

FORTY-SIXTH DAY

St. Paul, Minnesota, Tuesday, April 25, 1995

The Senate met at 9:00 a.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Thomas M. Hansen.

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

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

The President declared a quorum present.

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

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. 1000.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 24, 1995

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 1000: A bill for an act relating to education; prekindergarten through grade 12; providing for general education revenue; transportation; special programs; community education; facilities; organization and cooperation; education excellence; other programs; miscellaneous

provisions; libraries; state agencies; technology; conforming amendments; appropriating money; amending Minnesota Statutes 1994, sections 43A.316, subdivision 2; 62L.08, subdivision 7a; 116J.655; 120.062, subdivision 7; 120.064, subdivision 4; 120.101, subdivision 5c; 120.17, subdivisions 3a, 3b, and by adding a subdivision; 120.185; 120.74, subdivision 1; 120.75, subdivision 1; 121.11, subdivision 7c; 121.702, by adding a subdivision; 121.705; 121.706; 121.707, subdivisions 4, 6, and 7; 121.708; 121.709; 121.710; 121.885, subdivisions 1 and 4; 121.904, subdivisions 4a and 4c; 121.912, subdivisions 1, 1b, and 6; 121.935, subdivision 1; 122.21, subdivision 4; 122.23, subdivision 2; 122.242, subdivision 9; 122.895, subdivisions 1, 8, and 9; 122.91, subdivisions 1, 2, and 2a; 122.92, subdivision 1; 122.93, subdivision 1; 122.94, subdivision 1; 123.35, subdivision 19b; 123.351, subdivisions 1, 3, 4, and 5; 123.3514, subdivisions 4d, 7, 8, and by adding a subdivision; 123.70, subdivision 8; 123.7991, subdivisions 2 and 3; 123.805, subdivisions 1 and 2; 124.14, by adding a subdivision; 124.17, subdivisions 1, 2f, and by adding a subdivision; 124.193; 124.195, subdivision 10, and by adding a subdivision; 124.2139; 124.214, subdivisions 2 and 3; 124.223, subdivision 7; 124.225, subdivisions 1, 3a, 7b, 7d, 7f, 8a, and 8m; 124.226, subdivisions 1 and 3; 124.243, subdivisions 2 and 8; 124.244, subdivisions 1, 4, and by adding a subdivision; 124.2455; 124.2711, subdivision 2a; 124.2713, subdivision 6; 124.2725, subdivisions 1, 3, 4, and 15; 124.2726, subdivision 1; 124.273, by adding subdivisions; 124.32, subdivisions 10 and 12; 124.321, subdivisions 1 and 2; 124.322; 124.323, subdivisions 1, 2, and by adding a subdivision; 124.573, subdivision 2e; 124.574, subdivision 9, and by adding subdivisions; 124.83, subdivision 4; 124.84, subdivision 3; 124.91, subdivision 5; 124.916, subdivision 2; 124.95, subdivisions 2, 4, and 6; 124.961; 124A.03, subdivisions 1g and 1h; 124A.0311, subdivision 4; 124A.22, subdivisions 2, 2a, 4, 4a, 4b, 8a, and 9; 124A.225, subdivisions 4 and 5; 124A.23, subdivisions 1 and 4; 124A.24; 124A.29, subdivision 1; 124C.07; 124C.08, subdivision 2; 124C.45, subdivision 1; 124C.46, subdivision 2; 124C.48, subdivision 1; 125.62, subdivisions 1 and 7; 125.623, subdivision 2; 126.031, subdivision 1; 126.15, subdivision 2; 126.49, by adding a subdivision; 126.70, subdivision 2a; 126A.01; 126A.02, subdivision 2; 126B.01; 126B.03, subdivisions 2 and 3; 127.30, subdivision 2; 128A.02, subdivisions 1, 3, 5, and by adding a subdivision; 128A.021; 128A.022, subdivisions 1 and 6; 128A.024, subdivision 4; 128A.025, subdivisions 1 and 2; 128A.026; 128A.05, subdivisions 1 and 2; 128B.10, subdivision 1; 134.155; 134.34, subdivision 4a; 134.351, subdivision 4; 169.01, subdivision 6; 169.21, subdivision 2; 169.444, subdivision 2; 169.4502, subdivision 4; 169.4503, by adding a subdivision; 169.451, by adding a subdivision; 169.452; 169.454, subdivision 5, and by adding a subdivision; 171.01, subdivision 21; 171.18, subdivision 1; 171.321, subdivisions 3, 4, and 5; 171.3215, subdivisions 1, 2, and 3; 237.065; 631.40, subdivision 1a; Laws 1992, chapter 499, article 11, section 9, as amended; Laws 1993, chapter 224, article 8, section 21, subdivision 1; Laws 1993, chapter 224, article 12, section 32, as amended; Laws 1993, chapter 224, article 12, sections 39, and 41; Laws 1994, chapter 587, article 3, section 19, subdivision 1; Laws 1994, chapter 647, article 1, section 36; Laws 1994, chapter 647, article 3, section 25; Laws 1994, chapter 647, article 7, section 15; proposing coding for new law in Minnesota Statutes, chapters 123; 124; 124C; 125; 126; 126B; 127; 134; 136D; 169; 604A; repealing Minnesota Statutes 1994, sections 121.602, subdivision 5; 121.702, subdivision 9; 121.703; 123.58; 124.17, subdivision 1b; 124.243, subdivisions 2a and 9; 124.2714; 124.273, subdivisions 1b and 2c; 124.32, subdivisions 1b, 1c, 1d, 1f, 2, and 3a; 124.574, subdivisions 2b, 3, 4, and 4a; 124.91, subdivision 5; 124.912, subdivision 8; 124.914, subdivisions 2, 3, and 4; 124.962; 124A.04, subdivision 1; 124A.27, subdivision 11; 124A.29, subdivision 2; 124A.291; 124A.292; 125.138, subdivisions 6, 7, 8, 9, 10, and 11; 126.019; 126B.02; 126B.03; 126B.04; 126B.05; 128A.02, subdivisions 2 and 4; 128A.03; 268.9755; Laws 1991, chapter 265, article 5, section 23, as amended; Laws 1992, chapter 499, article 7, sections 16, 17, and 27.

Mr. Moe, R.D. moved that H.F. No. 1000 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. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 244 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.
244S.F. No.
306

H.F. No.

S.F. No.

H.F. No.

S.F. No.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 244 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 244 and insert the language after the enacting clause of S.F. No. 306, the second engrossment; further, delete the title of H.F. No. 244 and insert the title of S.F. No. 306, the second engrossment.

And when so amended H.F. No. 244 will be identical to S.F. No. 306, and further recommends that H.F. No. 244 be given its second reading and substituted for S.F. No. 306, 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. 1056 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.
1056S.F. No.
837

H.F. No.

S.F. No.

H.F. No.

S.F. No.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1056 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1056 and insert the language after the enacting clause of S.F. No. 837, the first engrossment; further, delete the title of H.F. No. 1056 and insert the title of S.F. No. 837, the first engrossment.

And when so amended H.F. No. 1056 will be identical to S.F. No. 837, and further recommends that H.F. No. 1056 be given its second reading and substituted for S.F. No. 837, 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. 1709 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.
1709S.F. No.
1523

H.F. No.

S.F. No.

H.F. No.

S.F. No.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1709 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1709 and insert the language after the enacting clause of S.F. No. 1523, the first engrossment; further, delete the title of H.F. No. 1709 and insert the title of S.F. No. 1523, the first engrossment.

And when so amended H.F. No. 1709 will be identical to S.F. No. 1523, and further recommends that H.F. No. 1709 be given its second reading and substituted for S.F. No. 1523, 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. 244, 1056 and 1709 were read the second time.

MOTIONS AND RESOLUTIONS

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 bill was read the first time and referred to the committee indicated.

Mr. Solon introduced--

S.F. No. 1681: A bill for an act proposing an amendment to the Minnesota Constitution, article XIII, section 1; prohibiting financing of certain education costs with property taxes.

Referred to the Committee on Taxes and Tax Laws.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1653 a special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1653: A bill for an act relating to the organization and operation of state government; appropriating money for state courts, public safety, public defense, corrections, and related purposes; providing for the transfer of certain money in the state treasury; providing penalties; amending Minnesota Statutes 1994, sections 2.722, subdivision 1, and by adding a subdivision; 3.732, subdivision 1; 15A.081, subdivision 1; 16A.285; 16B.14; 16B.46; 16B.54, subdivision 2; 176.192; 242.31, subdivision 1; 243.23, subdivision 3; 243.51, subdivisions 1 and 3; 243.88, by adding a subdivision; 260.115, subdivision 1; 260.125; 260.126, subdivision 5; 260.131, subdivision 4; 260.181, subdivision 4; 260.185, subdivision 6, and by adding subdivisions; 260.193, subdivision 4; 260.215, subdivision 1; 260.291, subdivision 1; 297C.09; 297C.10, subdivision 1; 299A.02; 299A.31, subdivision 1; 299A.331, subdivision 1; 299A.38, subdivisions 1 and 2; 299A.44; 299A.51, subdivision 2; 299C.01; 299C.03; 299C.065, subdivision 1a; 299C.10, by adding a subdivision; 299C.13; 299C.50; 299C.62, subdivision 4; 299C.65, subdivisions 1 and 2; 352B.01, subdivision 2; 357.021, subdivision 2; 360.0753, subdivision 6; 481.01; 609.055, subdivision 2; 609.101, subdivisions 1, 2, and 3; 609.135, by adding a subdivision; 609.748, subdivision 3a; 611.17; 611.20, by adding subdivisions; 611.35, subdivision 1; 611A.19, subdivision 1; 611A.20, subdivision 2; 624.7151; 626.5531, subdivision 2; 626.562, subdivision 1; 626.841; 626.861, subdivisions 1 and 4; 634.16; 641.14; Laws 1993, chapter 255, sections 1, subdivisions 1 and 4; and 2; proposing coding for new law in Minnesota Statutes, chapters 120; 242; 260; 299A; 299C; 611A; 626.

Mr. Murphy moved to amend S.F. No. 1653 as follows:

Page 17, delete section 5

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 28 and nays 34, as follows:

Those who voted in the affirmative were:

Belanger	Hanson	Laidig	Novak	Scheevel
Bertram	Johnson, D.E.	Larson	Ourada	Stevens
Day	Johnston	Lesewski	Pariseau	Terwilliger
Dille	Kleis	Limmer	Robertson	Wiener
Finn	Knutson	Marty	Sams	
Frederickson	Kramer	Murphy	Samuelson	

Those who voted in the negative were:

Anderson	Cohen	Kroening	Oliver	Reichgott Junge
Beckman	Flynn	Langseth	Olson	Riveness
Berg	Hottinger	Merriam	Pappas	Solon
Berglin	Johnson, J.B.	Metzen	Piper	Spear
Betzold	Kelly	Mondale	Pogemiller	Stumpf
Chandler	Kiscaden	Morse	Price	Vickerman
Chmielewski	Krentz	Neuville	Ranum	

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

Mr. Johnson, D.E. moved to amend S.F. No. 1653 as follows:

Page 45, after line 27, insert:

"Sec. 50. [TASK FORCE ON CAPITOL AREA SECURITY.]

Subdivision 1. [CREATION; MEMBERSHIP.] A task force on capitol area security is created consisting of representatives or designees of the following:

- (1) the commissioner of public safety;
- (2) the commissioner of administration;
- (3) the adjutant general of the department of military affairs;
- (4) the superintendent of the bureau of criminal apprehension;
- (5) the director of capitol security;
- (6) the director of the division of emergency management;
- (7) the chief justice of the supreme court;
- (8) the attorney general;
- (9) the Ramsey county sheriff;
- (10) the St. Paul police chief;
- (11) one member of the majority caucus and one member of the minority caucus of the senate;
- (12) the secretary of the senate;
- (13) the sergeant at arms of the senate;
- (14) one member of the majority caucus and one member of the minority caucus of the house of representatives;
- (15) the chief clerk of the house of representatives; and
- (16) the sergeant at arms of the house of representatives.

The chair of the task force shall be the commissioner of public safety.

Subd. 2. [PURPOSE; REPORT.] The task force shall review the current level of security for state government buildings and property in the capitol area and determine whether the level of security is sufficient to reasonably protect employees and customers of state government agencies and services from potential dangers to life and property. The task force shall consult with representatives of the Federal Bureau of Investigation, the Secret Service, and the Bureau of Alcohol, Tobacco, and Firearms prior to making its recommendations. At the discretion of the chair, proceedings of the task force may be closed to all but the members of the task force and invited guests. The department of public safety shall provide staffing for the task force.

By February 1, 1996, the task force shall report to the governor, the senate majority leader, the senate minority leader, the speaker of the house, the minority leader of the house, the attorney general, and the chief justice of the supreme court. The task force report is not public data."

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 S.F. No. 1653 as follows:

Page 5, line 15, delete "389,000" and insert "639,000" and delete "391,000" and insert "641,000"

Page 11, line 20, delete "\$2,636,000" and insert "\$2,136,000"

Correct the subdivision and section totals and the summaries by fund accordingly

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

Mr. Merriam moved to amend S.F. No. 1653 as follows:

Page 100, line 14, delete the colon

Page 100, delete lines 15 to 20

Page 100, line 21, delete everything before "a"

Page 100, line 24, delete the quotation mark

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 6 and nays 48, as follows:

Those who voted in the affirmative were:

Anderson	Betzold	Flynn	Merriam	Spear
Berglin				

Those who voted in the negative were:

Beckman	Hottinger	Laidig	Novak	Riveness
Berg	Johnson, D.E.	Larson	Olson	Sams
Bertram	Johnson, J.B.	Lesewski	Ourada	Samuelson
Chandler	Johnston	Limmer	Pappas	Scheevel
Chmielewski	Kiscaden	Marty	Pariseau	Stevens
Cohen	Kleis	Metzen	Piper	Stumpf
Day	Knutson	Mondale	Pogemiller	Vickerman
Dille	Kramer	Morse	Price	Wiener
Finn	Krentz	Murphy	Ranum	
Frederickson	Kroening	Neuville	Reichgott Junge	

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

Mr. Neuville moved to amend S.F. No. 1653 as follows:

Page 100, line 22, delete "reasonable grounds" and insert "probable cause"

The motion prevailed. So the amendment was adopted.

Mr. Neuville then moved to amend S.F. No. 1653 as follows:

Page 63, line 3, delete everything after "the" and insert "chairs of the senate crime prevention and house of representatives judiciary committee for"

Page 63, delete lines 4 to 12

The motion prevailed. So the amendment was adopted.

Mr. Marty moved to amend S.F. No. 1653 as follows:

Page 17, after line 4, insert:

"Sec. 4. [15.87] [VICTIMS OF VIOLENCE.]

In furtherance of the state policy of zero tolerance for violence in section 1.50, the state shall have a goal of providing:

(1) every victim of violence in Minnesota, regardless of the county of residence, access to:

(i) crisis intervention services, including a 24-hour emergency phone line;

(ii) safe housing;

(iii) counseling and peer support services; and

(iv) assistance in pursuing legal remedies and appropriate medical care; and

(2) every child who is a witness to abuse or who is a victim of violence, access to:

(i) crisis nursery care;

(ii) safe supervised child visitation, when needed;

(iii) age appropriate counseling and support; and

(iv) assistance with legal remedies, medical care, and needed social services."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Ms. Kiscaden moved to amend the Marty amendment to S.F. No. 1653 as follows:

Page 1, line 8, delete the colon and insert "crisis services; and"

Page 1, delete lines 9 to 14

Page 1, line 16, delete the colon and insert "crisis services."

Page 1, delete lines 17 to 21

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

The roll was called, and there were yeas 24 and nays 34, as follows:

Those who voted in the affirmative were:

Belanger	Johnston	Krentz	Merriam	Robertson
Day	Kiscaden	Laidig	Neuville	Runbeck
Dille	Kleis	Larson	Oliver	Scheevel
Frederickson	Knutson	Lesewski	Ourada	Terwilliger
Johnson, D.E.	Kramer	Limmer	Pariseau	

Those who voted in the negative were:

Anderson	Cohen	Kroening	Novak	Riveness
Beckman	Finn	Lessard	Pappas	Sams
Berglin	Flynn	Marty	Piper	Spear
Bertram	Hanson	Moe, R.D.	Pogemiller	Stumpf
Betzold	Hottinger	Mondale	Price	Vickerman
Chandler	Johnson, D.J.	Morse	Ranum	Wiener
Chmielewski	Kelly	Murphy	Reichgott Junge	

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

The question recurred on the adoption of the Marty amendment.

The roll was called, and there were yeas 46 and nays 15, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Krentz	Murphy	Sams
Beckman	Flynn	Kroening	Novak	Spear
Berglin	Frederickson	Laidig	Ourada	Stumpf
Bertram	Hanson	Lessard	Pappas	Terwilliger
Betzold	Hottinger	Marty	Piper	Vickerman
Chandler	Janezich	Merriam	Pogemiller	Wiener
Chmielewski	Johnson, D.E.	Metzen	Price	
Cohen	Johnson, D.J.	Moe, R.D.	Ranum	
Day	Kelly	Mondale	Reichgott Junge	
Dille	Kramer	Morse	Riveness	

Those who voted in the negative were:

Belanger	Kiscaden	Larson	Oliver	Robertson
Berg	Kleis	Limmer	Olson	Runbeck
Johnston	Knutson	Neuville	Pariseau	Scheevel

The motion prevailed. So the amendment was adopted.

Mr. Neuville moved to amend S.F. No. 1653 as follows:

Page 9, delete lines 19 to 36 and insert:

"The commissioner shall attempt to maximize the use of inmate labor throughout the state by entering into negotiations and agreements, where feasible, with state and local units of government to provide this labor. The commissioner shall not displace currently employed workers, but may replace workers who have retired, resigned, or transferred to other departments or agencies."

Mr. Finn moved to amend the Neuville amendment to S.F. No. 1653 as follows:

Page 1, line 7, delete everything after "feasible" and insert a period

Page 1, delete lines 8 to 13

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

Ms. Flynn moved to amend the Neuville amendment to S.F. No. 1653 as follows:

Page 1, line 2, delete "delete lines 19 to 36 and" and insert "after line 36,"

The question was taken on the adoption of the Flynn amendment to the Neuville amendment.

The roll was called, and there were yeas 28 and nays 37, as follows:

Those who voted in the affirmative were:

Anderson	Chmielewski	Hottinger	Kroening	Riveness
Beckman	Cohen	Janezich	Marty	Samuelson
Berglin	Finn	Johnson, D.E.	Moe, R.D.	Stumpf
Bertram	Flynn	Johnson, D.J.	Novak	Wiener
Betzold	Frederickson	Johnson, J.B.	Pogemiller	
Chandler	Hanson	Kelly	Price	

Those who voted in the negative were:

Belanger	Kramer	Metzen	Pappas	Scheevel
Berg	Krentz	Mondale	Pariseau	Spear
Day	Laidig	Morse	Piper	Stevens
Dille	Larson	Murphy	Ranum	Terwilliger
Johnston	Lesewski	Neuville	Reichgott Junge	Vickerman
Kiscaden	Lessard	Oliver	Robertson	
Kleis	Limmer	Olson	Runbeck	
Knutson	Merriam	Ourada	Sams	

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

The question recurred on the Neuville amendment, as amended.

The roll was called, and there were yeas 56 and nays 8, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson	Finn	Pappas	Pogemiller	Samuelson
Berglin	Flynn	Piper		

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

Mr. Betzold moved to amend S.F. No. 1653 as follows:

Page 38, line 12, delete "December" and insert "January"

Page 44, line 25, delete "1" and insert "15"

Page 63, line 23, delete "1" and insert "15"

Page 64, line 36, delete "1" and insert "15"

The motion prevailed. So the amendment was adopted.

Mr. Betzold then moved to amend S.F. No. 1653 as follows:

Page 38, line 12, delete "1996" and insert "1997"

The motion prevailed. So the amendment was adopted.

Mr. Kelly moved to amend S.F. No. 1653 as follows:

Page 105, line 30, delete "8" and insert "7"

The motion prevailed. So the amendment was adopted.

Ms. Lesewski moved to amend S.F. No. 1653 as follows:

Page 56, line 12, after the period, insert "A court may place a juvenile in a facility which is out of state, if the facility is located within 100 miles of the juvenile's residence and there is no Minnesota facility within 100 miles from the juvenile's residence that meets the specialized program or security needs of the juvenile."

Mr. Spear moved to amend the Lesewski amendment to S.F. No. 1653 as follows:

Page 1, line 3, before the comma, insert "and which has been certified by the commissioner of corrections under paragraph (a), clauses (1) and (2)"

Page 1, line 6, delete "or" and insert "and"

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

The question was taken on the Lesewski amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Mr. Neuville moved to amend S.F. No. 1653 as follows:

Page 6, delete line 43 and insert:

"Subd. 12. Criminal Apprehension

17,598,000 16,295,000"

Page 22, lines 4 to 6, reinstate the stricken language and delete the new language

Page 22, line 9, reinstate the stricken language and delete the new language

Page 22, line 14, reinstate the stricken language and delete "superintendent"

Page 22, lines 24 and 25, reinstate the stricken language and delete the new language

Pages 65 to 84, delete article 4

Correct the subdivision and section totals and the summaries by fund accordingly

Renumber the articles and 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 28 and nays 37, as follows:

Those who voted in the affirmative were:

Belanger	Kiscaden	Larson	Neuville	Runbeck
Berg	Kleis	Lesewski	Novak	Scheevel
Day	Knutson	Lessard	Oliver	Stevens
Frederickson	Kramer	Limmer	Olson	Terwilliger
Johnson, D.E.	Kroening	Merriam	Pariseau	
Johnston	Laidig	Mondale	Robertson	

Those who voted in the negative were:

Anderson	Finn	Langseth	Piper	Solon
Beckman	Flynn	Marty	Pogemiller	Spear
Berglin	Hottinger	Metzen	Price	Stumpf
Bertram	Janezich	Moe, R.D.	Ranum	Vickerman
Betzold	Johnson, D.J.	Morse	Reichgott Junge	Wiener
Chandler	Johnson, J.B.	Murphy	Riveness	
Chmielewski	Kelly	Ourada	Sams	
Cohen	Krentz	Pappas	Samuelson	

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

Ms. Kiscaden moved to amend S.F. No. 1653 as follows:

Page 53, after line 2, insert:

"Sec. 8. [260.1735] [EXTENSION OF DETENTION PERIOD.]

Before July 1, 1997, and pursuant to a request from an eight-day temporary holdover facility, as defined in section 241.0221, the commissioner of corrections, or the commissioner's designee, may grant a one-time extension per child to the eight-day limit on detention under this chapter. This extension may allow such a facility to detain a child for up to 30 days including weekends and holidays. Upon the expiration of the extension, the child may not be transferred to another eight-day temporary holdover facility. The commissioner shall develop criteria for granting extensions under this section. These criteria must ensure that the child be transferred to a long-term juvenile detention facility as soon as such a transfer is possible. Nothing in this section changes the requirements in section 260.172 regarding the necessity of detention hearings to determine whether continued detention of the child is proper."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Beckman moved to amend S.F. No. 1653 as follows:

Pages 70 to 72, delete sections 7 to 9

Page 74, line 24, strike "DIVISION OF DEPARTMENT OF PUBLIC SAFETY" and insert "BUREAU CREATED"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Kiscaden moved to amend S.F. No. 1653 as follows:

Page 87, line 6, strike "or"

Page 87, line 8, before the period, insert "; or

(12) To a child determined to have possessed a dangerous weapon under section 127.283"

Page 100, after line 11, insert:

"Sec. 7. [127.283] [REPORT TO COMMISSIONER OF PUBLIC SAFETY.]

A school principal shall notify the commissioner of public safety of any child in the school determined to have possessed a dangerous weapon, as defined in section 609.02, in the school building."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Beckman moved to amend S.F. No. 1653 as follows:

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "providing for the implementation of, clarifying, and modifying certain criminal and juvenile provisions; providing for the implementation of, clarifying, and modifying certain penalty provisions; increasing the number of judges; providing for the implementation of, clarifying, and modifying certain provisions regarding bomb disposal units, correctional inmates, the peace officer standards and training board, soft body armor

reimbursements, public safety officer death benefits, the witness and victim protection fund, criminal background checks, court fees, surcharges, fines, assessments, and eligibility for public defenders; authorizing negotiations regarding correctional facilities; authorizing wage withholding and requiring reimbursement of certain expenses for public defenders; limiting and prohibiting placement of juveniles in certain facilities; establishing and expanding pilot programs, grant programs, task forces, committees, and studies; directing that rules be adopted and amended; establishing the bureau of criminal apprehension as an independent agency of the executive branch; transferring the criminal justice information system to the bureau; providing for the implementation of, clarifying, and modifying certain provisions regarding truancy and school safety;"

The motion prevailed. So the amendment was adopted.

Mr. Neville moved to amend S.F. No. 1653 as follows:

Page 6, delete lines 26 to 38

Page 7, line 33, delete "\$700,000" and insert "\$1,150,000"

Correct the subdivision and section totals and the summaries by fund accordingly

CALL OF THE SENATE

Mr. Kelly imposed a call of the Senate for the balance of the proceedings on S.F. No. 1653. The Sergeant at Arms was instructed to bring in the absent members.

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

The roll was called, and there were yeas 26 and nays 38, as follows:

Those who voted in the affirmative were:

Berg	Kiscaden	Lesewski	Ourada	Stevens
Bertram	Kleis	Limmer	Pariseau	Terwilliger
Day	Knutson	Merriam	Robertson	
Frederickson	Kramer	Neville	Runbeck	
Johnson, D.E.	Laidig	Oliver	Scheevel	
Johnston	Larson	Olson	Solon	

Those who voted in the negative were:

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

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

S.F. No. 1653 was read the third time, as amended, and placed on its final passage.

