 a.m. April 29	April 29
	2694	513	11:12 a.m. April 29	April 29
2699		514	7:51 a.m. April 29	April 29
	2113	516	7:53 a.m. April 29	April 29
	1910	517	7:54 a.m. April 29	April 29
	2501	522	4:04 p.m. April 29	April 29
	2099	524	7:56 a.m. April 29	April 29
	2750	527	7:57 a.m. April 29	April 29
	1960	530	8:00 a.m. April 29	April 29
2336		538	8:02 a.m. April 29	April 29
1648		543	8:05 a.m. April 29	April 29
	2437	546	8:04 a.m. April 29	April 29
	2269	551	8:07 a.m. April 29	April 29
2743		554	8:08 a.m. April 29	April 29
	2031	556	8:09 a.m. April 29	April 29
	2147	560	8:10 a.m. April 29	April 29
	2280	561	8:12 a.m. April 29	April 29
	1903	558	11:08 a.m. April 29	April 29

Sincerely,
Joan Anderson Growe
Secretary of State

May 1, 1992

Ms. Joan Anderson Growe
Secretary of State

Dear Secretary of State Growe:

It is my honor to inform you that I have pocket vetoed the following bills: Chapter 475 (H.F. No. 2211), Chapter 495 (S.F. No. 2286), Chapter 501 (S.F. No. 2510), Chapter 506 (S.F. No. 2136), Chapter 509 (S.F. No. 1230), Chapter 528 (H.F. No. 2261), Chapter 531 (H.F. No. 1838) and Chapter 562 (S.F. No. 735).

Warmest regards,
Arne H. Carlson, Governor

June 26, 1992

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The Subcommittee on Committees met on June 10, 1992 and by appropriate action made the following appointments:

Pursuant to Minnesota Statutes 1990

15A.082: Compensation Council - Messrs. Luther, Spear and Mehrkens

137.0245: Regent Candidate Advisory Council - Mr. Thomas Gedde

Pursuant to Minnesota Laws 1990

Chapter 542, Section 39: Heritage Task Force - Mses. Jan Lindstrom and Elena Izaaksonas

Pursuant to Minnesota Laws 1992

Chapter 549, Article 1, Section 5: Legislative Commission on Health Care Access - Mses. Berglin; Piper; Traub; Benson, J.E and Mr. Benson, D.D.

Chapter 550: Capital City Cultural Resources Commission - Messrs. Kelly, Cohen and Hughes

Chapter 570, Article 1, Section 29: Commission on Confinement and Treatment of DWI Recidivists - Messrs. Marty, Neuville, Steve Simon, Mses. Jan Krocheski, Jane Nakken, Messrs. Norm Hoffman, Bob Hoven, Mses. Jenny Walker and Cindy Turnere

Chapter 571, Article 7, Section 13: Advisory Task Force on the Juvenile Justice System - Messrs. Kelly and McGowan

Respectfully,
Roger D. Moe, Chair
Subcommittee on Committees

October 2, 1992

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The Subcommittee on Committees met and by appropriate action made the following appointments:

Pursuant to Minnesota Laws 1990

Chapter 542, Section 39: Heritage Task Force - Ann Stiehm Ahlstrom, Thorwald Esbensen, Vivian Jenkens Nelson, Carol Ogren and Paula Richey

Pursuant to Minnesota Laws 1991

Chapter 291, Article 2, Section 1: Advisory Commission on Intergovernmental Relations - Ms. Reichgott and Mr. Mehrkens

Pursuant to Minnesota Laws 1992

Chapter 511, Article 8, Section 35: Minneapolis Teachers Retirement Advisory Committee - Mr. Pogemiller

Chapter 549, Article 1, Section 4: Minnesota Health Care Commission - Diane Wray Williams

Respectfully,
Roger D. Moe, Chair
Subcommittee on Committees

October 2, 1992

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have made the following appointments:

Pursuant to Minnesota Laws 1992

Chapter 510, Article 3, Section 10: Advisory Council on Workers' Compensation - Bob Rootes

Chapter 571, Article 7, Section 14: Advisory Task Force on Mentoring and Community Services - Messrs. Beckman, Belanger and Marty

Respectfully,
Roger D. Moe
Senate Majority Leader