Mr. Moe, R.D. moved that those not voting be excused from voting. The motion prevailed.

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

The roll was called, and there were yeas 61 and nays 6, as follows:

Those who voted in the affirmative were:

Anderson	Betzold	Dille	Janezich	Kelly
Beckman	Chandler	Finn	Johnson, D.E.	Kleis
Belanger	Chmielewski	Flynn	Johnson, D.J.	Knutson
Berg	Cohen	Hanson	Johnson, J.B.	Kramer
Berglin	Day	Hottinger	Johnston	Krentz

Kroening	Metzen	Ourada	Riveness	Stumpf
Laidig	Moe, R.D.	Pappas	Runbeck	Terwilliger
Langseth	Mondale	Pariseau	Sams	Vickerman
Lesewski	Morse	Piper	Samuelson	Wiener
Lessard	Neuville	Pogemiller	Scheevel	
Limmer	Novak	Price	Solon	
Marty	Oliver	Ranum	Spear	
Merriam	Olson	Reichgott Junge	Stevens	

Those who voted in the negative were:

Bertram	Kiscaden	Larson	Murphy	Robertson
Frederickson				

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

Mr. Moe, R.D. moved that S.F. No. 1653 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that H.F. No. 1000 be taken from the table. The motion prevailed.

H.F. No. 1000: A bill for an act relating to education; prekindergarten through grade 12; providing for general education revenue; transportation; special programs; community education; facilities; organization and cooperation; education excellence; other programs; miscellaneous provisions; libraries; state agencies; technology; conforming amendments; appropriating money; amending Minnesota Statutes 1994, sections 43A.316, subdivision 2; 62L.08, subdivision 7a; 116J.655; 120.062, subdivision 7; 120.064, subdivision 4; 120.101, subdivision 5c; 120.17, subdivisions 3a, 3b, and by adding a subdivision; 120.185; 120.74, subdivision 1; 120.75, subdivision 1; 121.11, subdivision 7c; 121.702, by adding a subdivision; 121.705; 121.706; 121.707, subdivisions 4, 6, and 7; 121.708; 121.709; 121.710; 121.885, subdivisions 1 and 4; 121.904, subdivisions 4a and 4c; 121.912, subdivisions 1, 1b, and 6; 121.935, subdivision 1; 122.21, subdivision 4; 122.23, subdivision 2; 122.242, subdivision 9; 122.895, subdivisions 1, 8, and 9; 122.91, subdivisions 1, 2, and 2a; 122.92, subdivision 1; 122.93, subdivision 1; 122.94, subdivision 1; 123.35, subdivision 19b; 123.351, subdivisions 1, 3, 4, and 5; 123.3514, subdivisions 4d, 7, 8, and by adding a subdivision; 123.70, subdivision 8; 123.7991, subdivisions 2 and 3; 123.805, subdivisions 1 and 2; 124.14, by adding a subdivision; 124.17, subdivisions 1, 2f, and by adding a subdivision; 124.193; 124.195, subdivision 10, and by adding a subdivision; 124.2139; 124.214, subdivisions 2 and 3; 124.223, subdivision 7; 124.225, subdivisions 1, 3a, 7b, 7d, 7f, 8a, and 8m; 124.226, subdivisions 1 and 3; 124.243, subdivisions 2 and 8; 124.244, subdivisions 1, 4, and by adding a subdivision; 124.2455; 124.2711, subdivision 2a; 124.2713, subdivision 6; 124.2725, subdivisions 1, 3, 4, and 15; 124.2726, subdivision 1; 124.273, by adding subdivisions; 124.32, subdivisions 10 and 12; 124.321, subdivisions 1 and 2; 124.322; 124.323, subdivisions 1, 2, and by adding a subdivision; 124.573, subdivision 2e; 124.574, subdivision 9, and by adding subdivisions; 124.83, subdivision 4; 124.84, subdivision 3; 124.91, subdivision 5; 124.916, subdivision 2; 124.95, subdivisions 2, 4, and 6; 124.961; 124A.03, subdivisions 1g and 1h; 124A.0311, subdivision 4; 124A.22, subdivisions 2, 2a, 4, 4a, 4b, 8a, and 9; 124A.225, subdivisions 4 and 5; 124A.23, subdivisions 1 and 4; 124A.24; 124A.29, subdivision 1; 124C.07; 124C.08, subdivision 2; 124C.45, subdivision 1; 124C.46, subdivision 2; 124C.48, subdivision 1; 125.62, subdivisions 1 and 7; 125.623, subdivision 2; 126.031, subdivision 1; 126.15, subdivision 2; 126.49, by adding a subdivision; 126.70, subdivision 2a; 126A.01; 126A.02, subdivision 2; 126B.01; 126B.03, subdivisions 2 and 3; 127.30, subdivision 2; 128A.02, subdivisions 1, 3, 5, and by adding a subdivision; 128A.021; 128A.022, subdivisions 1 and 6; 128A.024, subdivision 4; 128A.025, subdivisions 1 and 2; 128A.026; 128A.05, subdivisions 1 and 2; 128B.10, subdivision 1; 134.155; 134.34, subdivision 4a; 134.351, subdivision 4; 169.01, subdivision 6; 169.21, subdivision 2; 169.444, subdivision 2; 169.4502, subdivision 4; 169.4503, by adding a subdivision; 169.451, by adding a subdivision; 169.452; 169.454, subdivision 5, and by adding a subdivision; 171.01, subdivision 21; 171.18, subdivision 1; 171.321, subdivisions 3, 4, and 5; 171.3215, subdivisions 1, 2, and 3; 237.065; 631.40, subdivision 1a; Laws 1992, chapter 499, article 11, section 9, as amended; Laws 1993, chapter 224, article 8, section 21, subdivision 1; Laws 1993, chapter 224, article 12, section 32, as amended; Laws 1993, chapter 224, article 12, sections 39, and 41; Laws 1994, chapter 587, article 3, section 19, subdivision 1; Laws 1994,

chapter 647, article 1, section 36; Laws 1994, chapter 647, article 3, section 25; Laws 1994, chapter 647, article 7, section 15; proposing coding for new law in Minnesota Statutes, chapters 123; 124; 124C; 125; 126; 126B; 127; 134; 136D; 169; 604A; repealing Minnesota Statutes 1994, sections 121.602, subdivision 5; 121.702, subdivision 9; 121.703; 123.58; 124.17, subdivision 1b; 124.243, subdivisions 2a and 9; 124.2714; 124.273, subdivisions 1b and 2c; 124.32, subdivisions 1b, 1c, 1d, 1f, 2, and 3a; 124.574, subdivisions 2b, 3, 4, and 4a; 124.91, subdivision 5; 124.912, subdivision 8; 124.914, subdivisions 2, 3, and 4; 124.962; 124A.04, subdivision 1; 124A.27, subdivision 11; 124A.29, subdivision 2; 124A.291; 124A.292; 125.138, subdivisions 6, 7, 8, 9, 10, and 11; 126.019; 126B.02; 126B.03; 126B.04; 126B.05; 128A.02, subdivisions 2 and 4; 128A.03; 268.9755; Laws 1991, chapter 265, article 5, section 23, as amended; Laws 1992, chapter 499, article 7, sections 16, 17, and 27.

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. 1000 and that the rules of the Senate be so far suspended as to give H.F. No. 1000 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1000 was read the second time.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the balance of the proceedings on H.F. No. 1000. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Pogemiller moved to amend H.F. No. 1000 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 1000, and insert the language after the enacting clause, and the title, of S.F. No. 944, the third engrossment.

The motion prevailed. So the amendment was adopted.

Mr. Pogemiller then moved to amend H.F. No. 1000, as amended by the Senate April 25, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 944.)

Page 12, line 7, after "122.248" insert a comma

Page 27, line 28, delete the comma

Page 70, line 2, after "attributable" insert "to"

Page 82, lines 26 and 31, after "Bend" insert a comma

Page 83, lines 3 and 5, after "Bend" insert a comma

Page 85, after line 19, insert:

"Sec. 118. [NO AID REDUCTION.]

The commissioner of education shall not reduce aid to a district under Minnesota Statutes, section 124.14, subdivision 3, for the 1992-1993 school year because the district did not provide the number of instructional days provided for in Minnesota Statutes 1992, section 120.101, as long as the district provided at least the minimum instructional hours required by the rules of the state board of education during the 1992-1993 school year."

Page 88, line 2, after "123.3514" insert a comma

Page 88, line 21, delete from "The" through page 88, line 23, to "system"

Page 88, after line 24, insert:

"The grantee district shall cooperate with at least two other school districts in developing and implementing the system."

Page 89, line 30, after "Preston-Fountain" insert a comma

Page 97, line 7, delete the comma

Page 141, line 36, after "Lake" insert a comma

Page 149, line 11, after "council" insert a comma

Page 160, line 20, delete "extend" and insert "extent"

Page 164, line 17, delete "implementing" and insert "implementation of"

Page 164, line 22, delete "develop" and insert "development of"

Page 167, line 8, after "126B" insert a comma

Page 173, line 8, delete "19" and insert "24"

Page 199, line 29, delete the comma

Pages 216 to 218, delete sections 27 to 30

Page 220, delete section 32

Page 264, line 31, after "committee" insert a comma

Page 269, line 35, delete the comma

Page 276, line 32, delete "Funds" and insert "The Minnesota science and mathematics foundation may make funds" and delete "may"

Page 276, line 33, delete "be made"

Page 277, line 18, after "pupil" insert "calculated as if the pupil were"

Page 277, line 21, delete the comma

Page 279, line 29, after the comma, insert "and"

Page 279, line 31, delete the comma

Page 280, line 11, after "public" insert "or"

Page 284, line 12, after the first period, insert "[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."

Page 284, lines 14 and 15, delete "\$8,272,000" and insert "\$8,428,000"

Page 284, line 20, delete "2" and insert "3"

Page 284, line 29, delete "3" and insert "4" and delete "INFORMS" and insert "INFORMNS"

Page 284, line 33, delete "4" and insert "5"

Page 285, line 4, delete "5" and insert "6"

Page 285, after line 14, insert:

"The board of directors of SciMath MN shall be the initial board of directors of the foundation."

Page 285, line 15, delete "6" and insert "7"

Page 285, line 22, delete "7" and insert "8"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Belanger moved to amend H.F. No. 1000, as amended by the Senate April 25, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 944.)

Pages 100 and 101, delete section 8

Pages 128 and 129, delete section 31

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 29 and nays 34, as follows:

Those who voted in the affirmative were:

Belanger	Johnston	Larson	Neuville	Robertson
Berg	Kleis	Lesewski	Oliver	Runbeck
Day	Knutson	Limmer	Olson	Scheevel
Finn	Kramer	Metzen	Ourada	Stevens
Frederickson	Laidig	Moe, R.D.	Pariseau	Terwilliger
Johnson, D.E.	Langseth	Murphy	Price	

Those who voted in the negative were:

Anderson	Flynn	Krentz	Novak	Sams
Beckman	Hanson	Kroening	Pappas	Samuelson
Bertram	Hottinger	Lessard	Piper	Spear
Betzold	Janezich	Marty	Pogemiller	Stumpf
Chandler	Johnson, D.J.	Merriam	Ranum	Vickerman
Cohen	Johnson, J.B.	Mondale	Reichgott Junge	Wiener
Dille	Kelly	Morse	Riveness	

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

Mr. Knutson moved to amend H.F. No. 1000, as amended by the Senate April 25, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 944.)

Page 295, line 27, after the period, insert "The state board of education may continue its proceedings to adopt rules pursuant to Minnesota Statutes, section 121.11, subdivisions 7c and 7d, but the board must not take final action under Minnesota Statutes, sections 14.131 to 14.20, to adopt such rules until specifically authorized by law to do so."

The question was taken on the adoption of the amendment.

Mr. Pogemiller moved that those not voting be excused from voting. The motion prevailed.

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

Those who voted in the affirmative were:

Belanger	Day	Hanson	Kleis	Kroening
Berg	Dille	Johnson, D.E.	Knutson	Laidig
Chmielewski	Frederickson	Johnston	Kramer	Langseth

Larson	Marty	Pariseau	Scheevel	Vickerman
Lesewski	Neuville	Price	Solon	
Lessard	Olson	Runbeck	Stevens	
Limmer	Ourada	Samuelson	Terwilliger	

Those who voted in the negative were:

Anderson	Finn	Kiscaden	Murphy	Riveness
Beckman	Flynn	Krentz	Novak	Robertson
Berglin	Hottinger	Merriam	Pappas	Sams
Bertram	Janezich	Metzen	Piper	Spear
Betzold	Johnson, D.J.	Moe, R.D.	Pogemiller	Stumpf
Chandler	Johnson, J.B.	Mondale	Ranum	Wiener
Cohen	Kelly	Morse	Reichgott Junge	

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

Mr. Pogemiller moved to amend H.F. No. 1000, as amended by the Senate April 25, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 944.)

Page 100, line 23, delete the colon

Page 100, line 24, delete everything before the first "the"

Page 100, line 27, delete "; and" and insert a period

Page 100, delete lines 28 and 29

The motion prevailed. So the amendment was adopted.

Mr. Solon moved to amend H.F. No. 1000, as amended by the Senate April 25, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 944.)

Pages 270 and 271, delete section 97

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Kiscaden moved to amend H.F. No. 1000, as amended by the Senate April 25, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 944.)

Page 309, after line 4, insert:

"Subd. 14. [SCHOOL DISTRICT DEBT.] A school district may issue obligations, certificates of indebtedness, or capital notes under Minnesota Statutes, chapter 475, or any other law authorizing school district debt instruments and may certify tax levies as needed to pay the principal and interest for taxes payable in 1996."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 34, as follows:

Those who voted in the affirmative were:

Belanger	Johnston	Laidig	Oliver	Runbeck
Berg	Kiscaden	Larson	Olson	Scheevel
Day	Kleis	Lesewski	Ourada	Spear
Dille	Knutson	Limmer	Pariseau	Stevens
Frederickson	Kramer	Marty	Riveness	Terwilliger
Johnson, D.E.	Krentz	Neuville	Robertson	Wiener

Those who voted in the negative were:

Anderson	Cohen	Johnson, J.B.	Mondale	Price
Beckman	Finn	Kelly	Morse	Reichgott Junge
Berglin	Flynn	Kroening	Murphy	Sams
Bertram	Hanson	Langseth	Novak	Samuelson
Betzold	Hottinger	Lessard	Pappas	Solon
Chandler	Janezich	Metzen	Piper	Vickerman
Chmielewski	Johnson, D.J.	Moe, R.D.	Pogemiller	

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

Mr. Knutson moved to amend H.F. No. 1000, as amended by the Senate April 25, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 944.)

Page 61, after line 21, insert:

"Sec. 78. Minnesota Statutes 1994, section 124A.03, subdivision 3b, is amended to read:

Subd. 3b. [REFERENDUM ALLOWANCE REDUCTION.] A district's referendum allowance under subdivision 1c is reduced by the amounts calculated in paragraphs (a), (b), (c), and (d).

(a) The referendum allowance reduction equals the amount by which a district's supplemental revenue reduction exceeds the district's supplemental revenue allowance for fiscal year 1993.

(b) Notwithstanding paragraph (a), if a district's initial referendum allowance is less than ten percent of the formula allowance for that year, the reduction equals the lesser of (1) an amount equal to \$100, or (2) the amount calculated in paragraph (a).

(c) Notwithstanding paragraph (a) or (b), a school district's referendum allowance reduction equals (1) an amount equal to \$100, times (2) one minus the ratio of 20 percent of the formula allowance minus the district's initial referendum allowance limit to 20 percent of the formula allowance for that year if:

(i) the district's adjusted net tax capacity for assessment year 1992 per actual pupil unit for fiscal year 1995 is less than \$3,000;

(ii) the district's net unappropriated operating fund balance as of June 30, 1993, divided by the actual pupil units for fiscal year 1995 is less than \$200;

(iii) the district's supplemental revenue allowance for fiscal year 1993 is equal to zero; and

(iv) the district's initial referendum revenue authority for the current year divided by the district's net tax capacity for assessment year 1992 is greater than ten percent.

(d) Notwithstanding paragraph (a), (b), or (c), the referendum revenue reduction for a newly reorganized district is computed as follows:

(1) for a newly reorganized district created effective July 1, 1994, the referendum revenue reduction equals the lesser of the amount calculated for the combined district under paragraph (a), (b), or (c), or the sum of the amounts by which each of the reorganizing district's supplemental revenue reduction exceeds its respective supplemental revenue allowances calculated for the districts as if they were still in existence for fiscal year 1995; or

(2) for a newly reorganized district created after July 1, 1994, the referendum revenue reduction equals the lesser of the amount calculated for the combined district under paragraph (a), (b), or (c), or the sum of the amounts by which each of the reorganizing district's supplemental revenue reduction exceeds its respective supplemental revenue allowances calculated for the year preceding the year of reorganization.

(e) A district may levy an amount up to the amounts calculated in paragraphs (a), (b), (c), and (d), times the district's actual pupil units for the school year. This levy is not eligible for referendum equalization aid under subdivision 1h.

This section shall be effective for taxes payable in 1997 and later years."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 34 and nays 33, as follows:

Those who voted in the affirmative were:

Belanger	Kiscaden	Limmer	Oliver	Robertson
Berg	Kleis	Marty	Olson	Runbeck
Day	Knutson	Metzen	Ourada	Scheevel
Dille	Kramer	Mondale	Pariseau	Stevens
Frederickson	Laidig	Murphy	Price	Terwilliger
Johnson, D.E.	Larson	Neuville	Reichgott Junge	Wiener
Johnston	Lesewski	Novak	Riveness	

Those who voted in the negative were:

Anderson	Cohen	Johnson, J.B.	Moe, R.D.	Samuelson
Beckman	Finn	Kelly	Morse	Solon
Berglin	Flynn	Krentz	Pappas	Spear
Bertram	Hanson	Kroening	Piper	Stumpf
Betzold	Hottinger	Langseth	Pogemiller	Vickerman
Chandler	Janezich	Lessard	Ranum	
Chmielewski	Johnson, D.J.	Merriam	Sams	

The motion prevailed. So the amendment was adopted.

Mr. Stevens moved to amend H.F. No. 1000, as amended by the Senate April 25, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 944.)

Page 271, after line 29, insert:

"Sec. 101. [UNFUNDED SCHOOL MANDATE PROHIBITION.]

Subdivision 1. [DEFINITION.] As used in this section, "state mandates" has the meaning given in Minnesota Statutes, section 3.881.

Subd. 2. [FUNDING OF THE COST OF MANDATES.] If the fiscal note prepared by the commissioner of finance under Minnesota Statutes, section 3.982, indicates that a new or expanded mandate in a bill introduced in the legislature will impose a statewide cost on school districts in excess of \$500,000, the school districts are not required to implement the mandate unless the legislature, by appropriation enacted before the mandate is required to be implemented, provides reimbursement to the school districts for the costs incurred."

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 32 and nays 34, as follows:

Those who voted in the affirmative were:

Belanger	Frederickson	Laidig	Oliver	Scheevel
Berg	Johnson, D.E.	Larson	Ourada	Stevens
Bertram	Johnston	Lesewski	Pariseau	Terwilliger
Chmielewski	Kiscaden	Lessard	Riveness	Vickerman
Day	Kleis	Limmer	Runbeck	
Dille	Knutson	Metzen	Sams	
Finn	Kramer	Neuville	Samuelson	

Those who voted in the negative were:

Anderson	Hanson	Kroening	Murphy	Reichgott Junge
Beckman	Hottinger	Langseth	Novak	Robertson
Berglin	Janezich	Marty	Pappas	Solon
Betzold	Johnson, D.J.	Merriam	Piper	Spear
Chandler	Johnson, J.B.	Moe, R.D.	Pogemiller	Stumpf
Cohen	Kelly	Mondale	Price	Wiener
Flynn	Krentz	Morse	Ranum	

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

Mrs. Pariseau moved to amend H.F. No. 1000, as amended by the Senate April 25, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 944.)

Page 235, after line 32, insert:

"Sec. 43. [126.091] [MOMENT OF SILENCE.]

At the commencement of the first class each day in all public schools the teacher in charge of the room in which each such class is held may announce that a period of silence, not to exceed one minute in duration, may be observed, and during any such period silence may be maintained and no activity engaged in."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Neville moved to amend the Pariseau amendment to H.F. No. 1000 as follows:

Page 1, lines 9 and 10, delete "not to exceed one minute in duration,"

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

Mr. Ourada moved to amend the Pariseau amendment to H.F. No. 1000 as follows:

Page 1, line 7, delete "At the commencement of the first class"

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

The question was taken on the Pariseau amendment, as amended.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Belanger	Hanson	Kroening	Oliver	Solon
Berg	Johnson, D.E.	Laidig	Olson	Stevens
Bertram	Johnston	Larson	Ourada	Stumpf
Chmielewski	Kelly	Lesewski	Pariseau	Terwilliger
Day	Kleis	Lessard	Runbeck	Vickerman
Dille	Knutson	Limmer	Sams	
Frederickson	Kramer	Neville	Scheevel	

Those who voted in the negative were:

Anderson	Flynn	Langseth	Murphy	Reichgott Junge
Beckman	Hottinger	Marty	Novak	Rivness
Berglin	Janezich	Merriam	Pappas	Robertson
Betzold	Johnson, D.J.	Metzen	Piper	Samuelson
Chandler	Johnson, J.B.	Moe, R.D.	Pogemiller	Spear
Cohen	Kiscaden	Mondale	Price	Wiener
Finn	Krentz	Morse	Ranum	

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

Mr. Moe, R.D. moved to amend H.F. No. 1000, as amended by the Senate April 25, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 944.)

Page 3, after line 11, insert:

"Sec. 2. Minnesota Statutes 1994, section 16A.152, subdivision 1, is amended to read:

Subdivision 1. ~~[BUDGET RESERVE AND CASH FLOW ACCOUNT ESTABLISHED.]~~ (a) ~~A budget reserve and cash flow account is created in the general fund in the state treasury. The commissioner of finance shall restrict part or all of the balance before reserves in the general fund as may be necessary to fund the budget reserve and cash flow account as provided by law from time to time.~~

(b) ~~The commissioner of finance shall transfer the amount necessary to bring the total amount of the budget reserve and cash flow account, including any existing balance in the account on June 30, 1993, to \$360,000,000. The amounts restricted shall remain in the account until drawn down under subdivision 1 or increased under subdivision 2 3.~~

Sec. 3. Minnesota Statutes 1994, section 16A.152, is amended by adding a subdivision to read:

Subd. 1a. [BUDGET RESERVE ESTABLISHED.] A budget reserve is created in the general fund in the state treasury. The commissioner of finance shall transfer the amount necessary to bring the total amount in the account to \$220,000,000 on July 1, 1995. The amount restricted shall remain in the account until drawn down under the provisions of subdivision 3 or 4.

Sec. 4. Minnesota Statutes 1994, section 16A.152, subdivision 2, is amended to read:

Subd. 2. [ADDITIONAL REVENUES; PRIORITY.] If on the basis of a forecast of general fund revenues and expenditures the commissioner of finance determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of finance must allocate money an amount equal to the lesser of the forecast increase in total net general fund tax receipts or the total positive unrestricted budgetary balance to the budget reserve, and cash flow account until the total amount in the account equals five percent of total general fund appropriations for the current biennium as established by the most recent legislative session. Beginning July 1, 1993, forecast unrestricted budgetary general fund balances are first appropriated to restore the budget reserve and cash flow account to \$500,000,000. Additional biennial unrestricted budgetary general fund balances available after November 1 of every odd-numbered calendar year are appropriated in January of the following year to reduce the property tax levy recognition percent under section 121.904, subdivision 4a, to zero before additional money beyond \$500,000,000 is allocated to the budget reserve and cash flow account. \$180,000,000 of the budget reserve and cash flow account shall be dedicated to elementary and secondary education.

The amounts necessary to meet the requirements of this section are appropriated from the general fund.

Sec. 5. Minnesota Statutes 1994, section 16A.152, subdivision 3, is amended to read:

Subd. 3. [USE.] (a) The purpose of the cash flow account is to reserve sufficient cash balances to meet cash flow deficiencies resulting from uneven distribution of revenue collections and required expenditure payments during a fiscal year. Appropriations from this account shall be restricted to modifying state expenditures payment dates in a manner that reduces the amount needed in the account to avoid short-term borrowing. Appropriations for this purpose shall not exceed the value of the improvement in forecast annual cash lowpoints.

(b) The use of the budget reserve is restricted to the following purposes:

(1) to offset a decline in forecast general fund tax receipts for the current biennium, subject to the provisions of subdivision 4;

(2) to provide interim funding of programs affected by federal funding reductions by appropriation in regular or special legislative session or in accordance with the provisions of section 3.30; or

(3) to provide one-time funding for program dissolution or restructuring costs by appropriation in regular or special legislative session or in accordance with the provisions of section 3.30.

(c) The use of the budget reserve should be governed by principles based on the full economic cycle rather than the budget cycle. The budget reserve may be used when a negative budgetary balance is projected and when objective measures, such as reduced growth in total wages, retail sales, or employment, reflect downturns in the state's economy.

Sec. 6. Minnesota Statutes 1994, section 16A.152, subdivision 4, is amended to read:

Subd. 4. [REDUCTION.] (a) If the commissioner determines that ~~probable forecast tax receipts for the general fund will be less than anticipated, and that the amount available for the remainder of forecast total general fund resources for the biennium will be less than needed,~~ the commissioner shall, with the approval of the governor, and after consulting the legislative advisory commission, reduce the amount in the budget reserve ~~and cash flow account as needed up to an amount equal to the reduction in net forecast tax revenues, not to exceed the amount necessary~~ to balance expenditures with revenue.

(b) An additional deficit shall, with the approval of the governor, and after consulting the legislative advisory commission, be made up by reducing unexpended allotments of any prior appropriation or transfer. Notwithstanding any other law to the contrary, the commissioner is empowered to defer or suspend prior statutorily created obligations which would prevent effecting such reductions.

(c) If the commissioner determines that probable receipts for any other fund, appropriation, or item will be less than anticipated, and that the amount available for the remainder of the term of the appropriation or for any allotment period will be less than needed, the commissioner shall notify the agency concerned and then reduce the amount allotted or to be allotted so as to prevent a deficit.

(d) In reducing allotments, the commissioner may consider other sources of revenue available to recipients of state appropriations and may apply allotment reductions based on all sources of revenue available.

(e) In like manner, the commissioner shall reduce allotments to an agency by the amount of any saving that can be made over previous spending plans through a reduction in prices or other cause."

Page 25, line 28, delete ".55" and insert ".5125"

Page 25, line 32, delete "1.1" and insert "1.025"

Page 72, line 25, delete "0.1" and insert "0.025"

Page 85, line 27, delete "\$78,353,000" and insert "\$74,751,000"

Page 85, line 28, delete "\$11,848,100" and insert "\$11,212,000"

Page 85, line 30, delete "\$67,139,000" and insert "\$63,537,000"

Page 85, line 31, delete "\$11,848,100" and insert "\$11,212,000"

Page 85, line 35, delete "\$41,933,400" and insert "\$39,995,000"

Page 85, line 36, delete "\$ 6,379,700" and insert "\$ 6,038,000"

Page 86, line 2, delete "\$36,151,400" and insert "\$34,213,000"

Page 86, line 3, delete "\$6,379,700" and insert "\$6,038,000"

Page 86, line 27, delete "\$14,070,300" and insert "\$12,902,000"

Page 86, line 28, delete "\$12,797,700" and insert "\$11,492,000"

Page 86, line 30, delete "\$11,955,300" and insert "\$10,787,000"

Page 86, line 31, delete "\$2,109,800" and insert "\$1,904,000"

Page 86, line 32, delete "\$10,687,900" and insert "\$9,589,000"

Page 87, line 15, delete "\$2,072,750,000" and insert "\$1,981,685,000"

Page 87, line 16, delete "\$2,320,338,000" and insert "\$2,217,487,000"

Page 87, line 18, delete "\$1,770,785,000" and insert "\$1,679,720,000"

Page 87, line 20, delete "\$1,995,164,000" and insert "\$1,892,312,000"

Page 109, line 10, delete "\$410,296,000" and insert "\$385,296,000"

Page 114, line 14, delete "\$327,574,000" and insert "\$321,151,000"

Page 139, line 13, delete "\$195,291,000" and insert "\$192,018,000"

Page 139, line 14, delete "\$29,482,000" and insert "\$28,903,000"

Page 139, line 16, delete "\$167,061,000" and insert "\$163,788,000"

Page 139, line 17, delete "\$29,482,000" and insert "\$28,903,000"

Page 140, line 11, delete "\$379,059,000" and insert "\$364,911,000"

Page 140, line 13, delete "\$455,476,000" and insert "\$429,307,000"

Re-number the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Frederickson requested division of the amendment as follows:

First portion:

Page 3, after line 11, insert:

"Sec. 2. Minnesota Statutes 1994, section 16A.152, subdivision 1, is amended to read:

Subdivision 1. [~~BUDGET RESERVE AND CASH FLOW ACCOUNT ESTABLISHED.~~] (a) A ~~budget reserve and~~ cash flow account is created in the general fund in the state treasury. The commissioner of finance shall restrict part or all of the balance before reserves in the general fund as may be necessary to fund the ~~budget reserve and~~ cash flow account as provided by law from time to time.

(b) The commissioner of finance shall transfer the amount necessary to bring the total amount of the ~~budget reserve and~~ cash flow account, including any existing balance in the account on June 30, 1993, to \$360,000,000. The amounts restricted shall remain in the account until drawn down under subdivision ~~1 or increased under subdivision 2~~ 3.

Sec. 3. Minnesota Statutes 1994, section 16A.152, is amended by adding a subdivision to read:

Subd. 1a. [BUDGET RESERVE ESTABLISHED.] A budget reserve is created in the general fund in the state treasury. The commissioner of finance shall transfer the amount necessary to bring the total amount in the account to \$220,000,000 on July 1, 1995. The amount restricted shall remain in the account until drawn down under the provisions of subdivision 3 or 4.

Sec. 4. Minnesota Statutes 1994, section 16A.152, subdivision 2, is amended to read:

Subd. 2. [ADDITIONAL REVENUES; PRIORITY.] If on the basis of a forecast of general fund revenues and expenditures the commissioner of finance determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of finance must allocate ~~money~~ an amount equal to the lesser of the forecast increase in total net general fund tax receipts or the total positive unrestricted budgetary balance to

~~the budget reserve, and cash flow account until the total amount in the account equals five percent of total general fund appropriations for the current biennium as established by the most recent legislative session. Beginning July 1, 1993, forecast unrestricted budgetary general fund balances are first appropriated to restore the budget reserve and cash flow account to \$500,000,000. Additional biennial unrestricted budgetary general fund balances available after November 1 of every odd-numbered calendar year are appropriated in January of the following year to reduce the property tax levy recognition percent under section 121.904, subdivision 4a, to zero before additional money beyond \$500,000,000 is allocated to the budget reserve and cash flow account. \$180,000,000 of the budget reserve and cash flow account shall be dedicated to elementary and secondary education.~~

The amounts necessary to meet the requirements of this section are appropriated from the general fund.

Sec. 5. Minnesota Statutes 1994, section 16A.152, subdivision 3, is amended to read:

Subd. 3. [USE.] (a) The purpose of the cash flow account is to reserve sufficient cash balances to meet cash flow deficiencies resulting from uneven distribution of revenue collections and required expenditure payments during a fiscal year. Appropriations from this account shall be restricted to modifying state expenditures payment dates in a manner that reduces the amount needed in the account to avoid short-term borrowing. Appropriations for this purpose shall not exceed the value of the improvement in forecast annual cash lowpoints.

(b) The use of the budget reserve is restricted to the following purposes:

(1) to offset a decline in forecast general fund tax receipts for the current biennium, subject to the provisions of subdivision 4;

(2) to provide interim funding of programs affected by federal funding reductions by appropriation in regular or special legislative session or in accordance with the provisions of section 3.30; or

(3) to provide one-time funding for program dissolution or restructuring costs by appropriation in regular or special legislative session or in accordance with the provisions of section 3.30.

(c) The use of the budget reserve should be governed by principles based on the full economic cycle rather than the budget cycle. The budget reserve may be used when a negative budgetary balance is projected and when objective measures, such as reduced growth in total wages, retail sales, or employment, reflect downturns in the state's economy.

Sec. 6. Minnesota Statutes 1994, section 16A.152, subdivision 4, is amended to read:

Subd. 4. [REDUCTION.] (a) If the commissioner determines that probable forecast tax receipts for the general fund will be less than anticipated, and that the amount available for the remainder of forecast total general fund resources for the biennium will be less than needed, the commissioner shall, with the approval of the governor, and after consulting the legislative advisory commission, reduce the amount in the budget reserve and cash flow account as needed up to an amount equal to the reduction in net forecast tax revenues, not to exceed the amount necessary to balance expenditures with revenue.

(b) An additional deficit shall, with the approval of the governor, and after consulting the legislative advisory commission, be made up by reducing unexpended allotments of any prior appropriation or transfer. Notwithstanding any other law to the contrary, the commissioner is empowered to defer or suspend prior statutorily created obligations which would prevent effecting such reductions.

(c) If the commissioner determines that probable receipts for any other fund, appropriation, or item will be less than anticipated, and that the amount available for the remainder of the term of the appropriation or for any allotment period will be less than needed, the commissioner shall notify the agency concerned and then reduce the amount allotted or to be allotted so as to prevent a deficit.

(d) In reducing allotments, the commissioner may consider other sources of revenue available

to recipients of state appropriations and may apply allotment reductions based on all sources of revenue available.

(e) In like manner, the commissioner shall reduce allotments to an agency by the amount of any saving that can be made over previous spending plans through a reduction in prices or other cause."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Second portion:

Page 25, line 28, delete ".55" and insert ".5125"

Page 25, line 32, delete "1.1" and insert "1.025"

Page 72, line 25, delete "0.1" and insert "0.025"

Page 85, line 27, delete "\$78,353,000" and insert "\$74,751,000"

Page 85, line 28, delete "\$11,848,100" and insert "\$11,212,000"

Page 85, line 30, delete "\$67,139,000" and insert "\$63,537,000"

Page 85, line 31, delete "\$11,848,100" and insert "\$11,212,000"

Page 85, line 35, delete "\$41,933,400" and insert "\$39,995,000"

Page 85, line 36, delete "\$ 6,379,700" and insert "\$ 6,038,000"

Page 86, line 2, delete "\$36,151,400" and insert "\$34,213,000"

Page 86, line 3, delete "\$6,379,700" and insert "\$6,038,000"

Page 86, line 27, delete "\$14,070,300" and insert "\$12,902,000"

Page 86, line 28, delete "\$12,797,700" and insert "\$11,492,000"

Page 86, line 30, delete "\$11,955,300" and insert "\$10,787,000"

Page 86, line 31, delete "\$2,109,800" and insert "\$1,904,000"

Page 86, line 32, delete "\$10,687,900" and insert "\$9,589,000"

Page 87, line 15, delete "\$2,072,750,000" and insert "\$1,981,685,000"

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Page 87, line 20, delete "\$1,995,164,000" and insert "\$1,892,312,000"

Page 109, line 10, delete "\$410,296,000" and insert "\$385,296,000"

Page 114, line 14, delete "\$327,574,000" and insert "\$321,151,000"

Page 139, line 13, delete "\$195,291,000" and insert "\$192,018,000"

Page 139, line 14, delete "\$29,482,000" and insert "\$28,903,000"

Page 139, line 16, delete "\$167,061,000" and insert "\$163,788,000"

Page 139, line 17, delete "\$29,482,000" and insert "\$28,903,000"

Page 140, line 11, delete "\$379,059,000" and insert "\$364,911,000"

Page 140, line 13, delete "\$455,476,000" and insert "\$429,307,000"

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

The roll was called, and there were yeas 0 and nays 66, as follows:

Those who voted in the negative were:

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

The motion did not prevail. So the second portion of the amendment was not adopted.

Mr. Moe, R.D. withdrew the first portion of the amendment.

RECONSIDERATION

Having voted on the prevailing side, Ms. Reichgott Junge moved that the vote whereby the Knutson amendment to H.F. No. 1000 was adopted on April 25, 1995, be now reconsidered. The motion did not prevail.

Mr. Kramer moved to amend H.F. No. 1000, as amended by the Senate April 25, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 944.)

Page 163, line 20, after "involvement" insert "until marriage"

Page 164, line 14, after "involvement" insert "until marriage"

Page 165, line 25, after "involvement" insert "until marriage"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 33, as follows:

Those who voted in the affirmative were:

Belanger	Frederickson	Laidig	Oliver	Solon
Berg	Johnson, D.E.	Larson	Olson	Stevens
Bertram	Johnston	Lesewski	Ourada	Stumpf
Chmielewski	Kleis	Lessard	Pariseau	Terwilliger
Day	Kramer	Limmer	Runbeck	Vickerman
Finn	Kroening	Neuville	Scheevel	

Those who voted in the negative were:

Anderson	Hottinger	Langseth	Novak	Riveness
Beckman	Janezich	Marty	Pappas	Robertson
Berglin	Johnson, D.J.	Merriam	Piper	Samuelson
Betzold	Johnson, J.B.	Metzen	Pogemiller	Spear
Chandler	Kelly	Moe, R.D.	Price	Wiener
Cohen	Kiscaden	Mondale	Ranum	
Flynn	Krentz	Morse	Reichgott Junge	

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

Ms. Kiscaden moved to amend H.F. No. 1000, as amended by the Senate April 25, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 944.)

Page 185, line 32, delete "and" and after "2" insert "and 126.12, subdivision 1"

Amend the title accordingly

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

Mr. Scheevel moved to amend H.F. No. 1000, as amended by the Senate April 25, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 944.)

Page 90, line 31, after "9;" insert "124A.22, subdivision 2a;"

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 42, as follows:

Those who voted in the affirmative were:

Belanger	Johnston	Krentz	Oliver	Scheevel
Bertram	Kleis	Laidig	Pariseau	Stevens
Frederickson	Knutson	Lesewski	Price	Terwilliger
Johnson, D.E.	Kramer	Neuville	Runbeck	

Those who voted in the negative were:

Anderson	Dille	Lessard	Ourada	Samuelson
Beckman	Finn	Limmer	Pappas	Solon
Berg	Flynn	Marty	Piper	Spear
Berglin	Hanson	Merriam	Pogemiller	Stumpf
Betzold	Hottinger	Metzen	Ranum	Vickerman
Chandler	Johnson, J.B.	Moe, R.D.	Reichgott Junge	Wiener
Chmielewski	Kroening	Morse	Riveness	
Cohen	Langseth	Murphy	Robertson	
Day	Larson	Novak	Sams	

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

Mr. Oliver moved to amend H.F. No. 1000, as amended by the Senate April 25, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 944.)

Page 57, delete section 74

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Mr. Scheevel moved to amend H.F. No. 1000, as amended by the Senate April 25, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 944.)

Page 74, lines 11 and 12, strike ", and 2.5 percent in fiscal year 1996"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 40 and nays 26, as follows:

Those who voted in the affirmative were:

Belanger	Hanson	Krentz	Metzen	Price
Berg	Hottinger	Laidig	Morse	Riveness
Bertram	Johnson, D.E.	Langseth	Murphy	Robertson
Betzold	Johnston	Larson	Neuville	Runbeck
Chandler	Kiscaden	Lesewski	Oliver	Scheevel
Day	Kleis	Lessard	Olson	Stevens
Dille	Knutson	Limmer	Ourada	Terwilliger
Frederickson	Kramer	Merriam	Pariseau	Vickerman

Those who voted in the negative were:

Anderson	Flynn	Moe, R.D.	Ranum	Stumpf
Beckman	Janezich	Mondale	Reichgott Junge	Wiener
Berglin	Johnson, D.J.	Novak	Sams	
Chmielewski	Johnson, J.B.	Pappas	Samuelson	
Cohen	Kroening	Piper	Solon	
Finn	Marty	Pogemiller	Spear	

The motion prevailed. So the amendment was adopted.

Mr. Neuville moved to amend H.F. No. 1000, as amended by the Senate April 25, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 944.)

Page 90, after line 28, insert:

"Subd. 24. [ADDITIONAL GENERAL EDUCATION AID.] For general education aid according to section 119:

\$5,000,000	1996
<u>\$5,000,000</u>	<u>1997</u>

Sec. 119. [ADDITIONAL GENERAL EDUCATION AID.]

For fiscal years 1996 and 1997 only, additional basic general education aid in each year is the quotient of \$5,000,000 divided by the actual number of pupil units for the school year. This amount is added to the basic general education revenue in Minnesota Statutes, section 124A.22, subdivision 2, only for the purpose of computing additional basic general education aid. The additional aid shall not be included in the computation of any other aid or levy. The additional aid is not subject to the levy equity provision in Minnesota Statutes, section 124A.24. The additional general education aid in this section is not included in the calculation of the general education aid according to Minnesota Statutes, section 124A.032."

Page 295, line 9, delete "\$23,050,000" and insert "\$18,050,000"

Page 295, line 10, delete "\$21,703,000" and insert "\$16,703,000"

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 55 and nays 11, as follows:

Those who voted in the affirmative were:

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

Riveness	Sams	Scheevel	Stevens	Vickerman
Runbeck	Samuelson	Solon	Stumpf	Wiener

Those who voted in the negative were:

Chmielewski	Krentz	Larson	Pappas	Robertson
Flynn	Laidig	Novak	Pogemiller	Spear
Janezich				

The motion prevailed. So the amendment was adopted.

Ms. Lesewski moved to amend H.F. No. 1000, as amended by the Senate April 25, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 944.)

Page 90, line 33, delete "123.37, subdivision 1b;"

Amend the title accordingly

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

Mr. Neuville moved to amend H.F. No. 1000, as amended by the Senate April 25, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 944.)

Page 239, after line 32, insert:

"Sec. 47. [126.85] [PROHIBITION AGAINST PROGRAMS ADVOCATING SEXUAL ACTIVITY BY MINORS.]

A public elementary, middle or secondary school, or state agency shall not implement or carry out a program, activity, or curriculum that has the purpose of encouraging sexual activity by minors."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mrs. Pariseau moved to amend the Neuville amendment to H.F. No. 1000 as follows:

Page 1, line 7, after "MINORS" insert "OR HOMOSEXUAL LIFESTYLE"

Page 1, line 11, after "minors" and insert "or advocating that minors accept homosexuality as a positive lifestyle alternative"

The question was taken on the adoption of the Pariseau amendment to the Neuville 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 34 and nays 30, as follows:

Those who voted in the affirmative were:

Beckman	Frederickson	Kroening	Murphy	Sams
Belanger	Hanson	Laidig	Neuville	Samuelson
Berg	Johnson, D.E.	Langseth	Olson	Scheevel
Bertram	Johnston	Larson	Ourada	Stevens
Chmielewski	Kleis	Lesewski	Pariseau	Stumpf
Day	Knutson	Lessard	Price	Vickerman
Dille	Kramer	Limmer	Runbeck	

Those who voted in the negative were:

Anderson	Flynn	Kiscaden	Morse	Reichgott Junge
Berglin	Hottinger	Marty	Novak	Riveness
Betzold	Janezich	Merriam	Pappas	Robertson
Chandler	Johnson, D.J.	Metzen	Piper	Solon
Cohen	Johnson, J.B.	Moe, R.D.	Pogemiller	Spear
Finn	Kelly	Mondale	Ranum	Wiener

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

The question was taken on the Neville amendment, as amended. Mr. Neville withdrew his amendment.

RECONSIDERATION

Having voted on the prevailing side, Mr. Hottinger moved that the vote whereby the second Scheevel amendment to H.F. No. 1000 was adopted on April 25, 1995, be now reconsidered. The motion prevailed. So the vote was reconsidered.

The question was taken on the adoption of the second Scheevel amendment.

The roll was called, and there were yeas 32 and nays 33, as follows:

Those who voted in the affirmative were:

Belanger	Hanson	Krentz	Oliver	Scheevel
Berg	Johnson, D.E.	Laidig	Olson	Stevens
Bertram	Johnston	Langseth	Ourada	Terwilliger
Chandler	Kiscaden	Larson	Pariseau	Vickerman
Day	Kleis	Limmer	Price	
Dille	Knutson	Merriam	Riveness	
Frederickson	Kramer	Neville	Runbeck	

Those who voted in the negative were:

Anderson	Hottinger	Marty	Pappas	Samuelson
Beckman	Janezich	Metzen	Piper	Solon
Berglin	Johnson, D.J.	Moe, R.D.	Pogemiller	Spear
Betzold	Johnson, J.B.	Mondale	Ranum	Stumpf
Cohen	Kelly	Morse	Reichgott Junge	Wiener
Finn	Kroening	Murphy	Robertson	
Flynn	Lessard	Novak	Sams	

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

Ms. Runbeck moved to amend H.F. No. 1000, as amended by the Senate April 25, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 944.)

Page 90, after line 28, insert:

"Sec. 119. [GENERAL STATEMENT OF POLICY.]

It is the policy of the state of Minnesota that public programs shall be of the highest quality and value and promote fairness. As such, the legislature and governor will apply the following principles, where feasible and to as great an extent as possible, when developing and reviewing education programs:

(1) programs will provide funds directly to people rather than to institutions, agencies, or service providers;

(2) public subsidies will be targeted to people and jurisdictions and other recipients primarily based on need and the state's constitutional obligations;

(3) competition will be used as a tool to align institutional self-interest with the public's interest;

(4) the cost of public goods and services will reflect the true and complete costs of providing those goods and services;

(5) spending reforms will attempt to meet public responsibilities through nongovernmental entities with which people already have relationships of mutual obligation; and

(6) spending reforms will give preference to investment-type spending over consumption-type spending and stress the importance of long-term economic growth and the development of physical and human capital."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Neuville reoffered his withdrawn amendment, as amended by the Pariseau amendment to H.F. No. 1000 as follows:

Amend H.F. No. 1000, as amended by the Senate April 25, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 944.)

Page 239, after line 32, insert:

"Sec. 47. [126.85] [PROHIBITION AGAINST PROGRAMS ADVOCATING SEXUAL ACTIVITY BY MINORS OR HOMOSEXUAL LIFESTYLE.]

A public elementary, middle or secondary school, or state agency shall not implement or carry out a program, activity, or curriculum that has the purpose of encouraging sexual activity by minors or advocating that minors accept homosexuality as a positive lifestyle alternative."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Ms. Berglin moved to amend the Neuville amendment to H.F. No. 1000 as follows:

Page 1, line 11, after the period, insert "This section shall not be construed to prevent the provision of counseling, curriculum, or services relating to pregnancy and disease prevention, suicide prevention, or violence prevention."

The question was taken on the adoption of the Berglin amendment to the Neuville amendment.

The roll was called, and there were yeas 44 and nays 22, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Krentz	Murphy	Rivness
Beckman	Hottinger	Laidig	Novak	Robertson
Berglin	Janezich	Langseth	Ourada	Runbeck
Betzold	Johnson, D.E.	Marty	Pappas	Sams
Chandler	Johnson, D.J.	Merriam	Piper	Solon
Cohen	Johnson, J.B.	Metzen	Pogemiller	Spear
Day	Kelly	Moe, R.D.	Price	Terwilliger
Dille	Kiscaden	Mondale	Ranum	Wiener
Finn	Knutson	Morse	Reichgott Junge	

Those who voted in the negative were:

Belanger	Hanson	Larson	Olson	Stumpf
Berg	Johnston	Lesewski	Pariseau	Vickerman
Bertram	Kleis	Lessard	Samuelson	
Chmielewski	Kramer	Limmer	Scheevel	
Frederickson	Kroening	Neuville	Stevens	

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

The question was taken on the third Neuville amendment, as amended. The motion prevailed. So the amendment was adopted.

H.F. No. 1000 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 16, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Krentz	Olson	Samuelson
Beckman	Frederickson	Kroening	Ourada	Scheevel
Berglin	Hanson	Laidig	Pappas	Spear
Bertram	Hottinger	Langseth	Pariseau	Stevens
Betzold	Janezich	Larson	Piper	Stumpf
Chandler	Johnson, D.E.	Lesewski	Pogemiller	Vickerman
Chmielewski	Johnson, J.B.	Limmer	Ranum	Wiener
Cohen	Kelly	Metzen	Reichgott Junge	
Day	Kleis	Moe, R.D.	Robertson	
Dille	Knutson	Mondale	Runbeck	
Finn	Kramer	Morse	Sams	

Those who voted in the negative were:

Belanger	Kiscaden	Merriam	Novak	Riveness
Berg	Lessard	Murphy	Oliver	Solon
Johnson, D.J.	Marty	Neuville	Price	Terwilliger
Johnston				

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

Mr. Pogemiller moved that S.F. No. 944, No. 120 on General Orders, be stricken and 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 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. 1120: A bill for an act relating to gambling; creating a special account for money received by the gambling control board as reimbursement for costs of testing pull-tab dispensing devices; appropriating money in the account to the board for that purpose; amending Minnesota Statutes 1994, section 349.151, subdivision 4b.

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

S.F. No. 1395: A bill for an act relating to state obligations; authorizing listing of state obligations; amending Minnesota Statutes 1994, section 16A.672, by adding a subdivision.

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. 1037: A bill for an act relating to workers' compensation; repealing the sunset of the targeted industry fund for loggers.

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. 1194: A bill for an act relating to state government; allocating certain appropriations to regional arts councils; amending Minnesota Statutes 1994, section 129D.01; proposing coding for new law in Minnesota Statutes, chapter 129D.

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. 1127: A bill for an act relating to state lands; authorizing public sale of certain state land that borders public water in Hennepin county; appropriating money.

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. 1008: A bill for an act relating to family law; authorizing courts to require parties to participate in orientation programs in proceedings involving children; proposing coding for new law in Minnesota Statutes, chapter 518.

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

Mr. Merriam from the Committee on Finance, to which was referred

H.F. No. 217: A bill for an act relating to insurance; life; regulating living benefits settlements; adopting the NAIC viatical settlements model act; prescribing powers and duties; amending Minnesota Statutes 1994, section 13.71, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 60A.

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

Page 4, line 33, delete "the general fund" and insert "a special account"

Page 7, line 35, after the comma, insert "acknowledges"

Page 10, line 30, delete "the general fund" and insert "a special account"

Amend the title as follows:

Page 1, line 4, after the second 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. 835: A bill for an act relating to metropolitan government; authorizing financing for transit and paratransit facilities and equipment; removing the limitation on metro mobility funding for capital costs; amending Minnesota Statutes 1994, section 473.39, subdivision 1b, and by adding a subdivision.

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

Page 1, line 23, after the period, insert "None of the proceeds of the certificates of indebtedness, bonds, or other obligations under this section may be used for uniforms or for planning, engineering, design, or construction of light rail transit facilities."

Page 2, line 9, after the period, insert "None of the proceeds of the certificates of indebtedness, bonds, or other obligations under this section may be used for uniforms or for planning, engineering, design, or construction of light rail transit facilities."

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

Mr. Merriam from the Committee on Finance, to which was referred

S.F. No. 1310: A bill for an act relating to state government; providing for the development of a long-range expenditure plan for state expenditures; creating a budget reserve account; restricting use of budget reserve and cash flow account balances; amending Minnesota Statutes 1994, sections 16A.152, subdivisions 1, 2, 3, 4, and by adding a subdivision; 121.904, subdivision 4a; and 124.195, subdivisions 7 and 10; proposing coding for new law in Minnesota Statutes, chapter 16A; repealing Minnesota Statutes 1994, sections 121.904, subdivisions 4c and 4d.

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

Page 1, line 23, delete "Monday" and insert "Tuesday"

Pages 3 to 5, delete sections 2 to 5

Page 5, line 20, reinstate the stricken "and cash flow account"

Pages 6 to 8, delete sections 7 to 9

Page 8, delete section 11

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete from "creating" through page 1, line 6, to "balances;"

Page 1, line 7, delete "sections" and insert "section" and delete "subdivisions 1, 2, 3, 4, and by"

Page 1, delete line 8

Page 1, line 9, delete "124.195, subdivisions 7 and 10" and insert "subdivision 4"

Page 1, line 10, delete from "; repealing" through page 1, line 12, to "4d"

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. 1078: A bill for an act relating to state finance; changing certain accounting procedures; changing the dollar threshold for approval of gifts to the state; changing procedures for collection of debt by the state; changing terminology for the petroleum tank release cleanup account; amending Minnesota Statutes 1994, sections 7.09, subdivision 1; 15.415; 16A.129, subdivision 3; 16A.28, subdivisions 1 and 6; 16A.40; 16A.57; 16A.72; 115C.02, by adding a subdivision; and 115C.08, subdivisions 1, 2, and 4; proposing coding for new law in Minnesota Statutes, chapter 16D; repealing Minnesota Statutes 1994, section 115C.02, subdivision 1a.

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

Page 2, lines 14 to 22, delete the new language

Page 2, line 23, delete "or original entry"

Page 2, lines 24 and 25, delete the new language

Page 2, after line 25, insert:

"Sec. 3. Minnesota Statutes 1994, section 16A.127, subdivision 8, is amended to read:

Subd. 8. [EXEMPTIONS.] (a) No statewide or agency indirect cost liability shall be accrued to any program, appropriation, or account that is specifically exempted from the liability in federal or state law, or if the commissioner determines the funds to be held in trust, or to be a pass-through, workshop, or seminar account. Accounts receiving proceeds from bond issues; and ~~these accounts whose funds are determined by the commissioner to originate from the general fund;~~ accounts are also exempt from this section.

(b) Except for the costs of the legislative auditor to conduct financial audits of federal funds, this section does not apply to the community college board, state university board, or the state board of technical colleges. Receipts attributable to financial audits conducted by the legislative auditor of federal funds administered by these post-secondary education boards shall be deposited in the general fund."

Page 3, delete section 4 and insert:

"Sec. 5. Minnesota Statutes 1994, section 16A.28, subdivision 5, is amended to read:

Subd. 5. [PERMANENT IMPROVEMENTS.] An appropriation for permanent improvements, including the acquisition of real property, does not lapse until the purposes of the appropriation are determined by the commissioner, after consultation with the affected agencies, to be accomplished or abandoned. This subdivision also applies to any part of an appropriation for a fiscal year that has been requisitioned to acquire real property or construct permanent improvements."

Page 4, line 34, delete "state or"

Page 4, line 35, delete "is" and insert "and"

Page 5, line 3, delete "or rule"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after the second semicolon, insert "16A.127, subdivision 8;"

Page 1, line 9, delete "1" and insert "5"

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1120, 1395, 1037, 1127, 1310 and 1078 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1194, 1008 and 217 were read the second time.

MEMBERS EXCUSED

Messrs. Chmielewski; Janezich; Johnson, D.J. and Solon were excused from the Session of today from 10:50 to 11:50 a.m. Ms. Hanson was excused from the Session of today from 12:20 to 1:45 p.m. Ms. Johnson, J.B. was excused from the Session of today from 10:40 a.m. to 12:00 noon. Ms. Robertson was excused from the Session of today from 11:00 to 11:40 a.m. Ms. Runbeck was excused from the Session of today from 10:20 a.m. to 12:00 noon. Ms. Berglin was excused from the Session of today from 2:00 to 2:30 p.m. Ms. Kiscaden was excused from the Session of today from 11:00 to 11:30 a.m. and 1:30 to 2:15 p.m. and 3:00 to 3:30 p.m. Mr. Lessard was excused from the Session of today from 10:50 to 11:50 a.m. and 1:00 to 1:30 p.m. Mr. Terwilliger was excused from the Session of today from 5:00 to 5:45 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Wednesday, April 26, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FORTY-SEVENTH DAY

St. Paul, Minnesota, Wednesday, April 26, 1995

The Senate met at 9:00 a.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, Rev. Douglas R. Potter.

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

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

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

April 21, 1995

The Honorable Allan H. Spear
President of the Senate

Dear President Spear:

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. 474, 566, 133, 577, 299 and 1023.

Warmest regards,
Arne H. Carlson, Governor

April 24, 1995

The Honorable Allan H. Spear
President of the Senate

Dear President Spear:

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. 644, 144, 91, 445, 680 and 1209.

Warmest regards,
Arne H. Carlson, Governor

April 24, 1995

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1995 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 1995	Date Filed 1995
474		75	1:48 p.m. April 21	April 21
566		76	2:50 p.m. April 21	April 21
133		77	1:50 p.m. April 21	April 21
	544	78	1:40 p.m. April 21	April 21
	859	79	1:42 p.m. April 21	April 21
	823	80	1:45 p.m. April 21	April 21
577		81	1:55 p.m. April 21	April 21
299		82	1:58 p.m. April 21	April 21
1023		83	2:00 p.m. April 21	April 21
644		84	1:17 p.m. April 24	April 24
144		85	1:26 p.m. April 24	April 24
91		86	1:30 p.m. April 24	April 24
445		87	1:32 p.m. April 24	April 24
680		88	1:34 p.m. April 24	April 24
1209		89	1:36 p.m. April 24	April 24

Sincerely,
Joan Anderson Growe
Secretary of State

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. 323:

H.F. No. 323: A bill for an act relating to housing; making the landlord the bill payer and customer of record on utility accounts in single-metered multiunit residential buildings; amending Minnesota Statutes 1994, section 504.185, subdivision 1, and by adding a subdivision.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Dawkins, Jennings and Van Engen have been appointed as such committee on the part of the House.

House File No. 323 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 25, 1995

Ms. Johnson, J.B. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 323, 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. 853:

H.F. No. 853: A bill for an act relating to the military; exempting the national guard and the department of military affairs from certain prohibitions concerning weapons; amending Minnesota Statutes 1994, section 609.66, subdivision 2.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Brown, Orenstein and Larsen have been appointed as such committee on the part of the House.

House File No. 853 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 25, 1995

Mr. Betzold moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 853, 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. 1856.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 25, 1995

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 1856: A bill for an act relating to education; appropriating money for education and related purposes to the higher education services office, the state board of technical colleges, state board for community colleges, state university board, board of regents of the University of Minnesota, and Mayo Medical Foundation, with certain conditions; altering requirements for the youth works program; modifying appropriations for instructional services; imposing conditions on participation in post-secondary enrollment options; removing requirements for certain reports; establishing a semester system and common calendar; requiring administrative interaction with students; modifying use of education institution data; extending time for POST board funding change; requiring review of Akita program; requiring efficiency in use of facilities; establishing a model instruction program in translating and interpreting services; requiring distribution of career planning and job placement information; prohibiting student discipline for speech or communication; abolishing the higher education coordinating board and transferring its duties; creating the higher education service office and higher education administrators council;

prescribing changes in certain financial assistance programs; repealing the merger of the community colleges, state universities, and technical colleges; abolishing the higher education board; amending Minnesota Statutes 1994, sections 121.707, subdivisions 2 and 3; 121.709; 126.56; 126.663, subdivision 3; 126A.02, subdivision 2; 135A.031, subdivision 2; 135A.12, subdivision 1; 135A.15, subdivision 1; 135A.153, subdivision 1; 136.172; 136A.01; 136A.03; 136A.07; 136A.08; 136A.101, subdivisions 2, 3, 5, 7, 8, and 10; 136A.121, subdivisions 5, 6, and 9; 136A.125, subdivision 6; 136A.1359, subdivisions 1, 2, and 3; 136A.15, subdivisions 3 and 4; 136A.16, subdivision 1; 136A.233, subdivision 2; 136A.26, subdivisions 1 and 2; 136A.42; 136A.62, subdivision 2; 136A.63; 136A.69; 136A.81, subdivision 1; 141.25, subdivision 8; 144.1487, subdivision 1; 144.1488, subdivisions 1 and 4; 144.1489, subdivisions 1, 3, and 4; 144.1490; 144.1491, subdivision 2; 298.2214, subdivision 5; and 363.03, subdivision 5; Laws 1986, chapter 398, article 1, section 18, as amended; and Laws 1993, First Special Session chapter 2, article 1, section 2, subdivision 3, and section 9, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; and 136E; repealing Minnesota Statutes 1994, sections 135A.052, subdivisions 2 and 3; 135A.08; 135A.09; 135A.10; 135A.11; 135A.12, subdivision 5; 136A.02; 136A.04; 136A.041; 136A.125, subdivision 5; 136A.1352; 136A.1353; 136A.1354; 136A.16, subdivision 11; 136A.85; 136A.86; 136A.87; 136A.88; 136E.01; 136E.02; 136E.021; 136E.03; 136E.04; 136E.05; 136E.31; 136E.395; 136E.525; 136E.692; 137.31, subdivision 6; 137.35, subdivision 4; 137.38; 144.1488, subdivision 2; and 148.236; Laws 1991, chapter 356, article 9, as amended; and Laws 1994, chapter 532, articles 5, sections 1, 2, and 3; and 7, section 9.

Mr. Moe, R.D. moved that H.F. No. 1856 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 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. 47, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 47 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 25, 1995

CONFERENCE COMMITTEE REPORT ON H.F. NO. 47

A bill for an act relating to solid waste; merging two conflicting amendments to the solid waste generator assessment statute that were enacted in 1994; correcting and clarifying terminology; amending Minnesota Statutes 1994, section 116.07, subdivision 10; repealing Laws 1994, chapter 510, article 6, section 1.

April 20, 1995

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H.F. No. 47, 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. 47 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 116.07, subdivision 10, is amended to read:

Subd. 10. [SOLID WASTE GENERATOR ASSESSMENTS.] (a) For the purposes of this subdivision;

(1) "assessed waste" means mixed municipal solid waste as defined in section 115A.03, subdivision 21, infectious waste as defined in section 116.76, subdivision 12, pathological waste as defined in section 116.76, subdivision 14, industrial waste as defined in section 115A.03, subdivision 13a, and construction debris as defined in section 115A.03, subdivision 7-; provided that all types of assessed waste listed in this clause do not include materials that are separated for recycling by the generator and that are collected separately from other waste and delivered to a waste facility for the purpose of recycling and recycled, and it also does not include waste generated outside of Minnesota;

(2) "noncompacted cubic yard" means a loose cubic yard of assessed waste;

(3) "nonresidential customer" means:

(i) an owner or operator of a business, including a home operated business, industry, church, nursing home, nonprofit organization, school, or any other commercial or institutional enterprise;

(ii) an owner of a building or site containing multiple residences, including a townhome or manufactured home park, where no resident has separate trash pickup, and no resident is separately assessed for such service; and

(iii) any other generator of assessed waste that is not a residential customer as defined in clause (6);

(4) "periodic waste collection" means each time a waste container is emptied by the person that collects the assessed waste;

(5) "person that collects assessed waste" means each person that is required to pay sales tax on solid waste collection services under section 297A.45, or would pay sales tax under that section if the assessed waste was mixed municipal solid waste; and

(6) "residential customer" means:

(i) a detached single family residence that generates only household mixed municipal solid waste; and

(ii) a person residing in a building or at a site containing multiple residences, including a townhome or a manufactured home park, where each resident either (A) is separately assessed for waste collection or (B) has separate waste collection for each resident, even if the resident pays to the owner or an association a monthly maintenance fee which includes the expense of waste collection, and the owner or association pays the waste collector for waste collection in one lump sum.

(b) A person that collects assessed waste shall collect and remit to the commissioner of revenue a solid waste generator assessment from each of the person's customers as provided in paragraphs (c) and (d). A waste management facility that accepts assessed waste shall collect and remit to the commissioner of revenue the solid waste assessment as provided in paragraph (e).

(c) Except as provided in paragraph (f), the amount of the assessment for each residential customer is \$2 per year. Each ~~waste collector~~ person that collects assessed waste shall collect the assessment annually from each residential customer that is receiving mixed municipal solid waste collection service on July 1 of each year and shall remit the amount actually collected along with the collector's person's first remittance of the sales tax on solid waste collection services, described in section 297A.45, made after October 1 of each year. For buildings or sites that

contain multiple residences that are not separately billed for collection services, the person who collects assessed waste shall collect the assessment for all the residences from the person who is billed for the collection service. Any amount of the assessment that is received by the waste collector person that collects assessed waste after October 1 of each year must be remitted along with the collector's person's next remittance of sales tax after receipt of the assessment.

(d) The amount of the assessment for each nonresidential customer is 60 cents per noncompacted cubic yard of periodic waste collection capacity purchased by the customer, based on the size of the container for the assessed waste. For a residential customer that generates assessed waste that is not mixed municipal solid waste, the amount of the assessment is 60 cents per noncompacted cubic yard of collection capacity purchased for the waste that is not mixed municipal solid waste, based on the size of the container for the waste. If the capacity purchased is for compacted cubic yards of mixed municipal solid waste, the noncompacted capacity purchased is based on the compaction ratio of 3:1. The commissioner of revenue, after consultation with the commissioner of the pollution control agency, shall determine, and may publish by notice, compaction rates for other types of waste where they exist and conversion schedules for waste that is managed by measurements other than cubic yards. Each waste collector person that collects assessed waste shall collect the assessment from each nonresidential customer as part of each statement for payment of waste collection charges and shall remit the amount actually collected along with the next remittance of sales tax after receipt of the assessment.

(e) A person who transports assessed waste generated by that person or by another person without compensation shall pay an assessment of 60 cents per noncompacted cubic yard or the equivalent to the operator of the waste management facility to which the waste is delivered. The operator shall remit the assessments actually collected under this paragraph to the commissioner of revenue as though they were sales taxes under chapter 297A. This paragraph subdivision does not apply to a person who transports industrial waste generated by that person to a facility owned and operated by that person.

(f) The amount of the assessment for each residential customer that is subject to a mixed municipal solid waste collection service for which the customer pays, based on the volume of waste collected, by purchasing specific collection bags or stickers from the waste collector, municipality, or other vendor is either:

(1) determined by a method developed by the waste collector or municipality and approved by the commissioner of revenue, which yields the equivalent of approximately a \$2 annual assessment per household; or

(2) three cents per each 35 gallon unit or less. If the per unit fee method under this clause is used, it is the responsibility of the waste collector or the municipality who is selling the bags or stickers to remit the amount of the assessment to the department of revenue, according to a payment schedule provided by the commissioner of revenue. The collection service and assessment under this clause shall be included in the price of the bag or sticker.

(g) The commissioner of revenue shall redesign sales tax forms for solid persons that collect assessed waste collectors to accommodate payment of the assessment. The amounts remitted under this subdivision must be deposited in the state treasury and credited to the landfill cleanup account established in section 115B.42.

(g) For the purposes of this subdivision, a "person that collects mixed municipal solid waste" means each person that is required to pay sales tax on solid waste collection services under section 297A.45, or would pay sales tax under that section if the assessed waste was mixed municipal solid waste.

(h) For persons that collect assessed waste and operators of waste management facilities who are required to collect the solid waste generator assessments under this subdivision, and persons who are required to remit the assessment under paragraph (f), and who do not collect and remit the sales tax on solid waste collection services under section 297A.45, the commissioner of revenue shall determine when and in what manner the persons and operators must remit the assessment amounts actually collected.

(i) For the purposes of this subdivision, the requirement to "collect" the solid waste generator assessment under paragraph (b) means that the person to whom the requirement applies shall:

(i) include the amount of the assessment in the appropriate statement of charges for waste collection services and in any action to enforce payment on delinquent accounts;

(ii) accurately account for assessments received;

(iii) indicate to generators that payment of the assessment by the waste generator is required by law and inform generators, using information supplied by the commissioner of the agency, of the purposes for which revenue from the assessment will be spent; and

(iv) cooperate fully with the commissioner of revenue to identify generators of assessed waste who fail to remit payment of the assessment.

(j) The audit, penalty, enforcement, and administrative provisions applicable to taxes imposed under chapter 297A apply to the assessments imposed under this subdivision.

(k) If less than \$25,000,000 is projected to be available for new encumbrances in any fiscal year after fiscal year 1996 for expenditure from all existing dedicated revenue sources for landfill cleanup and reimbursement costs under sections 115B.39 to 115B.46, by April 1 before the next fiscal year in which the shortfall is projected the commissioner of the agency shall certify to the commissioner of revenue the amount of the shortfall. To provide for the shortfall, the commissioner of revenue shall increase the assessment under paragraphs (d) and (e) by an amount sufficient to generate revenue equal to the amount of the shortfall effective the following July 1 and shall provide notice of the increased assessment to affected waste generators by May 1 following certification to persons who are required to collect and remit the solid waste generator assessments under this subdivision.

Sec. 2. [REPEALER.]

Laws 1994, chapter 510, article 6, section 1, is repealed.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective beginning January 1, 1995."

Delete the title and insert:

"A bill for an act relating to solid waste; merging two conflicting amendments to the solid waste generator assessment statute that were enacted in 1994; correcting and clarifying terminology; amending Minnesota Statutes 1994, section 116.07, subdivision 10; repealing Laws 1994, chapter 510, article 6, section 1."

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

House Conferees: (Signed) Jean Wagenius, Ann H. Rest, Dennis Ozment

Senate Conferees: (Signed) Steven Morse, John Marty, Dennis R. Frederickson

Mr. Morse moved that the foregoing recommendations and Conference Committee Report on H.F. No. 47 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. 47 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:

Anderson	Berglin	Chmielewski	Hottinger	Johnson, J.B.
Beckman	Bertram	Day	Janezich	Johnston
Belanger	Betzold	Finn	Johnson, D.E.	Kiscaden
Berg	Chandler	Flynn	Johnson, D.J.	Kleis

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

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 the General Orders Calendar a Special Orders Calendar to be heard immediately.

SPECIAL ORDER

S.F. No. 1146: A bill for an act relating to licensing; electricians; eligibility requirement for applicant for master electrician licensure.

Mr. Neuville moved that S.F. No. 1146, No. 1 on Special Orders, be stricken and returned to its author. The motion prevailed.

SPECIAL ORDER

S.F. No. 322: A bill for an act relating to state government; rulemaking; authorizing the governor to suspend certain rules and terminate rule proceedings; proposing coding for new law in Minnesota Statutes, chapter 4.

Mr. Hottinger moved that S.F. No. 322, No. 3 on Special Orders, be stricken and re-referred to the Committee on Governmental Operations and Veterans. The motion prevailed.

SPECIAL ORDER

S.F. No. 123: A bill for an act relating to civil actions; providing for recovery of damages and injunctive relief for victims of bias offenses; imposing parental liability; proposing coding for new law in Minnesota Statutes, chapter 611A.

Mr. Mondale moved that S.F. No. 123, No. 7 on Special Orders, be stricken and returned to its author. The motion prevailed.

SPECIAL ORDER

S.F. No. 799: A bill for an act relating to crime prevention; clarifying the reasonable person standard for manslaughter in the first degree; clarifying certain acts that constitute murder in the first degree; amending Minnesota Statutes 1994, sections 609.185; and 609.20.

Ms. Ranum moved to amend S.F. No. 799 as follows:

Page 3, lines 4 and 5, delete the new language

Page 3, line 17, strike "or"

Page 3, line 22, before the period, insert "; or

(5) as used in this section, a "person of ordinary self-control" does not include a person under the influence of intoxicants or a controlled substance"

The motion prevailed. So the amendment was adopted.

S.F. No. 799 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 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the balance of the proceedings on H.F. No. 1856. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Moe, R.D. moved that H.F. No. 1856 be taken from the table. The motion prevailed.

H.F. No. 1856: A bill for an act relating to education; appropriating money for education and related purposes to the higher education services office, the state board of technical colleges, state board for community colleges, state university board, board of regents of the University of Minnesota, and Mayo Medical Foundation, with certain conditions; altering requirements for the youth works program; modifying appropriations for instructional services; imposing conditions on participation in post-secondary enrollment options; removing requirements for certain reports; establishing a semester system and common calendar; requiring administrative interaction with students; modifying use of education institution data; extending time for POST board funding change; requiring review of Akita program; requiring efficiency in use of facilities; establishing a model instruction program in translating and interpreting services; requiring distribution of career planning and job placement information; prohibiting student discipline for speech or communication; abolishing the higher education coordinating board and transferring its duties; creating the higher education service office and higher education administrators council; prescribing changes in certain financial assistance programs; repealing the merger of the community colleges, state universities, and technical colleges; abolishing the higher education board; amending Minnesota Statutes 1994, sections 121.707, subdivisions 2 and 3; 121.709; 126.56; 126.663, subdivision 3; 126A.02, subdivision 2; 135A.031, subdivision 2; 135A.12, subdivision 1; 135A.15, subdivision 1; 135A.153, subdivision 1; 136.172; 136A.01; 136A.03; 136A.07; 136A.08; 136A.101, subdivisions 2, 3, 5, 7, 8, and 10; 136A.121, subdivisions 5, 6, and 9; 136A.125, subdivision 6; 136A.1359, subdivisions 1, 2, and 3; 136A.15, subdivisions 3 and 4; 136A.16, subdivision 1; 136A.233, subdivision 2; 136A.26, subdivisions 1 and 2; 136A.42; 136A.62, subdivision 2; 136A.63; 136A.69; 136A.81, subdivision 1; 141.25, subdivision 8; 144.1487, subdivision 1; 144.1488, subdivisions 1 and 4; 144.1489, subdivisions 1, 3, and 4; 144.1490; 144.1491, subdivision 2; 298.2214, subdivision 5; and 363.03, subdivision 5; Laws 1986, chapter 398, article 1, section 18, as amended; and Laws 1993, First Special Session chapter 2, article 1, section 2, subdivision 3, and section 9, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; and 136E; repealing Minnesota Statutes 1994, sections 135A.052, subdivisions 2 and 3; 135A.08; 135A.09; 135A.10; 135A.11; 135A.12, subdivision 5; 136A.02; 136A.04; 136A.041; 136A.125, subdivision 5; 136A.1352; 136A.1353; 136A.1354; 136A.16, subdivision 11; 136A.85; 136A.86; 136A.87; 136A.88; 136E.01; 136E.02; 136E.021;

136E.03; 136E.04; 136E.05; 136E.31; 136E.395; 136E.525; 136E.692; 137.31, subdivision 6; 137.35, subdivision 4; 137.38; 144.1488, subdivision 2; and 148.236; Laws 1991, chapter 356, article 9, as amended; and Laws 1994, chapter 532, articles 5, sections 1, 2, and 3; and 7, section 9.

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. 1856 and that the rules of the Senate be so far suspended as to give H.F. No. 1856 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1856 was read the second time.

Mr. Stumpf moved to amend H.F. No. 1856 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 1856, and insert the language after the enacting clause, and the title, of S.F. No. 1234, the third engrossment.

The motion prevailed. So the amendment was adopted.

H.F. No. 1856 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 52 and nays 9, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Larson	Ourada	Samuelson
Beckman	Johnson, D.E.	Lesewski	Pappas	Scheevel
Belanger	Johnson, D.J.	Lessard	Pariseau	Solon
Berg	Johnson, J.B.	Limmer	Piper	Spear
Bertram	Johnston	Metzen	Pogemiller	Stevens
Betzold	Kiscaden	Moe, R.D.	Price	Stumpf
Chmielewski	Kramer	Mondale	Ranum	Terwilliger
Day	Krentz	Neuville	Reichgott Junge	Vickerman
Dille	Kroening	Novak	Riveness	
Flynn	Laidig	Oliver	Robertson	
Frederickson	Langseth	Olson	Sams	

Those who voted in the negative were:

Berglin	Finn	Kleis	Merriam	Murphy
Chandler	Hottinger	Marty	Morse	

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

SPECIAL ORDER

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

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Anderson	Berglin	Chandler	Dille	Frederickson
Beckman	Bertram	Chmielewski	Finn	Hanson
Belanger	Betzold	Day	Flynn	Janezich

Johnson, D.E.	Langseth	Morse	Piper	Spear
Johnson, D.J.	Larson	Murphy	Pogemiller	Stevens
Johnson, J.B.	Lesewski	Neuville	Price	Stumpf
Kiscaden	Lessard	Novak	Riveness	Terwilliger
Kleis	Limmer	Oliver	Robertson	Vickerman
Kramer	Marty	Olson	Sams	
Krentz	Merriam	Ourada	Samuelson	
Kroening	Metzen	Pappas	Scheevel	
Laidig	Moe, R.D.	Pariseau	Solon	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 738: A bill for an act relating to agriculture; providing for uniformity with certain federal food standards; amending Minnesota Statutes 1994, section 31.101, subdivision 9, and by adding subdivisions.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1070: A bill for an act relating to counties; providing for the filling by appointment of certain offices in counties; providing for conforming changes; amending Minnesota Statutes 1994, sections 375A.10, subdivisions 2, 3, and 5; and 375A.12, subdivision 2.

Ms. Pappas moved that S.F. No. 1070, No. 20 on Special Orders, be stricken and returned to its author. The motion prevailed.

SPECIAL ORDER

S.F. No. 1247: A bill for an act relating to state government; clarifying statutory waiver requirements with respect to the housing finance agency for the civil service pilot project.

Mr. Metzen moved that S.F. No. 1247, No. 21 on Special Orders, be stricken and re-referred to the Committee on Governmental Operations and Veterans. The motion prevailed.

SPECIAL ORDER

S.F. No. 135: A bill for an act relating to health occupations and professions; board of psychology; eliminating the written declaration of intent filing requirement for persons with a

master's degree who are seeking licensure as a licensed psychologist; amending Minnesota Statutes 1994, section 148.921, 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 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 266: A bill for an act relating to peace officers; authorizing certain expenditures by a surviving spouse from a dependent child's share of a peace officer's survivor benefits; amending Minnesota Statutes 1994, section 299A.44.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1404: A bill for an act relating to insurance; regulating reinsurance intermediaries; providing for the investment of funds held by reinsurance intermediaries; amending Minnesota Statutes 1994, sections 60A.715; and 60A.73, 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 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1092: A bill for an act relating to public safety; clarifying duties of the office of crime victim ombudsman; amending Minnesota Statutes 1994, sections 611A.73, subdivision 3; and 611A.74.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 342: A bill for an act relating to children; modifying liability provisions for child abuse investigations; providing for attorney fees in certain actions; providing for the establishment of protocols for investigations; prohibiting certain conflicts of interest; providing for access to data regarding determinations of maltreatment; amending Minnesota Statutes 1994, section 626.556, subdivisions 4, 5, 10, 10b, 10e, 10f, and by adding a subdivision.

Mr. Spear moved to amend S.F. No. 342 as follows:

Page 2, line 8, after "is" insert "(1)" and delete "(1)"

Page 2, line 9, before "following" insert "acting in good faith and"

The motion prevailed. So the amendment was adopted.

S.F. No. 342 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 63 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Chmielewski voted in the negative.

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

SPECIAL ORDER

H.F. No. 536: A bill for an act relating to commerce; residential building contractors; regulating licensees; providing a clarification; amending Minnesota Statutes 1994, sections 326.83, subdivision 5, and by adding a subdivision; 326.84, subdivision 3; 326.91, subdivision 1; 326.95, subdivision 2; and 326.975, subdivision 1.

Mrs. Pariseau moved to amend H.F. No. 536 as follows:

Page 2, line 36, strike "\$15,000" and insert "\$25,000"

Page 3, lines 5, 6, 10, and 14, strike "\$15,000" and insert "\$25,000"

The motion prevailed. So the amendment was adopted.

H.F. No. 536 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:

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

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

SPECIAL ORDER

H.F. No. 1132: A bill for an act relating to alcoholic beverages; providing restrictions on brewers who have retail on-sale licenses; imposing licensing and permitting requirements; requiring a license for charging for possession of alcoholic beverages; requiring a permit to allow consumption and display of all alcoholic beverages; authorizing additional licenses in Minneapolis; authorizing Clay and St. Louis counties to issue on-sale licenses; requiring a study of application of primary source law; defining home brewing equipment; listing items that may be sold in exclusive liquor stores; repealing requirement for permit for transportation of alcoholic beverages; amending Minnesota Statutes 1994, sections 340A.101, subdivision 10, and by adding a subdivision; 340A.301, subdivisions 6 and 7; 340A.401; 340A.404, subdivision 2; 340A.408, subdivision 2; 340A.412, by adding a subdivision; and 340A.414, subdivision 1; repealing Minnesota Statutes 1994, sections 340A.301, subdivision 10; and 340A.32.

Mr. Solon moved to amend H.F. No. 1132, as amended pursuant to Rule 49, adopted by the Senate April 18, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 936.)

Pages 4 and 5, delete section 4

Page 9, after line 24, insert:

"Sec. 14. [PRIMARY SOURCE STUDY.]

House research and senate counsel and research shall jointly study the issue of whether the provisions of Minnesota Statutes, section 340A.311, paragraph (c), should be extended to apply to all alcoholic beverages. The commissioners of public safety and revenue shall cooperate and assist in the study. House research and senate counsel and research shall report their findings to the senate commerce and consumer protection committee and house of representatives commerce, tourism, and consumer affairs committee by February 1, 1996."

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. 1132 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:

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

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

RECONSIDERATION

Ms. Pappas moved that the vote whereby S.F. No. 1070 was returned to its author on April 26, 1995, be now reconsidered. The motion prevailed. So the vote was reconsidered.

S.F. No. 1070: A bill for an act relating to counties; providing for the filling by appointment of certain offices in counties; providing for conforming changes; amending Minnesota Statutes 1994, sections 375A.10, subdivisions 2, 3, and 5; and 375A.12, subdivision 2.

Ms. Pappas moved that S.F. No. 1070, No. 20 on Special Orders, be stricken and re-referred to the Committee on Metropolitan and Local Government. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

SPECIAL ORDER

H.F. No. 1060: A bill for an act relating to local government; excluding certain fire and police department employees from civil service in the city of South St. 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 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1460: A bill for an act relating to government; modifying a budget report date for cities; eliminating certain budget publication requirements; amending Minnesota Statutes 1994, sections 6.745, subdivision 1; and 471.6965.

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:

Anderson	Betzold	Flynn	Johnson, D.J.	Knutson
Beckman	Chandler	Frederickson	Johnson, J.B.	Kramer
Belanger	Cohen	Hanson	Johnston	Krentz
Berg	Day	Hottinger	Kelly	Kroening
Berglin	Dille	Janezich	Kiscaden	Laidig
Bertram	Finn	Johnson, D.E.	Kleis	Larson

Lesewski
Marty
Metzen
Mondale
Morse
Murphy

Neuville
Novak
Oliver
Olson
Ourada
Pappas

Pariseau
Piper
Price
Ranum
Reichgott Junge
Riveness

Robertson
Samuelson
Scheevel
Solon
Spear
Stevens

Stumpf
Vickerman
Wiener

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 903: A bill for an act relating to economic development; modifying and requesting a legislative audit of the economic recovery grant program; amending Minnesota Statutes 1994, section 116J.873, subdivision 3, and by adding a subdivision.

Mr. Riveness moved that S.F. No. 903, No. 56 on Special Orders, be stricken and re-referred to the Committee on Jobs, Energy and Community Development. The motion prevailed.

SPECIAL ORDER

H.F. No. 813: A bill for an act relating to human services; establishing a temporary payment rate for a recently purchased intermediate care facility for persons with mental retardation or related conditions; amending Minnesota Statutes 1994, section 256B.501, 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 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

Kleis
Knutson
Kramer
Krentz
Kroening
Laidig
Larson
Lesewski
Lessard
Marty
Metzen
Mondale

Morse
Murphy
Neuville
Novak
Oliver
Olson
Ourada
Pappas
Piper
Price
Ranum
Reichgott Junge

Riveness
Robertson
Samuelson
Scheevel
Solon
Spear
Stevens
Stumpf
Vickerman
Wiener

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1602: A bill for an act relating to health; establishing provisions for mobile health care providers; proposing coding for new law in Minnesota Statutes, chapter 144.

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:

Anderson
Beckman

Belanger
Berg

Berglin
Bertram

Betzold
Chandler

Chmielewski
Cohen

Day	Johnson, J.B.	Larson	Novak	Robertson
Dille	Johnston	Lesewski	Oliver	Samuelson
Finn	Kelly	Lessard	Olson	Scheevel
Flynn	Kiscaden	Limmer	Ourada	Solon
Frederickson	Kleis	Marty	Pappas	Spear
Hanson	Knutson	Metzen	Pariseau	Stevens
Hottinger	Kramer	Mondale	Piper	Stumpf
Janezich	Krentz	Morse	Price	Vickerman
Johnson, D.E.	Kroening	Murphy	Reichgott Junge	Wiener
Johnson, D.J.	Laidig	Neuville	Riveness	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 973: A bill for an act relating to insurance; automobile; permitting users of rental vehicles to benefit from lower price rental periods without losing coverage; amending Minnesota Statutes 1994, section 65B.49, subdivision 5a.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 927: A bill for an act relating to domestic abuse; eliminating hearing requirements in certain cases; providing for notices; amending Minnesota Statutes 1994, section 518B.01, subdivisions 4, 5, and 7.

Ms. Kiscaden moved to amend H.F. No. 927, as amended pursuant to Rule 49, adopted by the Senate April 21, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 864.)

Page 1, line 17, delete "The court shall maintain information regarding the"

Page 1, delete line 18

Page 1, line 19, delete everything before "Information" and insert "Upon the petitioner's request,"

The motion prevailed. So the amendment was adopted.

H.F. No. 927 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:

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

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

SPECIAL ORDER

H.F. No. 1052: A bill for an act relating to the federal lien registration act; imposing duties on filing officers; providing for filing of notices and of certificates of discharge; designating an official index; providing for the transmission of certain information; amending Minnesota Statutes 1994, sections 272.481; 272.482; 272.483; and 272.488, subdivisions 1, 2, 3, 4, and by adding subdivisions.

Mr. Betzold moved to amend H.F. No. 1052 as follows:

Page 5, line 9, delete "country" and insert "county"

The motion prevailed. So the amendment was adopted.

H.F. No. 1052 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:

Anderson	Flynn	Krentz	Neuville	Reichgott Junge
Beckman	Frederickson	Laidig	Novak	Riveness
Belanger	Hottinger	Larson	Oliver	Robertson
Berglin	Janezich	Lesewski	Olson	Samuelson
Bertram	Johnson, D.E.	Lessard	Ourada	Scheevel
Betzold	Johnson, D.J.	Limmer	Pappas	Solon
Chmielewski	Kelly	Marty	Pariseau	Spear
Cohen	Kiscaden	Metzen	Piper	Stevens
Day	Kleis	Mondale	Price	Vickerman
Finn	Kramer	Morse	Ranum	Wiener

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

SPECIAL ORDER

H.F. No. 624: A bill for an act relating to public employees; providing a leave of absence for public employees who are candidates for elective office; proposing coding for new law in Minnesota Statutes, chapter 179A.

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 52 and nays 6, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Laidig	Novak	Riveness
Belanger	Johnson, D.E.	Lesewski	Oliver	Robertson
Berg	Johnson, D.J.	Lessard	Olson	Samuelson
Berglin	Johnson, J.B.	Limmer	Ourada	Solon
Bertram	Johnston	Marty	Pappas	Spear
Betzold	Kelly	Merriam	Pariseau	Stevens
Cohen	Kleis	Metzen	Piper	Stumpf
Day	Knutson	Moe, R.D.	Pogemiller	Wiener
Finn	Kramer	Mondale	Price	
Flynn	Krentz	Morse	Ranum	
Frederickson	Kroening	Neuville	Reichgott Junge	

Those who voted in the negative were:

Beckman	Kiscaden	Larson	Scheevel	Vickerman
Chmielewski				

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 877: A bill for an act relating to insurance; private passenger vehicle insurance; providing for a premium reduction for vehicles having antitheft alarms or devices; defining terms; proposing coding for new law in Minnesota Statutes, chapter 65B.

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 55 and nays 2, as follows:

Those who voted in the affirmative were:

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

Mr. Finn and Ms. Flynn voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 68: A bill for an act relating to insurance; requiring insurers to offer alternative methods for the payment of group life policy proceeds; amending Minnesota Statutes 1994, section 61A.09, 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 58 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Ourada voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 778: A bill for an act relating to human services; modifying certain asset and income requirements for medical assistance; modifying the verification requirements for Minnesota supplemental aid; amending Minnesota Statutes 1994, sections 256B.056, by adding subdivisions; and 256D.405, by adding a subdivision; repealing Minnesota Statutes 1994, section 256D.425, 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 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1402: A bill for an act relating to motor vehicles; authorizing issuance of original license plates 20 or more years old to a registered passenger automobile; authorizing registrar to charge a fee; amending Minnesota Statutes 1994, section 168.12, 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:

Anderson	Belanger	Bertram	Chmielewski	Day
Beckman	Berg	Betzold	Cohen	Finn

Flynn	Kiscaden	Lessard	Olson	Robertson
Frederickson	Kleis	Limmer	Ourada	Sams
Hanson	Knutson	Marty	Pappas	Samuelson
Hottinger	Kramer	Metzen	Pariseau	Scheevel
Janezich	Krentz	Moe, R.D.	Piper	Solon
Johnson, D.E.	Kroening	Mondale	Pogemiller	Spear
Johnson, D.J.	Laidig	Morse	Price	Stevens
Johnson, J.B.	Langseth	Neuville	Ranum	Stumpf
Johnston	Larson	Novak	Reichgott Junge	Vickerman
Kelly	Lesewski	Oliver	Riveness	Wiener

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1485: A bill for an act relating to occupations and professions; permitting protective agents to perform certain traffic control duties; amending Minnesota Statutes 1994, section 326.338, 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 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1011: A bill for an act relating to traffic regulations; prohibiting radar jammers; amending Minnesota Statutes 1994, section 169.14, 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 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

Scheevel
SolonSpear
StevensStumpf
Terwilliger

Vickerman

Wiener

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1048: A bill for an act relating to commerce; regulating videotape distributions, sales, and rentals; requiring certain captioning for deaf or hearing-impaired persons; providing penalties and remedies; proposing coding for new law in Minnesota Statutes, chapter 325I.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 586: A bill for an act relating to motor vehicles; authorizing sale and disposal of unauthorized, abandoned, and junk vehicles by impound lots; amending Minnesota Statutes 1994, sections 168B.04; 168B.06; 168B.07, subdivision 1; 168B.08; 168B.09, subdivision 1; 168B.101; and 169.041, subdivisions 3, 4, and 6; proposing coding for new law in Minnesota Statutes, chapter 168B; repealing Minnesota Statutes 1994, sections 168B.02; and 168B.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 59 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Berg voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

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

Ms. Berglin moved to amend S.F. No. 801 as follows:

Page 5, after line 34, insert:

"Subd. 13. [INTACT PAINT.] "Intact paint" means paint that is not chipped, peeled, or otherwise separated from its substrate or attached to damaged substrate. Painted surfaces which may generate dust but are not chipped, peeled, or otherwise separated from their substrate or attached to damaged substrate are considered to be intact paint."

Renumber the subdivisions in sequence

Page 35, line 22, delete "8" and insert "9"

The motion prevailed. So the amendment was adopted.

Ms. Berglin moved that S.F. No. 801 be laid on the table. The motion prevailed.

SPECIAL ORDER

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

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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

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

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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 708: A bill for an act relating to agriculture; changing the interest rate on the shared savings loan program; amending Minnesota Statutes 1994, section 17.115, subdivision 2.

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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

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

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:

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

Kleis	Lessard	Oliver	Ranum	Spear
Knutson	Limmer	Olson	Riveness	Stevens
Kramer	Marty	Ourada	Robertson	Stumpf
Krentz	Metzen	Pappas	Runbeck	Terwilliger
Kroening	Mondale	Pariseau	Sams	Vickerman
Laidig	Morse	Piper	Samuelson	Wiener
Larson	Murphy	Pogemiller	Scheevel	
Lesewski	Neuville	Price	Solon	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1199: A bill for an act relating to motor vehicles; requiring vehicle buyer to notify registrar of motor vehicles of vehicle transfer within ten days; imposing fees and penalties; amending Minnesota Statutes 1994, sections 168.101, subdivision 2; and 168.15; proposing coding for new law in Minnesota Statutes, chapter 168; repealing Minnesota Statutes 1994, section 168A.10, subdivision 6.

Mr. Marty moved to amend S.F. No. 1199 as follows:

Page 1, after line 22, insert:

"Sec. 2. Minnesota Statutes 1994, section 168.11, subdivision 3, is amended to read:

Subd. 3. If the registrar fails to mail to the registered owner of a motor vehicle a notification of renewal for the motor vehicle at least 30 days before the expiration of the vehicle's registration, and all past due taxes and fees have been paid, the registrar must provide at no charge a written statement to that effect to the registered owner at the owner's request. The registrar must retain in the registrar's files a record sufficient to demonstrate whether any owner of a registered motor vehicle has been notified by mail of the renewal of the registration. The registrar shall mail, with each notification of renewal mailed in 1996, a "Notice of Sale" in postcard form, which contains the vehicle's title number and vehicle identification number, with sufficient space for the owner to record the name, address, and driver's license number of a purchaser, the vehicle's purchase price, and its date of sale. The form must include clear instructions regarding the owner's responsibility to complete and return the form pursuant to section 168A.10, subdivision 1."

Page 3, after line 6, insert:

"Sec. 4. Minnesota Statutes 1994, section 168.17, is amended to read:

168.17 [SUSPENSION OF REGISTRATION.]

All registrations and issue of number plates shall be subject to amendment, suspension, modification or revocation by the registrar summarily for any violation of or neglect to comply with the provisions of this chapter or when the transferee fails to comply with section 168A.10, subdivision 2, within 30 days of the date of sale. In any case where the proper registration of a motor vehicle is dependent upon procuring information entailing such delay as to unreasonably deprive the owner of the use of the motor vehicle, the registrar may issue a tax receipt and plates conditionally. In any case when revoking a registration for cause, the registrar shall have authority to demand the return of the number plates and registration certificates, and, if necessary, to seize the number plates issued for such registration."

Page 4, after line 8, insert:

"Sec. 6. Minnesota Statutes 1994, section 168A.05, subdivision 5, is amended to read:

Subd. 5. ~~[ASSIGNMENT AND WARRANTY OF TITLE FORMS.]~~ (a) The certificate of title shall contain forms:

- (1) for assignment and warranty of title by the owner, ~~and for~~;
- (2) ~~for~~ assignment and warranty of title by a dealer, ~~and shall contain forms for applications;~~

(3) to apply for a certificate of title by a transferee, and the naming of;

(4) to name a secured party, and shall include; and

(5) language necessary to implement to make the disclosure required by section 325F.6641.

(b) The certificate of title must also include a form that contains the vehicle's title number and vehicle identification number with sufficient space for the owner to record the name, address, and driver's license number of a purchaser, the vehicle's purchase price, and its date of sale. The form must be entitled "Notice of Sale" and must include clear instructions regarding the owner's responsibility to complete and return the form pursuant to section 168A.10, subdivision 1.

Sec. 7. Minnesota Statutes 1994, section 168A.10, subdivision 1, is amended to read:

Subdivision 1. [ASSIGNMENT AND WARRANTY OF TITLE; MILEAGE; NOTICE OF SALE.] If an owner transfers interest in a vehicle other than by the creation of a security interest, the owner shall at the time of the delivery of the vehicle execute an assignment and warranty of title to the transferee and shall state the actual selling price in the space provided therefor on the certificate. The owner shall also complete the "Notice of Sale," by recording the name, address, and driver's license number of the purchaser, the vehicle's purchase price, and its date of sale. The owner shall return this form to the department within seven days of the date of sale. With respect to motor vehicles subject to the provisions of section 325E.15, the transferor shall also, in the space provided therefor on the certificate, state the true cumulative mileage registered on the odometer or that the actual mileage is unknown if the odometer reading is known by the transferor to be different from the true mileage. The transferor shall cause the certificate and assignment to be delivered to the transferee immediately.

Sec. 8. Minnesota Statutes 1994, section 168A.10, subdivision 2, is amended to read:

Subd. 2. [APPLICATION FOR NEW CERTIFICATE.] Except as provided in section 168A.11, the transferee shall, within ten days after assignment to the transferee of the vehicle title certificate, execute the application for a new certificate of title in the space provided therefor on the certificate, and cause the certificate of title to be mailed or delivered to the department. Failure of the transferee to comply with this subdivision shall result in the revocation of the vehicle's registration under section 168.17.

Sec. 9. [APPROPRIATION.]

\$343,000 is appropriated from the general fund to the commissioner of public safety to pay the cost of the notices required by this act, to be available until June 30, 1997."

Page 4, after line 11, insert:

"Sec. 11. [EFFECTIVE DATE.]

Sections 2, 6, and 7 are effective January 1, 1996. Sections 4 and 8 are effective for sales on and after August 1, 1995."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Finn moved to amend S.F. No. 1199 as follows:

Page 1, line 18, reinstate the stricken "knowingly"

The motion prevailed. So the amendment was adopted.

S.F. No. 1199 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:

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

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

SPECIAL ORDER

H.F. No. 1159: A bill for an act relating to real property; authorizing municipalities to establish trust or escrow accounts for proceeds from losses arising from fire or explosion of certain insured real property; authorizing municipalities to utilize escrowed funds to secure, repair, or demolish damaged or destroyed structures; proposing coding for new law in Minnesota Statutes, chapter 65A.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1320: A bill for an act relating to the environment; establishing a private cause of action for abandonment of hazardous waste; proposing coding for new law in Minnesota Statutes, chapter 116.

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:

Anderson	Berglin	Chandler	Day	Flynn
Beckman	Bertram	Chmielewski	Dille	Frederickson
Belanger	Betzold	Cohen	Finn	Hanson

Hottinger	Kramer	Metzen	Pogemiller	Solon
Johnson, D.E.	Krentz	Morse	Price	Spear
Johnson, D.J.	Laidig	Neuville	Ranum	Stevens
Johnston	Larson	Novak	Riveness	Stumpf
Kelly	Lesewski	Olson	Robertson	Terwilliger
Kiscaden	Lessard	Pappas	Runbeck	Vickerman
Kleis	Limmer	Pariseau	Samuelson	Wiener
Knutson	Marty	Piper	Scheevel	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1003: A bill for an act relating to health; modifying provisions relating to X-ray operators and inspections; establishing an advisory committee; amending Minnesota Statutes 1994, section 144.121, by adding subdivisions.

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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1442: A bill for an act relating to health; occupations and professions; modifying provisions relating to the office of mental health practice; licensing of chemical dependency counselors and hearing instrument dispensers; establishing an advisory council; providing penalties; amending Minnesota Statutes 1994, sections 148B.66, subdivisions 1 and 2, and by adding a subdivision; 148B.68, subdivision 1; 148C.01; 148C.02; 148C.03, subdivision 1, and by adding a subdivision; 148C.04, subdivisions 1, 2, 3, and 4; 148C.05; 148C.06; 148C.07; 148C.08; 148C.09; 148C.10; 148C.11; 153A.13; 153A.14; 153A.15, subdivisions 1 and 2; 153A.17; 153A.18; 153A.19; 214.01, subdivision 2; 214.10, subdivision 8; and 214.103, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 148C; and 153A; repealing Minnesota Statutes 1994, sections 148B.62; 148C.01, subdivision 8; 148C.03, subdivisions 2 and 3; 148C.035; 148C.09, subdivision 3; and 153A.19, subdivision 1; Minnesota Rules, chapters 4692; and 4745.

Mr. Vickerman moved to amend H.F. No. 1442, as amended pursuant to Rule 49, adopted by the Senate April 12, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 1417.)

Page 44, line 9, delete the comma and insert "that"

Page 44, line 10, strike the first comma and delete the new language and insert "when the prescription or recommendation is made,"

The motion prevailed. So the amendment was adopted.

H.F. No. 1442 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 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

H.F. No. 1425: A bill for an act relating to tax-forfeited land; modifying the terms of payment for certain tax-forfeited timber; amending Minnesota Statutes 1994, section 282.04, subdivision 1.

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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1626: A bill for an act relating to state government; prohibiting investment of public funds in certain assets; amending Minnesota Statutes 1994, sections 11A.24, subdivision 1; 356A.06, by adding a subdivision; and 475.66, subdivision 3.

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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 733: A bill for an act relating to employment; modifying provisions relating to high pressure piping installation; providing penalties; amending Minnesota Statutes 1994, sections 326.48, subdivisions 1, 2, 3, 4, and 5; 326.50; 326.51; and 326.52; repealing Minnesota Statutes 1994, section 326.47, subdivisions 3 and 4.

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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 54: A bill for an act relating to state government; directing the governor, attorney general, and other public officers to perform certain duties in regard to certain waters and public lands; proposing coding for new law in Minnesota Statutes, chapters 1 and 84B.

Mr. Beckman moved that H.F. No. 54 be laid on the table. The motion did not prevail.

H.F. No. 54 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 22, as follows:

Those who voted in the affirmative were:

Belanger	Chmielewski	Hanson	Johnson, D.J.	Kramer
Berg	Day	Hottinger	Johnston	Kroening
Bertram	Dille	Janezich	Kelly	Laidig
Chandler	Frederickson	Johnson, D.E.	Kleis	Langseth

Larson	Mondale	Olson	Runbeck	Stevens
Lesewski	Murphy	Ourada	Sams	Stumpf
Lessard	Neuville	Pariseau	Samuelson	Terwilliger
Metzen	Novak	Price	Scheevel	Vickerman
Moe, R.D.	Oliver	Robertson	Solon	

Those who voted in the negative were:

Anderson	Flynn	Limmer	Piper	Spear
Beckman	Johnson, J.B.	Marty	Pogemiller	Wiener
Betzold	Kiscaden	Merriam	Ranum	
Cohen	Knutson	Morse	Reichgott Junge	
Finn	Krentz	Pappas	Riveness	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 354: A bill for an act relating to utilities; allowing small gas utility franchises an exemption from rate regulation for incidental utility service; amending Minnesota Statutes 1994, section 216B.16, subdivision 12.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1051: A bill for an act relating to emergency telephone services; requiring provider of cellular telephone services to include in its billings a notice regarding 911 calls; making technical changes; amending Minnesota Statutes 1994, sections 403.02, subdivision 1; 403.07, subdivision 1; and 403.09; proposing coding for new law in Minnesota Statutes, chapter 403.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Anderson	Chandler	Frederickson	Johnston	Laidig
Beckman	Cohen	Hanson	Kelly	Langseth
Belanger	Day	Hottinger	Kiscaden	Larson
Berg	Dille	Janezich	Kleis	Lesewski
Bertram	Finn	Johnson, D.E.	Knutson	Limmer
Betzold	Flynn	Johnson, J.B.	Kramer	Marty

Merriam	Oliver	Price	Samuelson	Vickerman
Metzen	Olson	Ranum	Scheevel	Wiener
Moe, R.D.	Pappas	Reichgott Junge	Spear	
Murphy	Pariseau	Riveness	Stevens	
Neuville	Piper	Robertson	Stumpf	
Novak	Pogemiller	Runbeck	Terwilliger	

Ms. Krentz and Mr. Ourada voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1055: A bill for an act relating to waters; eliminating the position of board of water and soil resources secretary; increasing board members' compensation; duties of advisory committees; rule approval procedure; guidelines for management plans; exemptions from review; appeals from rules, permit decisions, and orders; informal dispute resolution; assessment basis; amending Minnesota Statutes 1994, sections 103D.011, subdivision 21; 103D.101, subdivision 4; 103D.205, subdivisions 1 and 4; 103D.221, subdivision 2; 103D.255, subdivision 1; 103D.261, subdivision 1; 103D.271, subdivisions 2 and 4; 103D.305, subdivision 1; 103D.311, subdivision 4; 103D.315, subdivisions 1, 8, and 11; 103D.321, subdivision 2; 103D.331; 103D.335, subdivisions 5, 6, and 13; 103D.341, subdivision 2; 103D.351; 103D.401, subdivisions 1 and 2; 103D.405, subdivision 1; 103D.515, subdivision 4; 103D.531; 103D.535, subdivisions 1, 4, and 5; 103D.537; 103D.611, subdivisions 1, 4, and 5; 103D.621, subdivision 4; 103D.625, subdivisions 3 and 4; 103D.631, subdivision 2; 103D.635, subdivisions 1 and 3; 103D.705, subdivision 1; 103D.711, subdivision 2; 103D.715, subdivision 3; 103D.721, subdivision 2; 103D.741, subdivision 1; 103D.745, subdivisions 2 and 3; 103D.811, subdivisions 1 and 3; 103D.901, subdivisions 2, 4, and 5; 103D.905, subdivisions 3 and 5; 103D.921, subdivisions 1 and 3; and 103D.925; proposing coding for new law in Minnesota Statutes, chapter 103D.

Mr. Finn moved to amend H.F. No. 1055, the unofficial engrossment, as follows:

Page 13, line 22, reinstate the stricken language

The motion prevailed. So the amendment was adopted.

H.F. No. 1055 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:

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

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

SPECIAL ORDER

H.F. No. 96: A bill for an act relating to insurance; health plans; prohibiting provisions that grant the health carrier a subrogation right, except where the covered person has been fully compensated from another source; 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 54 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Langseth	Oliver	Runbeck
Beckman	Hottinger	Lesewski	Olson	Sams
Belanger	Johnson, J.B.	Lessard	Ourada	Samuelson
Berg	Johnston	Limmer	Pappas	Scheevel
Bertram	Kelly	Marty	Pariseau	Solon
Betzold	Kiscaden	Merriam	Piper	Stear
Cohen	Kleis	Metzen	Pogemiller	Stevens
Day	Knutson	Mondale	Price	Stumpf
Dille	Kramer	Morse	Ranum	Terwilliger
Finn	Krentz	Neuville	Riveness	Wiener
Flynn	Laidig	Novak	Robertson	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1082: A bill for an act relating to cooperatives; permitting certain optional voting systems for cooperatives that have other cooperatives as members; amending Minnesota Statutes 1994, sections 308A.131, subdivision 1; 308A.635, subdivision 1; and 308A.641.

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 55 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1444: A bill for an act relating to state lands; providing for the sale of certain tax-forfeited lands in St. Louis county.

Mr. Samuelson moved to amend S.F. No. 1444 as follows:

Page 3, after line 34, insert:

"Sec. 3. [TRANSFER OF NONCONFORMING SHORELAND LOTS WITHIN THE MISSISSIPPI HEADWATERS CORRIDOR IN CROW WING COUNTY.]

Subdivision 1. [DEFINITION.] (a) The definitions in this subdivision apply to this section.

(b) "Board" means the Mississippi headwaters board established under Minnesota Statutes, section 103F.367.

(c) "Plan" means the comprehensive land use plan approved by the board and dated July 1, 1992.

Subd. 2. [AUTHORIZATION.] Crow Wing county may allow the sale or transfer, as a separate parcel, of a lot within shoreland, as defined in Minnesota Statutes, section 103F.205, subdivision 4, that:

(1) is located wholly within the Mississippi headwaters corridor, as identified in the plan;

(2) is one of a group of two or more contiguous lots that have been under the same common ownership since July 1, 1981; and

(3) does not meet the residential lot size requirements in the model standards and criteria adopted by the commissioner of natural resources under Minnesota Statutes, section 103F.211.

Subd. 3. [SELLER TO INFORM BUYER.] Before a contiguous lot is sold under the authority granted in subdivision 2, the seller shall inform the buyer in writing of the extent to which the lot does not meet the residential lot size requirements in the model standards and criteria adopted by the commissioner of natural resources under Minnesota Statutes, section 103F.211.

Subd. 4. [REPEALER.] This section is repealed effective January 1, 1997."

Page 3, line 35, delete "3" and insert "4"

Page 3, line 36, delete "and 2" and insert "to 3"

Amend the title as follows:

Page 1, line 3, after "county" insert "; authorizing Crow Wing county to allow the sale of certain nonconforming lots within the Mississippi headwaters corridor"

The motion prevailed. So the amendment was adopted.

Mr. Finn moved to amend S.F. No. 1444 as follows:

Page 3, after line 34, insert:

"Sec. 3. [CONVEYANCE TO THE CITY OF AKELEY.]

(a) Notwithstanding Minnesota Statutes, sections 84.027, subdivision 10, and 94.09 to 94.16, the commissioner of natural resources shall convey the land described in paragraph (c) to the city of Akeley for no consideration.

(b) The conveyance must be in a form approved by the attorney general and must provide that the land reverts to the state if it ceases to be used for the purposes described in paragraph (d). If the land is pledged as security for a loan for these purposes, the right of reverter is waived in favor of the lender.

(c) The land to be conveyed is located in Hubbard county and is described as follows: Lots nine (9) and ten (10) in block five (5), and all of block six (6), of the Plat of Akeley Industrial Gardens.

(d) The city of Akeley intends to use the land for expansion of a city park and for senior citizen housing.

Sec. 4. [SALE OF TRUST FUND LANDS.]

Notwithstanding any law to the contrary, the following described trust fund lands, Lot 1, Block 1, Gold Mine on the River, and Government Lot 7, except the part platted as Lots 2 and 3, all in Section 36, Township 67 North, Range 18 West, St. Louis county, may be sold under the provisions in Minnesota Statutes, chapter 92."

Page 3, line 36, delete "and 2 " and insert "to 4"

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. 1444 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:

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

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

SPECIAL ORDER

S.F. No. 507: A bill for an act relating to petroleum tank release cleanup fund; providing for payment for a site assessment prior to tank removal; modifying reimbursement provisions; adding requirements for tank monitoring; amending Minnesota Statutes 1994, sections 115C.02, subdivision 11, and by adding a subdivision; 115C.03, subdivision 10; 115C.09, subdivisions 2, 3, 3b, and 3c; 115C.11, subdivision 1; 115C.12; and 115C.13; proposing coding for new law in Minnesota Statutes, chapters 115C; and 116.

Mr. Samuelson moved to amend S.F. No. 507 as follows:

Page 1, after line 12, insert:

"ARTICLE 1"

Page 9, line 24, after the period, insert "In order to register, consultants and contractors must meet and demonstrate compliance with the following criteria:

(1) provide a signed statement to the board verifying agreement to abide by this chapter and the rules adopted under it and to include a signed statement with each claim that all costs claimed by the consultant or contractor are a true and accurate account of services performed;

(2) provide a signed statement that the consultant or contractor shall make available for inspection and audit records requested by the board for field or financial audits under the scope of this chapter;

(3) certify knowledge of the requirements of this chapter and the rules adopted under it;

(4) obtain and maintain professional liability coverage, including pollution impairment liability; and

(5) agree to submit to the board a certificate or certificates verifying the existence of the required insurance coverage for all subcontractors who performed work included in a claim along with any request for reimbursement."

Page 13, after line 17, insert:

"ARTICLE 2

Section 1. Minnesota Statutes 1994, section 88.171, subdivision 2, is amended to read:

Subd. 2. [PROHIBITED MATERIALS.] No person shall conduct, cause, or permit open burning of oils, rubber, plastics, chemically treated materials, or other materials which produce excessive or noxious smoke including, but not limited to, tires, railroad ties, chemically treated lumber, composite shingles, tar paper, insulation, composition board, sheetrock, wiring, paint, or paint filters. Except as specifically authorized by the commissioner of the pollution control agency as an emergency response to an oil spill, no person shall conduct, cause, or permit open burning of oil.

Sec. 2. Minnesota Statutes 1994, section 115E.01, is amended by adding a subdivision to read:

Subd. 3a. [DAMAGES.] "Damages" means damages of any kind for which liability may exist under the laws of this state resulting from, arising out of, or related to the discharge or threatened discharge of hazardous substances or oil.

Sec. 3. Minnesota Statutes 1994, section 115E.01, is amended by adding a subdivision to read:

Subd. 11a. [RESPONSE AREA.] "Response area" means the area designated by the federal on-scene coordinator, the commissioner of the pollution control agency, or the commissioner of agriculture in which response to a discharge is occurring.

Sec. 4. Minnesota Statutes 1994, section 115E.01, is amended by adding a subdivision to read:

Subd. 11b. [RESPONSE COSTS.] "Response costs" means the costs of response that are incurred after a discharge of oil or hazardous substances has occurred, or, where there is a substantial threat of discharge of oil or hazardous substances, the costs to prevent, minimize, or mitigate a discharge.

Sec. 5. Minnesota Statutes 1994, section 115E.01, is amended by adding a subdivision to read:

Subd. 11c. [RESPONSIBLE PARTY.] "Responsible party" means a responsible party as defined in section 1001 of the Oil Pollution Act of 1990.

Sec. 6. Minnesota Statutes 1994, 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.

(c) Plans required under section 115E.04 or 115E.045 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.

Sec. 7. Minnesota Statutes 1994, section 115E.06, is amended to read:

115E.06 [GOOD SAMARITAN.]

(a) A person listed in this paragraph who is rendering assistance in response to a discharge of a hazardous substance or oil is not liable for response costs that result from actions taken or failed to be taken in the course of the assistance unless the person is grossly negligent or engages in willful misconduct:

(1) a member of a cooperative or community awareness and emergency response group in compliance with standards in rules adopted by the pollution control agency;

(2) an employee or official of the political subdivision where the response takes place, or a political subdivision that has a mutual aid agreement with that subdivision;

(3) a member or political subdivision sponsor of a hazardous materials incident response team or special chemical assessment team designated by the commissioner of the department of public safety;

(4) a person carrying out the directions of: (i) the commissioner of the pollution control agency, the commissioner of agriculture, the commissioner of natural resources, or the commissioner of public safety; or (ii) the United States Coast Guard or Environmental Protection Agency on-scene coordinator consistent with a national contingency plan under the Oil Pollution Act of 1990; and

(5) a for-hire response contractor.

(b) This section does not exempt from liability responsible persons with respect to the discharge under chapter 115B or 115C or responsible parties with respect to the discharge under chapter 18B or 18D.

Sec. 8. Minnesota Statutes 1994, section 115E.061, is amended to read:

115E.061 [RESPONDER IMMUNITY; OIL DISCHARGES.]

(a) Notwithstanding any other law, a person identified in section 115E.06, paragraph (a), who is rendering care, assistance, or advice in response to a discharge or threat of discharge of oil is not liable for response costs or damages that result from actions taken or failed to be taken in the course of rendering the care, assistance, or advice in accordance consistent with the national contingency plan under the Oil Pollution Act of 1990, or as otherwise directed by the federal on-scene coordinator, the commissioner of the pollution control agency, the commissioner of agriculture, the commissioner of natural resources, or the commissioner of public safety.

(b) Paragraph (a) does not apply:

(1) to a responsible person under chapter 115B or 115C party;

(2) with respect to personal injury or wrongful death; or

(3) if the person rendering assistance is grossly negligent or engages in willful misconduct; or

(4) to a discharge that occurs outside the response area or after the response.

(c) Nothing in this section relieves a responsible party from liability the responsible party otherwise has for the initial discharge or threat of discharge that necessitated the response.

(d) Nothing in this section relieves a responsible party from the following duties:

(1) to take steps to prevent discharges under section 115E.02;

(2) to be prepared for discharges under section 115E.03, subdivision 1; or

(3) duties under section 115.061.

(e) A responsible party is liable for any response costs and damages that another person is relieved of under paragraph (a)."

Amend the title as follows:

Page 1, line 2, delete "fund" and insert "program"

Page 1, line 5, after the semicolon, insert "establishing registration requirements; modifying program and liability provisions;"

Page 1, line 6, after "sections" insert "88.171, subdivision 2;"

Page 1, line 9, delete "and" and before "proposing" insert "115E.01, by adding subdivisions; 115E.04, subdivision 2; 115E.06; and 115E.061;"

The motion prevailed. So the amendment was adopted.

Mr. Morse moved to amend S.F. No. 507 as follows:

Page 3, line 31, strike "for" and insert "in the following amounts:

(1)"

Page 3, line 33, before the period, insert "; or

(2) for corrective actions at a site used as a permanent residence at the time the release was discovered, 90 percent of the total reimbursable costs on the first \$100,000 and 100 percent of any remaining costs in excess of \$100,000"

The motion prevailed. So the amendment was adopted.

Mrs. Pariseau moved to amend S.F. No. 507 as follows:

Page 10, after line 17, insert:

"Sec. 10. [115C.111] [COST ACCOUNTING SYSTEM; EQUIPMENT INVENTORY.]

Subdivision 1. [COST ACCOUNTING SYSTEM.] (a) The board shall develop a standardized corrective action cost accounting system to provide detailed and accessible information on corrective action costs for which application for reimbursement is made under section 115C.09. The system must allow separate tracking of costs for each discrete phase, task, or activity associated with a corrective action and each piece of equipment used in the corrective action. The commissioner shall prepare and provide to each registered consultant or contractor a manual explaining the system.

(b) All cost documentation, including estimates, provided by a consultant or contractor to a person in connection with a corrective action must be in a form prescribed by the board that is compatible with the cost accounting system developed under paragraph (a).

Subd. 2. [EQUIPMENT INVENTORY.] The board shall develop and maintain a computerized inventory of all equipment for which reimbursement is paid under section 115C.09. The board shall use the inventory, in conjunction with the cost accounting system developed under subdivision 1, to ensure that reimbursements made for equipment costs are reasonable and necessary."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "requiring development of a cost accounting system and a computerized equipment inventory;"

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:

Belanger	Frederickson	Kramer	Metzen	Runbeck
Berg	Johnson, D.E.	Laidig	Neuville	Scheevel
Bertram	Johnston	Larson	Oliver	Stevens
Cohen	Kiscaden	Lesewski	Ourada	Stumpf
Day	Kleis	Limmer	Pariseau	Terwilliger
Dille	Knutson	Merriam	Robertson	Wiener

Those who voted in the negative were:

Anderson	Betzold	Chmielewski	Flynn	Hottinger
Beckman	Chandler	Finn	Hanson	Janezich

Johnson, J.B.
Kelly
Krentz
Kroening

Langseth
Lessard
Marty
Mondale

Morse
Murphy
Novak
Pappas

Piper
Pogemiller
Price
Reichgott Junge

Sams
Samuelson
Spear
Vickerman

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

Mrs. Pariseau then moved to amend S.F. No. 507 as follows:

Page 2, after line 15, insert:

"Sec. 4. Minnesota Statutes 1994, section 115C.09, subdivision 1, is amended to read:

Subdivision 1. [REIMBURSABLE COSTS.] (a) The board shall provide partial reimbursement to eligible responsible persons for reimbursable costs incurred after June 4, 1987.

(b) The following costs are reimbursable for purposes of this section:

(1) corrective action costs incurred by the responsible person and documented in a form prescribed by the board, except the costs related to the physical removal of a tank;

(2) costs of a corrective action performance audit, provided that:

(i) the audit is conducted by a registered consultant or contractor that has not provided other services in connection with the corrective action; and

(ii) the audit includes a description of any deficiencies that may extend the time needed to complete the corrective action or increase its cost;

(3) costs that the responsible person is legally obligated to pay as damages to third parties for bodily injury, property damage, or corrective action costs incurred by a third party caused by a release where the responsible person's liability for the costs has been established by a court order, consent decree, or a court-approved stipulation of settlement approved before May 11, 1994, for which the responsible party has assigned its rights to reimbursement under this section to a third-party claimant; and

~~(3)~~ (4) up to 180 days worth of interest costs, incurred after May 25, 1991, associated with the financing of corrective action. Interest costs are not eligible for reimbursement to the extent they exceed two percentage points above the adjusted prime rate charged by banks, as defined in section 270.75, subdivision 5, at the time the financing contract was executed.

(c) A cost for liability to a third party is incurred by the responsible person when an order or consent decree establishing the liability is entered. Except as provided in this paragraph, reimbursement may not be made for costs of liability to third parties until all eligible corrective action costs have been reimbursed. If a corrective action is expected to continue in operation for more than one year after it has been fully constructed or installed, the board may estimate the future expense of completing the corrective action and, after subtracting this estimate from the total reimbursement available under subdivision 3, reimburse the costs for liability to third parties. The total reimbursement may not exceed the limit set forth in subdivision 3."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

Beckman
Belanger
Berg
Bertram
Chmielewski
Day
Dille

Hanson
Johnson, D.E.
Johnston
Kleis
Knutson
Kramer
Laidig

Langseth
Lesewski
Lessard
Limmer
Merriam
Metzen
Moe, R.D.

Neuville
Oliver
Ourada
Pariseau
Price
Robertson
Runbeck

Scheevel
Solon
Stumpf
Terwilliger
Vickerman
Wiener

Those who voted in the negative were:

Anderson	Frederickson	Krentz	Novak	Sams
Betzold	Hottinger	Kroening	Pappas	Samuelson
Chandler	Janezich	Larson	Piper	Spear
Cohen	Johnson, J.B.	Marty	Pogemiller	Stevens
Finn	Kelly	Morse	Reichgott Junge	
Flynn	Kiscaden	Murphy	Riveness	

The motion prevailed. So the amendment was adopted.

S.F. No. 507 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 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

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

Mr. Laidig moved to amend H.F. No. 1018, the unofficial engrossment, as follows:

Page 2, line 14, strike "service" and delete the new language and strike "or recycle appliances" and insert "engage in activities relating to products"

Page 2, line 20, delete "completing the training"

Page 2, lines 21 and 22, delete the new language

The motion prevailed. So the amendment was adopted.

H.F. No. 1018 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:

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

Reichgott Junge
Riveness
Robertson

Runbeck
Sams
Samuelson

Scheevel
Solon
Spear

Stevens
Stumpf
Terwilliger

Vickerman
Wiener

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

SPECIAL ORDER

S.F. No. 243: A bill for an act relating to state lands; authorizing the sale of certain tax-forfeited lands bordering public waters in Dakota county to the city of Eagan.

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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1204: A bill for an act relating to insurance; no-fault auto; regulating rental vehicle coverages; determining when a vehicle is rented; modifying the right to compensation for loss of use of a damaged rented motor vehicle; providing for limits of liability for motor vehicle lessors; amending Minnesota Statutes 1994, section 65B.49, subdivision 5a.

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 1, as follows:

Those who voted in the affirmative were:

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

Mr. Finn voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 347: A bill for an act relating to landlords and tenants; regulating certain tenant screening practices; amending Minnesota Statutes 1994, section 504.30, subdivision 4, and by adding a subdivision.

Mr. Finn moved to amend S.F. No. 347 as follows:

Page 2, line 10, delete the new language

Page 2, line 11, delete the new language and after the period, insert "A tenant screening service may not make a tenant screening report containing information on an unlawful detainer action that was commenced more than four years prior to the report."

The motion prevailed. So the amendment was adopted.

S.F. No. 347 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:

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

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

SPECIAL ORDER

S.F. No. 732: A bill for an act relating to commerce; enacting the revised article 8 of the uniform commercial code proposed by the national conference of commissioners on uniform state laws; regulating investment securities; amending Minnesota Statutes 1994, sections 336.1-105; 336.1-206; 336.4-104; 336.5-114; 336.9-103; 336.9-105; 336.9-106; 336.9-203; 336.9-301; 336.9-302; 336.9-304; 336.9-305; 336.9-306; 336.9-309; 336.9-312; and 336.10-104; proposing coding for new law in Minnesota Statutes, chapter 336; repealing Minnesota Statutes 1994, sections 336.8-101; 336.8-102; 336.8-103; 336.8-104; 336.8-105; 336.8-106; 336.8-107; 336.8-108; 336.8-201; 336.8-202; 336.8-203; 336.8-204; 336.8-205; 336.8-206; 336.8-207; 336.8-208; 336.8-301; 336.8-302; 336.8-303; 336.8-304; 336.8-305; 336.8-306; 336.8-307; 336.8-308; 336.8-309; 336.8-310; 336.8-311; 336.8-312; 336.8-313; 336.8-314; 336.8-315; 336.8-316; 336.8-317; 336.8-318; 336.8-319; 336.8-320; 336.8-321; 336.8-401; 336.8-402; 336.8-403; 336.8-404; 336.8-405; 336.8-406; 336.8-407; and 336.8-408.

Mr. Betzold moved to amend S.F. No. 732 as follows:

Page 69, after line 25, insert:

"ARTICLE 4
EFFECTIVE DATE

Section 1. [EFFECTIVE DATE.]

This act is effective January 1, 1996."

The motion prevailed. So the amendment was adopted.

S.F. No. 732 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:

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

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

SPECIAL ORDER

H.F. No. 1174: A bill for an act relating to transportation; expanding authority of commissioner of transportation to regulate providers of special transportation service; classifying data; providing for administrative penalties; amending Minnesota Statutes 1994, sections 13.99, by adding subdivisions; 174.30, subdivisions 2, 3, 4, 6, and by adding subdivisions; and 174.315.

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 55 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1437: A bill for an act relating to employment; requiring disclosure to recruited employees in the food processing industry; proposing coding for new law in Minnesota Statutes, chapter 181.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 50 and nays 7, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Krentz	Morse	Sams
Beckman	Hanson	Kroening	Oliver	Samuelson
Belanger	Hottinger	Laidig	Ourada	Scheevel
Berg	Janezich	Lesewski	Piper	Solon
Bertram	Johnson, D.J.	Lessard	Pogemiller	Spear
Betzold	Johnson, J.B.	Limmer	Price	Stevens
Chandler	Kelly	Merriam	Ranum	Stumpf
Chmielewski	Kleis	Metzen	Reichgott Junge	Terwilliger
Dille	Knutson	Moe, R.D.	Riveness	Vickerman
Finn	Kramer	Mondale	Runbeck	Wiener

Those who voted in the negative were:

Day	Johnston	Neuville	Pariseau	Robertson
Johnson, D.E.	Kiscaden			

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 557: A bill for an act relating to employment; authorizing the legislative commission on employee relations to modify compensation for certain managerial positions in the higher education board; ratifying certain labor agreements; amending Minnesota Statutes 1994, sections 3.855, subdivision 3; 179A.04, subdivision 3; and 179A.16, subdivisions 6, 7, and 8.

Mr. Merriam moved to amend S.F. No. 557 as follows:

Page 8, line 23, delete "shall" and insert "may"

Page 8, line 24, after "salary" insert ", other than merit increases,"

Page 8, line 26, after the period, insert "Merit increases granted to excluded administrators in the community colleges, technical colleges, and state universities may not exceed an average of 5.25 percent of the aggregate base salary as provided in compensation plans. Any other increases that have been implemented in the fiscal year ending June 30, 1995, are not ratified and must cease to be paid on that date."

The motion prevailed. So the amendment was adopted.

S.F. No. 557 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 2, as follows:

Those who voted in the affirmative were:

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

Mr. Limmer and Ms. Runbeck voted in the negative.

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

SPECIAL ORDER

S.F. No. 910: A bill for an act relating to telecommunications; eliminating the telecommunication access for communication-impaired persons board; creating telecommunication access duties for the departments of public service and human services; specifying the membership of regional service for deaf and hard of hearing advisory committees; amending Minnesota Statutes 1994, sections 237.50, subdivision 4; 237.51, subdivisions 1, 5, and by adding a subdivision; 237.52, subdivisions 2, 4, and 5; 237.53, subdivisions 1, 3, 5, and 7; 237.54, subdivision 2; 237.55; and 256C.24, subdivision 3; repealing Minnesota Statutes 1994, sections 237.50, subdivision 2; 237.51, subdivisions 2, 3, 4, and 6; and 237.54, 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 53 and nays 1, as follows:

Those who voted in the affirmative were:

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

Ms. Kiscaden voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 751: A bill for an act relating to insurance; regulating trade practices; prohibiting certain insurance agent quotas; proposing coding for new law in Minnesota Statutes, chapter 60A.

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 39 and nays 21, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Kroening	Mondale	Reichgott Junge
Beckman	Hottinger	Lesewski	Morse	Riveness
Belanger	Janezich	Lessard	Ourada	Sams
Berg	Johnson, J.B.	Limmer	Pappas	Samuelson
Betzold	Kelly	Marty	Piper	Scheevel
Chandler	Knutson	Merriam	Pogemiller	Solon
Day	Kramer	Metzen	Price	Spear
Finn	Krentz	Moe, R.D.	Ranum	

Those who voted in the negative were:

Bertram	Frederickson	Kiscaden	Langseth	Oliver
Chmielewski	Johnson, D.E.	Kleis	Larson	Pariseau
Dille	Johnston	Laidig	Neuville	Robertson

Runbeck
Stevens

Stumpf

Terwilliger

Vickerman

Wiener

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1120: A bill for an act relating to gambling; creating a special account for money received by the gambling control board as reimbursement for costs of testing pull-tab dispensing devices; appropriating money in the account to the board for that purpose; amending Minnesota Statutes 1994, section 349.151, subdivision 4b.

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 55 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1395: A bill for an act relating to state obligations; authorizing listing of state obligations; amending Minnesota Statutes 1994, section 16A.672, 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 54 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1194: A bill for an act relating to state government; allocating certain appropriations to regional arts councils; amending Minnesota Statutes 1994, section 129D.01; proposing coding for new law in Minnesota Statutes, chapter 129D.

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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1008: A bill for an act relating to family law; authorizing courts to require parties to participate in orientation programs in proceedings involving children; proposing coding for new law in Minnesota Statutes, chapter 518.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 217: A bill for an act relating to insurance; life; regulating living benefits settlements; adopting the NAIC viatical settlements model act; prescribing powers and duties; amending Minnesota Statutes 1994, section 13.71, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 60A.

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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1180: A bill for an act relating to natural resources; off-highway motorcycles; all-terrain vehicles; reciprocal agreements; migratory game birds; fish house identification; fish taken in Canada; exotic species; powers of enforcement officers; collector snowmobiles; disabled hunters; providing penalties; amending Minnesota Statutes 1994, sections 18.317; 84.796; 84.81, by adding a subdivision; 84.82, by adding a subdivision; 84.92, subdivision 8; 84.968, subdivision 1; 84.9691; 84.9692, subdivisions 1, 2, and by adding a subdivision; 86B.401, subdivision 11; 97A.045, by adding a subdivision; 97A.205; 97A.215, subdivision 1; 97A.401, subdivision 3; 97A.531, subdivision 1; 97B.055, subdivision 3; 97B.731, subdivision 1; 97C.355, subdivision 2; and Laws 1994, chapter 623, article 1, section 45; proposing coding for new law in Minnesota Statutes, chapter 18; repealing Minnesota Statutes 1994, sections 97A.531, subdivisions 2, 3, 4, 5, and 6; and 97C.505, subdivision 4.

Mr. Vickerman moved to amend S.F. No. 1180 as follows:

Page 8, after line 26, insert:

"Sec. 13. [87A.01] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 87A.01 to 87A.03.

Subd. 2. [PERSON.] "Person" means an individual, proprietorship, partnership, corporation, club, or other legal entity.

Subd. 3. [SHOOTING RANGE OR RANGE.] "Shooting range" or "range" means an area or facility designed and operated for the use of firearms or archery.

Subd. 4. [GENERALLY ACCEPTED OPERATION PRACTICES.] "Generally accepted operation practices" means those guidelines adopted by the commissioner of natural resources for shooting ranges. In developing the practices, the commissioner shall consider all information reasonably available regarding the safe operation of shooting ranges, including practices established by a nationally recognized nonprofit membership organization that provides voluntary firearm safety programs that include training individuals in the safe handling and use of firearms, which practices are developed with consideration of all information reasonably available regarding the safe operation of shooting ranges. The generally accepted operation practices shall be reviewed at least every five years by the commissioner of natural resources and revised as the commissioner considers necessary.

Subd. 5. [UNIT OF GOVERNMENT.] "Unit of government" means a home rule charter or statutory city, county, town, municipal corporation, or other political subdivision, or any of their instrumentalities.

Sec. 14. [87A.02] [LOCAL ORDINANCE PROTECTION; EXISTING OPERATIONS.]

(a) A shooting range that is in operation and not in violation of existing law at the time of the enactment of an ordinance must be permitted to continue in operation even if the operation of the shooting range at a later date does not conform to the new ordinance or an amendment to an existing ordinance.

(b) A shooting range that operates in compliance with generally accepted operation practices, even if not in compliance with an ordinance of a local unit of government, must be permitted to do all of the following within the boundaries of the unit of government if done in compliance with generally accepted operation practices:

(1) repair, remodel, or reinforce any conforming or nonconforming building or structure as may be necessary in the interest of public safety or to secure the continued use of the building or structure;

(2) reconstruct, repair, restore, remodel, or resume the use of a nonconforming building damaged by fire, collapse, explosion, act of God, or act of war occurring after the effective date of this section; and

(3) do anything authorized under generally accepted operation practices, including:

(i) expand or increase its membership or opportunities for public participation; and

(ii) expand or increase events, facilities and activities.

Sec. 15. [87A.03] [LIMITS ON CLOSING SHOOTING RANGES; PAYMENT OF CERTAIN COSTS.]

(a) Except as provided in section 87A.03, a shooting range may not be prevented from operating by any state agency or unit of government unless because of new development of adjacent land: (1) the range becomes a clear and proven safety hazard to the adjacent population; or (2) the range becomes unable to meet the minimum range safety standards contained in generally accepted operation practices adopted by the commissioner.

(b)(1) If the requirements of paragraph (a), clause (1), are met, a shooting range may be relocated by a state agency or a unit of government if the following conditions are met:

(i) the clear and proven safety hazard is documented through a hearing, testimony, and a clear and precise statement of the hazard by the agency or unit of government; and

(ii) the agency or unit of government obtaining the closure pays the fair market value of the range business as a going concern to the operators and the fair market value of the land including improvements, to the owner of the land; and

(2) upon final full payment, the range operator and landowners shall relinquish their interest in the property to the agency or unit of government obtaining the closure.

(c) If the requirements of paragraph (a), clause (2), are met, the shooting range operations may be suspended if:

(1) the range operators are given reasonable notice and opportunity to respond; and

(2) the range operators are given a reasonable opportunity to correct safety defects and meet the minimum range safety standards contained in generally accepted operation practices.

(d) If a shooting range is suspended from operation because the requirements of paragraph (a), clause (2), are met and if the shooting range operators are able to obtain a current certificate of reasonable shooting range safety compliance from an organization establishing range safety standards, any order of a state agency, or unit of government to suspend the shooting range operation must, upon application by the operators, be vacated."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Betzold questioned whether the amendment was germane.

The President ruled that the amendment was germane.

Mr. Berg moved that S.F. No. 1180 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. 1864.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 25, 1995

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 1864: A bill for an act relating to the financing of government in this state; adopting federal income tax law changes; providing for deferment of certain property taxes for senior citizens; providing for an income tax credit; modifying certain tax rates, credits, refunds, bases, and exemptions; providing for deduction of property tax refunds from property taxes; modifying and restricting certain requirements or uses of tax increment financing; providing for dedication of certain revenues; modifying certain motor vehicle registration taxes; establishing a sales tax advisory council; authorizing certain local taxes, special districts and other local authority; creating a local government review panel; modifying revenue recapture rules; changing the property tax treatment of certain wind property; allowing pass through of certain utility taxes; requiring studies; adjusting the amount of the budget reserve and debt limit; changing certain aids to local governments; appropriating money; amending Minnesota Statutes 1994, sections 14.61; 14.62, by adding a subdivision; 16A.152, subdivisions 1 and 2; 60A.15, subdivision 1; 69.021, subdivision 2; 124.918, subdivisions 1 and 2; 168.012, subdivision 9; 168.013, subdivision 1a; 168.017, subdivision 3, and by adding a subdivision; 216B.16, by adding a subdivision; 216C.01, subdivisions 1a and 1b; 270.273, subdivisions 1 and 2; 270A.03, subdivision 7; 270A.04, subdivision 2; 270A.06; 270A.07, subdivision 2; 270A.09, by adding a subdivision; 270A.11; 270B.12, by adding a subdivision; 272.02, subdivision 1; 273.124, subdivision 13; 273.13, subdivisions 24 and 25; 273.1398, subdivision 1; 273.1399, subdivisions 1, 2, 6, and by adding a subdivision; 273.37, by adding a subdivision; 275.065, subdivisions 1 and 3; 276.09; 276.111; 279.01, subdivision 1, and by adding subdivisions; 289A.50, by adding a subdivision; 289A.60, subdivision 12; 290.01, subdivisions 19, 19a, and by adding a subdivision; 290.06, by adding a subdivision; 290A.02; 290A.03, subdivisions 6, 13, and by adding a subdivision; 290A.04, subdivisions 2h, 3, and by adding subdivisions; 290A.07; 290A.09; 290A.10; 290A.15; 290A.18; 290A.23, subdivision 3; 296.01, subdivisions 30, 34, and by adding subdivisions; 296.02, subdivisions 1, 1a, and 1b; 296.025, subdivisions 1, 1a, and by adding a subdivision; 296.0261, by adding a subdivision; 297A.01, subdivision 3, and by adding a subdivision; 297A.02, subdivision 4; 297A.135, subdivision 1; 297A.25, subdivisions 11, 57, 59, and by adding subdivisions; 297A.45; 297B.02, subdivision 3; 297B.025, subdivision 2; 297B.032; 298.28, subdivision 9a; 298.75, subdivision 1; 349.12, subdivision 25; 375.192, by adding a subdivision; 375.83; 469.174, subdivisions 4, 12, 19, 21, and by adding subdivisions; 469.175, subdivisions 1, 3, 5, 6, and 6a; 469.176, subdivisions 4b, 4c, and 7; 469.1763, subdivisions 2 and 4; 469.177, subdivisions 1, 1a, 2, 6, 9, and by adding a subdivision; 469.1771, subdivision 1; 469.179, by adding subdivisions; 477A.013, subdivision 9; and 477A.0132; Laws 1985, chapter 302, section 2, subdivision 1, as amended; Laws 1986, chapter 400, section 44; Laws 1991, chapter 291, article 8, section 28, subdivision 1; Laws 1993, chapter 375, article 5, section 40, subdivision 3; Laws 1994, chapter 587, articles 5, section 27; 9, section 10, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 3; 8; 13; 16A; 272; 273; 276; 282; 290A; 297; 469; 473; and 477A; repealing Minnesota Statutes 1994, sections 168.013, subdivision 1j; 296.0261, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, and 9; 297A.136; and 469.175, subdivision 7a.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the balance of the proceedings on H.F. No. 1864. The Sergeant at Arms was instructed to bring in the absent members.

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. 1864 and that the rules of the Senate be so far suspended as to give H.F. No. 1864 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1864 was read the second time.

Pursuant to Rule 22, Mr. Terwilliger moved to be excused from voting on H.F. No 1864. The motion prevailed.

Mr. Johnson, D.J. moved to amend H.F. No. 1864 as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

FEDERAL UPDATE

Section 1. Minnesota Statutes 1994, 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 net income of a designated settlement fund as defined in section 468B(d) of the Internal Revenue Code means the gross income as defined in section 468B(b) 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, and the provisions of sections 13224 and 13261 of the Omnibus Budget Reconciliation Act of 1993, Public Law Number 103-66, 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 provisions of section 13431 of the Omnibus Budget Reconciliation Act of 1993, Public Law Number 103-66, shall become effective at the time they became effective for federal purposes.

The Internal Revenue Code of 1986, as amended through December 31, 1991, shall be in effect for taxable years beginning after December 31, 1991.

The provisions of sections 1936 and 1937 of the Comprehensive National Energy Policy Act of 1992, Public Law Number 102-486, and the provisions of sections 13101, 13114, 13122, 13141, 13150, 13151, 13174, 13239, 13301, and 13442 of the Omnibus Budget Reconciliation Act of 1993, Public Law Number 103-66, shall become effective at the time they become effective for federal purposes.

The Internal Revenue Code of 1986, as amended through December 31, 1992, shall be in effect for taxable years beginning after December 31, 1992.

The provisions of sections 13116, 13121, 13206, 13210, 13222, 13223, 13231, 13232, 13233, 13239, 13262, and 13321 of the Omnibus Budget Reconciliation Act of 1993, Public Law Number 103-66, shall become effective at the time they become effective for federal purposes.

The Internal Revenue Code of 1986, as amended through December 31, 1993, shall be in effect for taxable years beginning after December 31, 1993.

The provision of section 741 of Legislation to Implement Uruguay Round of General Agreement on Tariffs and Trade, Public Law Number 103-465, and the provisions of sections 1, 2, and 3, of the Self-Employed Health Insurance Act of 1995, Public Law Number 104-... shall become effective at the time they become effective for federal purposes.

The Internal Revenue Code of 1986, as amended through December 31, 1994, shall be in effect for taxable years beginning after December 31, 1994.

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. 2. [FEDERAL CHANGES.]

The changes made by sections 721, 722, 723, and 744 of Legislation to Implement Uruguay Round of General Agreement on Tariffs and Trade, Public Law Number 103-465 and section 4 of the Self-Employed Health Insurance Act of 1995, Public Law Number 104-..., which affect the computation of the Minnesota working family credit under Minnesota Statutes, section 290.0671, subdivision 1, and the computation of the substantial understatement of liability penalty of Minnesota Statutes, section 289A.60, subdivision 4, shall become effective at the same time the changes become effective for federal purposes.

Sec. 3. [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 April 15, 1995," for the words "Internal Revenue Code of 1986, as amended through December 31, 1993," wherever the phrase occurs in chapters 289A, 290, 290A, 291, 297, 298, and 469, except section 290.01, subdivision 19.

ARTICLE 2

SALES AND EXCISE TAXES

Section 1. Minnesota Statutes 1994, section 216C.01, subdivision 1a, is amended to read:

Subd. 1a. [ALTERNATIVE FUEL.] "Alternative fuel" means natural gas; liquefied petroleum gas; hydrogen; coal-derived liquefied fuels; electricity; methanol, denatured ethanol, and other alcohols; mixtures containing 85 percent or more, or other percentage as may be set by regulation by the Secretary of the United States Department of Energy, by volume of methanol, denatured ethanol, and other alcohols with gasoline or other fuels; fuels other than alcohol that are derived from biological materials; and other fuel that the Secretary of the United States Department of Energy determines by regulation to be an alternative fuel within the meaning of section 301(2) of the National Energy Policy Act of 1992 and intended for use in motor vehicles.

Sec. 2. Minnesota Statutes 1994, section 216C.01, subdivision 1b, is amended to read:

Subd. 1b. [ALTERNATIVE FUEL VEHICLE.] "Alternative fuel vehicle" means a dedicated, flexible, or a dual-fuel vehicle operated primarily on an alternative fuel.

Sec. 3. Minnesota Statutes 1994, section 296.01, is amended by adding a subdivision to read:

Subd. 5. [ALTERNATIVE FUEL VEHICLE.] "Alternative fuel vehicle" means a dedicated, flexible, or dual-fuel vehicle operated primarily on alternative transportation fuel.

Sec. 4. Minnesota Statutes 1994, section 296.01, is amended by adding a subdivision to read:

Subd. 11a. [COMPRESSED NATURAL GAS.] "Compressed natural gas" or CNG means natural gas, primarily methane, condensed under high pressure and stored in specially designed storage tanks at between 2,000 and 3,600 pounds per square inch. For purposes of this chapter, the energy content of CNG will be considered to be 1,000 BTUs per cubic foot.

Sec. 5. Minnesota Statutes 1994, section 296.01, is amended by adding a subdivision to read:

Subd. 15c. [E85.] "E85" means a petroleum product that is a blend of agriculturally derived denatured ethanol and gasoline that typically contains 85 percent ethanol by volume, but at a minimum must contain at least 60 percent ethanol by volume. For the purposes of this chapter, the energy content of E85 will be considered to be 82,000 BTUs per gallon.

Sec. 6. Minnesota Statutes 1994, section 296.01, is amended by adding a subdivision to read:

Subd. 23a. [LIQUEFIED NATURAL GAS.] "Liquefied natural gas" or LNG means natural gas, primarily methane, which has been condensed through a cryogenic cooling process and is stored in special pressurized and insulated storage tanks. For purposes of this chapter, the energy content of LNG will be considered to be 69,000 BTUs per gallon.

Sec. 7. Minnesota Statutes 1994, section 296.01, is amended by adding a subdivision to read:

Subd. 23b. [LIQUEFIED PETROLEUM GAS.] "Liquefied petroleum gas" or LPG or propane means a product made of short hydrocarbon chains and containing primarily propane and butane that is stored in specialized tanks at moderate pressure. For purposes of this chapter, the energy content of LPG or propane will be considered to be 86,000 BTUs per gallon.

Sec. 8. Minnesota Statutes 1994, section 296.01, is amended by adding a subdivision to read:

Subd. 24b. [M85.] "M85" means a petroleum product that is a liquid fuel blend of methanol and gasoline that contains at least 85 percent methanol by volume. For the purposes of this chapter, the energy content of M85 will be considered to be 65,000 BTUs per gallon.

Sec. 9. Minnesota Statutes 1994, section 296.01, subdivision 30, is amended to read:

Subd. 30. [PETROLEUM PRODUCTS.] "Petroleum products" means all of the products defined in subdivisions 2, 7, 8, 10, 13, 14, 15c, and 17 to 22, and 24b.

Sec. 10. Minnesota Statutes 1994, section 296.01, subdivision 34, is amended to read:

Subd. 34. [SPECIAL FUEL.] "Special fuel" means (1) all combustible gases and liquid petroleum products or substitutes therefor including clear diesel fuel, except gasoline, gasoline blended with ethanol, and agricultural alcohol gasoline which are delivered into the supply tank of a licensed motor vehicle or into storage tanks maintained by an owner or operator of a licensed motor vehicle as a source of supply for such vehicle; (2) all combustible gases and liquid petroleum products or substitutes therefor, except gasoline, gasoline blended with ethanol, and agricultural alcohol gasoline, when delivered to a licensed special fuel dealer or to the retail service station storage of a distributor who has elected to pay the special fuel excise tax as provided in section 296.12, subdivision 3; (3) all combustible gases and liquid petroleum products or substitutes therefor, except gasoline, which are used as aviation fuel; or (4) dyed fuel that is being used illegally in a licensed motor vehicle.

Sec. 11. Minnesota Statutes 1994, section 296.02, subdivision 1, is amended to read:

Subdivision 1. [TAX IMPOSED; EXCEPTION FOR QUALIFIED SERVICE STATION.] There is imposed an excise tax on gasoline, gasoline blended with ethanol, and agricultural alcohol gasoline, used in producing and generating power for propelling motor vehicles used on the public highways of this state. For purposes of this section, gasoline is defined in section 296.01, subdivisions 10, 15b, 18, 19, 20, and 24a. This tax is payable at the times, in the manner, and by persons specified in this chapter. The tax is payable at the rate specified in subdivision 1b, subject to the exceptions and reductions specified in this section.

(a) Notwithstanding any other provision of law to the contrary, the tax imposed on special fuel sold by a qualified service station may not exceed, or the tax on gasoline delivered to a qualified service station must be reduced to, a rate not more than three cents per gallon above the state tax rate imposed on such products sold by a service station in a contiguous state located within the distance indicated in clause (b).

(b) A "qualifying service station" means a service station located within 7.5 miles, measured by the shortest route by public road, from a service station selling like product in the contiguous state.

(c) A qualified service station shall be allowed a credit by the supplier or distributor, or both, for the amount of reduction computed in accordance with clause (a).

A qualified service station, before receiving the credit, shall be registered with the commissioner of revenue.

Sec. 12. Minnesota Statutes 1994, section 296.02, subdivision 1a, is amended to read:

Subd. 1a. [TRANSIT SYSTEMS AND ALTERNATIVE FUELS EXEMPT.] The provisions of subdivision 1 do not apply to (1) gasoline purchased by a transit system or transit provider receiving financial assistance or reimbursement under section 174.24, 256B.0625, subdivision 17, or 473.384 or (2) sales of compressed natural gas or propane for use in vehicles displaying a valid annual alternate fuel permit.

Sec. 13. Minnesota Statutes 1994, section 296.02, subdivision 1b, is amended to read:

Subd. 1b. [RATES IMPOSED.] The gasoline excise tax is imposed at the following rate rates:

- (1) E85 is taxed at the rate of 14.2 cents per gallon;
- (2) M85 is taxed at the rate of 11.4 cents per gallon; and
- (3) ~~For the period on and after May 1, 1988,~~ All other gasoline is taxed at the rate of 20 cents per gallon.

Sec. 14. Minnesota Statutes 1994, section 296.025, subdivision 1, is amended to read:

Subdivision 1. [TAX IMPOSED.] There is hereby imposed an excise tax of the same rate per gallon as the gasoline excise tax on all special fuel at the rates specified in subdivision 1b. For clear diesel fuel, the tax is imposed on the first distributor who received the product in Minnesota. For dyed fuel being used illegally in a licensed motor vehicle, the tax is imposed on the owner or operator of the motor vehicle, or in some instances, on the dealer who supplied the fuel. For dyed fuel used in a motor vehicle but subject to a federal exemption, although no federal tax may be imposed, the fuel is subject to the state tax. For other fuels, including jet fuel, propane, and compressed natural gas, the tax is imposed on the distributor, special fuel dealer, or bulk purchaser. This tax is payable at the time and in the manner specified in this chapter. For purposes of this section, "owner or operator" means the operation of licensed motor vehicles, whether loaded or empty, whether for compensation or not for compensation, and whether owned by or leased to the motor carrier who operates them or causes them to be operated.

Sec. 15. Minnesota Statutes 1994, section 296.025, subdivision 1a, is amended to read:

Subd. 1a. [TRANSIT SYSTEMS AND ALTERNATIVE FUELS EXEMPT.] The provisions of subdivision 1 do not apply to (1) special fuel purchased by a transit system or transit provider receiving financial assistance or reimbursement under section 174.24, 256B.0625, subdivision 17, or 473.384 or (2) sales of compressed natural gas or propane for use in vehicles displaying a valid annual alternate fuel permit.

Sec. 16. Minnesota Statutes 1994, section 296.025, is amended by adding a subdivision to read:

Subd. 1b. [TAX RATES.] The special fuel excise tax is imposed at the following rates:

- (1) Liquefied petroleum gas or propane is taxed at the rate of 15 cents per gallon.
- (2) Liquefied natural gas is taxed at the rate of 12 cents per gallon.
- (3) Compressed natural gas is taxed at the rate of \$1.739 per thousand cubic feet.
- (4) All other special fuel is taxed at the same rate as the gasoline excise tax.

Sec. 17. Minnesota Statutes 1994, section 296.0261, is amended by adding a subdivision to read:

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

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

Sec. 18. Minnesota Statutes 1994, 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 service, charges for premium service, and any other charges for any other pay-per-view, monthly, or similar television services;

(h) Notwithstanding section 297A.25, subdivisions 9 and 12, the sales of racehorses including claiming sales and fees paid for breeding racehorses or horses previously used for racing shall be considered a "sale" and a "purchase." "Racehorse" means a horse that is or is intended to be used for racing and whose birth has been recorded by the Jockey Club or the United States Trotting Association or the American Quarter Horse Association. "Sale" does not include fees paid for breeding horses that are not racehorses;

(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; tree, bush, and shrub pruning, bracing, spraying, and surgery; tree, bush, shrub and stump removal; 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) mixed municipal solid waste collection and disposal management 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, 1992, for educational and social activities for young people primarily age 18 and under.

Sec. 19. Minnesota Statutes 1994, section 297A.01, is amended by adding a subdivision to read:

Subd. 21. [MIXED MUNICIPAL SOLID WASTE MANAGEMENT SERVICES.] "Mixed municipal solid waste management services" or "waste management services" means services relating to the management of mixed municipal solid waste from collection to disposal, including transportation and management at waste facilities. The definitions in section 115A.03 apply to this subdivision.

Sec. 20. Minnesota Statutes 1994, section 297A.135, subdivision 1, is amended to read:

Subdivision 1. [TAX IMPOSED.] A tax is imposed on the lease or rental in this state 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, except for a van designed or adapted primarily for transporting property rather than passengers, or a pickup truck as defined in section 168.011, subdivision 29. The tax is imposed at the rate of 6.2 percent of the sales price as defined for the purpose of imposing the sales and use tax in this chapter. The tax does not apply to the lease or rental of a hearse or limousine used in connection with a burial or funeral service. It applies whether or not the vehicle is licensed in the state.

Sec. 21. Minnesota Statutes 1994, section 297A.15, is amended by adding a subdivision to read:

Subd. 7. [REFUND; APPROPRIATION; ADULT AND JUVENILE CORRECTIONAL FACILITIES.] (a) If construction materials and supplies described in paragraph (b) are purchased by a contractor, subcontractor, or builder as part of a lump-sum contract or similar type of contract with a price covering both labor and materials for use in the project, a refund equal to 20 percent of the taxes paid by the contractor, subcontractor, or builder must be paid to the governmental subdivision. An application must be submitted by the governmental subdivision and must include sufficient information to permit the commissioner to verify the sales taxes paid for the project. The contractor, subcontractor, or builder must furnish to the governmental subdivision a statement of the cost of the construction materials and supplies and the sales taxes paid on them. 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.

(b) Construction materials and supplies qualify for the refund under this section if: (1) the materials and supplies are for use in a project to construct or improve an adult or juvenile correctional facility in a county, home rule charter city, or statutory city, and (2) the project is mandated by state or federal law, rule, or regulation. The refund applies regardless of whether the materials and supplies are purchased by the city or county, or by a contractor, subcontractor, or builder under a contract with the city or county.

Sec. 22. Minnesota Statutes 1994, section 297A.25, subdivision 9, is amended to read:

Subd. 9. [MATERIALS CONSUMED IN PRODUCTION.] The gross receipts from the sale of and the storage, use, or consumption of all materials, including chemicals, fuels, petroleum products, lubricants, packaging materials, including returnable containers used in packaging food and beverage products, feeds, seeds, fertilizers, electricity, gas and steam, used or consumed in agricultural or industrial production of personal property intended to be sold ultimately at retail, whether or not the item so used becomes an ingredient or constituent part of the property produced are exempt. Seeds, trees, fertilizers, and herbicides purchased for use by farmers in the Conservation Reserve Program under United States Code, title 16, section 590h, the Integrated Farm Management Program under section 1627 of Public Law Number 101-624, the Wheat and Feed Grain Programs under sections 301 to 305 and 401 to 405 of Public Law Number 101-624, and the conservation reserve program under sections 103F.505 to 103F.531, are included in this exemption. Sales to a veterinarian of materials used or consumed in the care, medication, and treatment of agricultural production animals and horses used in agricultural production are exempt under this subdivision. Chemicals used for cleaning food processing machinery and equipment are included in this exemption. Materials, including chemicals, fuels, and electricity purchased by persons engaged in agricultural or industrial production to treat waste generated as a result of the production process are included in this exemption. Such production shall include, but is not limited to, research, development, design or production of any tangible personal property, manufacturing, processing (other than by restaurants and consumers) of agricultural products whether vegetable or animal, commercial fishing, refining, smelting, reducing, brewing, distilling, printing, mining, quarrying, lumbering, generating electricity and the production of road building materials. Such production shall not include painting, cleaning, repairing or similar processing of property except as part of the original manufacturing process. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures, used in such production and fuel, electricity, gas or steam used for space heating or lighting, are not included within this exemption; however, accessory tools, equipment and other short lived items, which are separate detachable units used in producing a direct effect upon the product, where such items have an ordinary useful life of less than 12 months, are included within the exemption provided herein. Electricity used to make snow for outdoor use for ski hills, ski slopes, or ski trails is included in this exemption.

Sec. 23. Minnesota Statutes 1994, 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 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 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. For purposes of this paragraph "libraries" means libraries as defined in section 134.001, county law libraries under chapter 134A, the state library under section 480.09, and the legislative reference library.

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. Sales to a political subdivision of repair and replacement parts for emergency rescue vehicles and fire trucks and apparatus are exempt under this subdivision.

Sales to a political subdivision of machinery and equipment, except for motor vehicles, used directly for mixed municipal solid waste ~~collection and disposal~~ management services at a solid waste disposal facility as defined in section 115A.03, subdivision 10, are exempt under this subdivision.

Sales to political subdivisions of chore and homemaking services to be provided to elderly or disabled individuals are exempt.

Sales of telephone services and equipment to the department of administration that are used to provide telecommunications services through the intertechnologies revolving fund are exempt under this subdivision.

This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration, or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities.

This exemption does not apply to the leasing of a motor vehicle as defined in section 297B.01, subdivision 5, except for leases entered into by the United States or its agencies or instrumentalities.

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 section 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.

Sales exempted by this subdivision include sales made to other states or political subdivisions of other states, if the sale would be exempt from taxation if it occurred in that state, but do not include sales under section 297A.01, subdivision 3, paragraphs (c) and (e).

Sec. 24. Minnesota Statutes 1994, section 297A.25, subdivision 59, is amended to read:

Subd. 59. [FARM MACHINERY.] From July 1, 1994, until June 30, ~~1995~~ 1996, the gross receipts from the sale of used farm machinery are exempt.

Sec. 25. [297A.2574] [AGRICULTURE PROCESSING FACILITY MATERIALS; EXEMPTION.]

Subdivision 1. [EXEMPTION; DEFINITION.] Purchases of construction materials and supplies are exempt from the sales and use taxes imposed under this chapter, regardless of whether purchased by the owner or a contractor, subcontractor, or builder, if the materials and supplies are used or consumed in constructing an agriculture processing facility that meets the requirements of this section. For purposes of this section, "agriculture processing facility" means land, buildings, structures, fixtures, and improvements used or operated primarily for the processing or production

of marketable products from agricultural crops, including waste and residues from agricultural crops, but not including livestock or livestock products, poultry or poultry products, or wood or wood products.

Subd. 2. [QUALIFICATIONS.] An agricultural processing facility qualifies for the exemption provided under this section if it meets each of the following requirements:

(a) The total investment in the facility must be at least \$8,500,000.

(b) The facility must be located in a municipality that has a median household income that does not exceed \$18,000 according to the 1990 federal census information on income and poverty status in 1989.

(c) The total investment in the facility must exceed an amount equal to \$12,000 per resident of the municipality in which the facility is located.

Subd. 3. [COLLECTION AND REFUND OF TAX.] The tax shall be imposed and collected as if the rates under sections 297A.02, subdivision 1, and 297A.021, applied, and then refunded in the manner provided in section 297A.15, subdivision 5.

Sec. 26. Minnesota Statutes 1994, section 297A.45, is amended to read:

297A.45 [MIXED MUNICIPAL SOLID WASTE COLLECTION AND DISPOSAL MANAGEMENT SERVICES.]

Subdivision 1. [DEFINITIONS.] The definitions in sections 115A.03 and 297A.01 apply to this section.

Subd. 2. [APPLICATION.] The taxes imposed by sections 297A.02 and 297A.021 apply to all public and private mixed municipal solid waste ~~collection and disposal~~ management services.

Notwithstanding section 297A.25, subdivision 11, a political subdivision that purchases ~~collection or disposal~~ waste management services on behalf of its citizens shall pay the taxes.

If a political subdivision provides ~~collection or disposal services~~ a waste management service to its residents at a cost in excess of the total direct charge to the residents for the service, the political subdivision shall pay the taxes based on its cost of providing the service in excess of the direct charges.

A person who transports mixed municipal solid waste generated by that person or by another person without compensation shall pay the taxes at the ~~disposal or resource recovery~~ waste facility based on the disposal charge or tipping fee.

Subd. 3. [EXEMPTIONS.] (a) The cost of a service or the portion of a service to collect and manage recyclable materials separated from mixed municipal solid waste by the waste generator is exempt from the taxes imposed in sections 297A.02 and 297A.021.

(b) The amount of a surcharge or fee imposed under section 115A.919, 115A.921, 115A.923, or 473.843 is exempt from the taxes imposed in sections 297A.02 and 297A.021.

(c) Waste from a recycling facility that separates or processes recyclable materials and that reduces the volume of the waste by at least 85 percent is exempt from the taxes imposed in sections 297A.02 and 297A.021. To qualify for the exemption under this paragraph, the waste exempted must be ~~collected and disposed of~~ managed separately from other solid waste.

(d) The following costs are exempt from the taxes imposed in sections 297A.02 and 297A.021:

(1) costs of providing educational materials and other information to residents;

(2) costs of managing solid waste other than mixed municipal solid waste, including household hazardous waste; and

(3) costs of regulatory and enforcement activities.

(e) The cost of a waste management service is exempt from the taxes imposed in sections 297A.02 and 297A.021 to the extent that the cost was previously subject to the tax.

Subd. 4. [CITY SALES TAX MAY NOT BE IMPOSED.] Notwithstanding any other law or charter provision to the contrary, a home rule charter or statutory city that imposes a general sales tax may not impose the sales tax on solid waste disposal and collection management services that are subject to the tax under this section. This subdivision does not apply to a tax imposed under section 297A.021.

Subd. 5. [SEPARATE ACCOUNTING.] The commissioner shall account for revenue collected from public and private mixed municipal solid waste collection and disposal management services under this section separately from other tax revenue collected under this chapter.

Sec. 27. Laws 1986, chapter 400, section 44, is amended to read:

Sec. 44. [DOWNTOWN TAXING AREA.]

If a bill is enacted into law in the 1986 legislative session which authorizes the city of Minneapolis to issue bonds and expend certain funds including taxes to finance the acquisition and betterment of a convention center and related facilities, which authorizes certain taxes to be levied in a downtown taxing area, then, notwithstanding the provisions of that law "downtown taxing area" shall mean the geographic area bounded by the portion of the Mississippi River between I-35W and Washington Avenue, the portion of Washington Avenue between the river and I-35W, the portion of I-35W between Washington Avenue and 8th Street South, the portion of 8th Street South between I-35W and Portland Avenue South, the portion of Portland Avenue South between 8th Street South and I-94, the portion of I-94 from the intersection of Portland Avenue South to the intersection of I-94 and the Burlington Northern Railroad tracks, the portion of the Burlington Northern Railroad tracks from I-94 to Main Street and including Nicollet Island, and the portion of Main Street to Hennepin Avenue and the portion of Hennepin Avenue between Main Street and 2nd Street S.E., and the portion of 2nd Street S.E. between Main Street and Bank Street, and the portion of Bank Street between 2nd Street S.E. and University Avenue S.E., and the portion of University Avenue S.E. between Bank Street and I-35W, and by I-35W from University Avenue S.E., to the river. The downtown taxing area excludes the area bounded on the south and west by Oak Grove Street, on the east by Spruce Place, and on the north by West 15th Street.

Sec. 28. Laws 1991, chapter 291, article 8, section 28, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] Notwithstanding Minnesota Statutes, section 469.190, 477A.016, or other law, in addition to the tax authorized in Minnesota Statutes, section 469.190, the city of Winona may, by ordinance, impose a tax of up to one 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. The city may, by ordinance, impose the tax authorized under this section on the camping site receipts of a municipal campground.

Fifty percent of The proceeds of this tax shall be used to retire the indebtedness of the Julius C. Wilke Steamboat Center and. Upon retirement of the debt, 50 percent of the proceeds shall be used as directed in Minnesota Statutes, section 469.190, subdivision 3. The balance shall be used in the manner of the tax proceeds may be used to promote tourist activities, as determined by resolution of the council, for the following purposes:

(1) improvements to the levee, dockage areas, and the adjacent area, including provision of utilities and construction of facilities for ticket and souvenir sales and related office space; or

(2) as directed in Minnesota Statutes, section 469.190, subdivision 3. Upon retirement of the debt, the council shall by ordinance reduce the tax by one half percent or dedicate the entire one percent in the manner directed in Minnesota Statutes, section 469.190, subdivision 3.

The tax shall be collected in the same manner as other taxes authorized under Minnesota Statutes, section 469.190.

Sec. 29. [REPEALER.]

(a) Minnesota Statutes 1994, section 296.0261, is repealed.

(b) Minnesota Statutes 1994, section 297A.136, is repealed.

Sec. 30. [EFFECTIVE DATE.]

Sections 1, 2, 3 to 17, and 29, paragraph (a), are effective July 1, 1995.

Section 20 is effective beginning with leases or rentals made after June 30, 1995.

Sections 18, 19, 23, and 26 are effective the day following final enactment.

Section 21 is effective retroactively for sales after May 31, 1992.

Section 22 is effective for sales made after July 1, 1995.

Section 25 is effective for sales made after March 31, 1995.

Section 28 is effective upon compliance by the governing body of the city of Winona with Minnesota Statutes, section 645.021, subdivision 3.

Section 27 is effective upon compliance by the Minneapolis city council with Minnesota Statutes, section 645.021, subdivision 3.

Section 29, paragraph (b), is effective for sales of 900 information services made after June 30, 1995.

ARTICLE 3

PROPERTY TAX FREEZE

Section 1. Minnesota Statutes 1994, section 6.745, subdivision 1, is amended to read:

Subdivision 1. [CITIES.] Annually, upon adoption of the city budget, the city council of each home rule charter or statutory city shall forward summary budget information to the office of the state auditor. The summary budget information shall be provided on forms prescribed by the state auditor. The office of the state auditor shall work with representatives of city government to develop a budget reporting form that conforms with city budgeting practices and provides the necessary summary budget information to the office of the state auditor. The summary budget data shall be provided to the office of the state auditor no later than ~~December~~ January 31 of the year ~~preceding~~ each budget year.

Sec. 2. Minnesota Statutes 1994, section 134.34, subdivision 4a, is amended to read:

Subd. 4a. [SUPPORT GRANTS.] In state fiscal years 1993, 1994, and 1995, and 1996, 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), or (c).

(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.

(c) In 1996, the city or county maintains the dollar amount provided by it for operating purposes of public library service at least at the same dollar amount it provided in 1995.

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. 3. Minnesota Statutes 1994, section 254B.02, subdivision 3, is amended to read:

Subd. 3. [RESERVE ACCOUNT.] The commissioner shall allocate money from the reserve account to counties that, during the current fiscal year, have met or exceeded the base level of expenditures for eligible chemical dependency services from local money. ~~The commissioner shall establish the base level for fiscal year 1988 as the amount of local money used for eligible services in calendar year 1986. In later years, the base level must be increased in the same proportion as state appropriations to implement Laws 1986, chapter 394, sections 8 to 20, are increased. The base level must be decreased if the fund balance from which allocations are made under section 254B.02, subdivision 1, is decreased in later years. The base level of expenditures for each county is defined as 15 percent of the funds allocated to the county under subdivisions 1 and 2. The local match rate for the reserve account is the same rate as applied to the initial allocation. Reserve account payments must not be included when calculating the county adjustments made according to subdivision 2.~~

Sec. 4. Minnesota Statutes 1994, section 256H.09, subdivision 3, is amended to read:

Subd. 3. [CHILD CARE FUND PLAN.] Effective January 1, 1992, the county will include the plan required under this subdivision in its biennial community social services plan required in this section, for the group described in section 256E.03, subdivision 2, paragraph (h). For the period July 1, 1989, to December 31, 1991, the county shall submit separate child care fund plans required under this subdivision for the periods July 1, 1989, to June 30, 1990; and July 1, 1990, to December 31, 1991. The commissioner shall establish the dates by which the county must submit these plans. The county and designated administering agency shall submit to the commissioner an annual child care fund allocation plan. The plan shall include:

(1) a narrative of the total program for child care services, including all policies and procedures that affect eligible families and are used to administer the child care funds;

(2) the number of families that requested a child care subsidy in the previous year, the number of families receiving child care assistance, the number of families on a waiting list, and the number of families projected to be served during the fiscal year;

(3) the methods used by the county to inform eligible groups of the availability of child care assistance and related services;

(4) the provider rates paid for all children by provider type;

(5) the county prioritization policy for all eligible groups under the basic sliding fee program and AFDC child care program;

(6) a report of all funds available to be used for child care assistance, ~~including demonstration of compliance with the maintenance of funding effort required under section 256H.12;~~ and

(7) other information as requested by the department to ensure compliance with the child care fund statutes and rules promulgated by the commissioner.

The commissioner shall notify counties within 60 days of the date the plan is submitted whether the plan is approved or the corrections or information needed to approve the plan. The commissioner shall withhold a county's allocation until it has an approved plan. Plans not approved by the end of the second quarter after the plan is due may result in a 25 percent reduction in allocation. Plans not approved by the end of the third quarter after the plan is due may result in a 100 percent reduction in the allocation to the county. Counties are to maintain services despite any reduction in their allocation due to plans not being approved.

Sec. 5. Minnesota Statutes 1994, 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~~ 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 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. 6. Minnesota Statutes 1994, section 279.10, is amended to read:

279.10 [PUBLICATION CORRECTED.]

Immediately after preparing forms for printing such notice and list, and at least five days before the first day for the publication thereof, every such publisher shall furnish proof of the proposed publication to the county auditor for correction. When such copy has been corrected, the auditor shall return the same to the printer, who shall publish it as corrected. On the first day on which such notice and list are published, the publisher shall mail a copy of the newspaper containing the same to the auditor. If during the publication of the notice and list, or within ten days after the last publication thereof, the auditor shall discover that such publication is invalid, the auditor shall forthwith direct the publisher to republish the same as corrected ~~for an additional period of two weeks~~. The publisher, if not neglectful, shall be entitled to the same compensation as allowed by law for the original publication, but shall receive no further compensation therefor if such republication is necessary by reason of the neglect of the publisher.

Sec. 7. Minnesota Statutes 1994, 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 two successive weeks~~, in the official newspaper of the county, the notice prescribed by subdivision 2.

Sec. 8. Minnesota Statutes 1994, section 375.169, is amended to read:

375.169 [PUBLICATION OF SUMMARY BUDGET STATEMENT.]

Annually, upon adoption of the county budget, the county board shall cause a summary budget statement to be published in one of the following:

(1) the official newspaper of the county, or if there is none, in a qualified newspaper of general circulation in the county; or

(2) for a county in the metropolitan area as defined in section 473.121, subdivision 2, a county newsletter or other county mailing sent to all households in the city, or as an insert with the truth-in-taxation notice under section 275.065.

If the summary budget statement is published in a county newsletter, it must be the lead story. If the summary budget statement is published through a county newsletter or other county mailing, a copy of the newsletter or mailing shall be sent on request to any nonresident. If the summary budget statement is published by a mailing to households other than a newsletter, the color of the paper on which the summary budget statement is printed must be distinctively different than the paper containing other printed material included in the mailing. The statement shall contain information relating to anticipated revenues and expenditures in a form prescribed by the state auditor. The form prescribed shall be designed so that comparisons can be made between the current year and the budget year. A note shall be included that the complete budget is available for public inspection at a designated location within the county.

Sec. 9. Minnesota Statutes 1994, section 471.6965, is amended to read:

471.6965 [PUBLICATION OF SUMMARY BUDGET STATEMENT.]

Annually, upon adoption of the city budget, the city council shall publish a summary budget statement in either of the following:

(1) the official newspaper of the city, or if there is none, in a qualified newspaper of general circulation in the city; or

(2) for a city in the metropolitan area as defined in section 473.121, subdivision 2, a city newsletter or other city mailing sent to all taxpayers in the city, or as an insert with the truth-in-taxation notice under section 275.065.

If the summary budget statement is published in a city newsletter, it must be the lead cover story. If the summary budget statement is published by a mailing to taxpayers other than a newsletter, the color of the paper on which the summary budget statement is printed must be distinctively different than the paper containing other printed material included in the mailing.

The statement shall contain information relating to anticipated revenues and expenditures, in a form prescribed by the state auditor. The form prescribed shall be designed so that comparisons can be made between the current year and the budget year. A note shall be included that the complete budget is available for public inspection at a designated location within the city. If the summary budget statement is published through a city newsletter or other city mailing, a copy of the statement must be posted, in a common area, by the property owner of all residential nonhomestead property as defined in section 273.13, subdivision 25, paragraphs (a) and (b), clause (1).

Sec. 10. [EDUCATION FINANCE FOR THE 1996-1997 SCHOOL YEAR.]

Subdivision 1. [ADJUSTED TAX CAPACITY FOR SCHOOL YEAR 1996-1997.] Notwithstanding any other law to the contrary, for purposes of any levy authorized under Minnesota Statutes, chapter 124, 124A, 124B, 136C, or 136D, the adjusted net tax capacity of a school district, education district, intermediate school district, or technical college under Minnesota Statutes, section 124.2131, for the 1996-1997 school year shall equal the adjusted net tax capacity used for computation of its levy limits for the 1995-1996 school year.

Subd. 2. [LOCAL EFFORT TAX RATE AND EQUALIZING FACTOR.] Notwithstanding any other law to the contrary, the local effort tax rates computed under Minnesota Statutes, sections 124.226, subdivision 1, and 124A.23, for the 1996-1997 school year shall equal the local effort tax rates established at the time of levy limit certification for the 1995-1996 school year. Notwithstanding any other law to the contrary, the equalizing factor under Minnesota Statutes, section 124A.02, for the 1996-1997 school year shall equal the equalizing factor for the 1995-1996 school year.

Subd. 3. [COMPUTATION OF PUPIL UNITS FOR LEVY LIMITS.] Notwithstanding Minnesota Statutes, section 124.17, or any other law to the contrary, the number of pupil units and AFDC pupil units for a school district, education district, intermediate school district, or technical college for use in computing the levy limits of the district or technical college for the 1996-1997 school year shall be the pupil units and AFDC pupil units used for the levy limit computation of the school district, education district, intermediate school district, or technical college for the 1995-1996 school year. For purposes of computing the revenue entitlement of a school district under Minnesota Statutes, chapter 124, 124A, 124B, 136C, or 136D, for the 1996-1997 school year, the pupil units or AFDC pupil units shall be as otherwise provided under Minnesota Statutes, section 124.17. If any section of Minnesota Statutes, chapters 124, 124A, and 124B, provides that an aid entitlement is equal to the difference between the revenue entitlement and the authorized levy, then the aid entitlement for the 1996-1997 school year shall equal the difference between the revenue entitlement and authorized levies computed under this section and sections 11 to 71. If any section of Minnesota Statutes, chapters 124, 124A, and 124B, other than sections 124.321 and 124.912, subdivision 2, provide that the aid entitlement will be reduced if a district fails to exercise its full levy authority and the district failed to levy its full authority for the 1995-1996 school year, the commissioner shall assume that, absent the provisions of this act, the district would have elected to exercise the same portion of its levy authority for the 1996-1997 school year as it did in the prior year and determine the district's aid under the applicable section and the prior sentence.

Sec. 11. [TRANSITIONAL LEVIES.]

Notwithstanding Minnesota Statutes, sections 122.247, subdivision 3, and 122.533, a school district's levy under those sections for taxes payable in 1996 shall be no greater than it was for the prior year.

Sec. 12. [TRANSPORTATION AID.]

For purposes of computing transportation aid under Minnesota Statutes, section 124.225, subdivision 8a, for the 1996-1997 school year, levies shall be those computed under the provisions of sections 10 and 13 to 21.

Sec. 13. [TRANSPORTATION LEVY.]

Notwithstanding Minnesota Statutes, section 124.226, subdivision 2, a school district's levy for additional transportation costs as the result of leasing a school in another district shall be no greater for the 1996-1997 school year than it was for the prior year.

Sec. 14. [OFF-FORMULA ADJUSTMENT.]

Notwithstanding Minnesota Statutes, section 124.226, subdivision 3, a school district's off-formula adjustment for taxes payable in 1996 shall be no less than that computed for taxes payable in the prior year. If the resulting levy reduction is greater than that which would have otherwise occurred under Minnesota Statutes, section 124.226, subdivision 3, the district will receive additional aid equal to the difference.

Sec. 15. [TRANSPORTATION LEVY EQUITY.]

Notwithstanding Minnesota Statutes, section 124.226, subdivision 3a, a school district's aid reduction for transportation levy equity for the 1996-1997 school year shall be based on levies computed under sections 10 and 13 to 21.

Sec. 16. [NONREGULAR TRANSPORTATION COSTS LEVY.]

Notwithstanding Minnesota Statutes, section 124.226, subdivision 4, a school district's levy for nonregular transportation costs for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 17. [EXCESS TRANSPORTATION COSTS LEVY.]

Notwithstanding Minnesota Statutes, section 124.226, subdivision 5, a school district's levy for excess transportation costs for the 1996-1997 school year shall be no greater than it was for the prior year. If the resulting levy is less than the school district would have been authorized to levy under Minnesota Statutes, section 124.226, subdivision 5, the district shall receive additional aid equal to the difference.

Sec. 18. [BUS PURCHASES; LEVY.]

Notwithstanding Minnesota Statutes, section 124.226, subdivision 6, a school district's levy to eliminate a projected deficit in its reserved fund balance for bus purchases in its transportation fund as of June 30 of the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 19. [CONTRACTED SERVICES LEVY.]

Notwithstanding Minnesota Statutes, section 124.226, subdivision 7, a school district's levy for taxes payable in 1996 under that subdivision shall be no greater than it was in the prior year. If the resulting levy is less than the school district would have been authorized to levy under that subdivision, the district will receive additional aid equal to the difference.

Sec. 20. [LEVY FOR POST-SECONDARY TRANSPORTATION.]

Notwithstanding Minnesota Statutes, section 124.226, subdivision 8, a school district levy for transportation of secondary students enrolled in courses provided in an agreement authorized by Minnesota Statutes, section 123.33, subdivision 7, for school year 1996-1997 shall be no greater than it was for the prior year.

Sec. 21. [LATE ACTIVITY BUSES LEVY.]

Notwithstanding Minnesota Statutes, section 124.226, subdivision 9, a school district's levy for late activity buses for the 1995-1996 school year shall be no greater than it was for the prior year.

If the resulting levy is less than the school district would have been authorized to levy under Minnesota Statutes, section 124.226, subdivision 9, the school district shall receive additional aid equal to the difference.

Sec. 22. [BONDS.]

(a) Notwithstanding Minnesota Statutes, section 124.239, after March 30, 1995, no school district can sell bonds under that section the debt service payments of which would require a levy first becoming payable in 1996 or authorize a levy under Minnesota Statutes, section 124.239, subdivision 5, clause (b), that is not pursuant to a plan adopted prior to March 30, 1995. This restriction shall not apply to (1) refunding bonds sold to refund bonds originally sold before March 30, 1995, or (2) bonds for which the amount of the levy first becoming due in 1996 would not exceed the amount by which the school district's total levy for debt service on bonds for taxes payable in 1996 prior to issuance of those bonds is less than the municipality's total levy for debt service for bonds for taxes payable in 1995.

(b) For purposes of this section, bonds will be deemed to have been sold before March 30, 1995, if:

(1) an agreement has been entered into between the school district and a purchaser or underwriter for the sale of the bonds by that date;

(2) the issuing school district is a party to a contract or letter of understanding entered into before March 30, 1995, with the federal government that requires the school district to pay for a project, and the project will be funded with the proceeds of the bonds; or

(3) the proceeds of the bonds will be used to fund a project or acquisition with respect to which the school district has entered into a contract with a builder or supplier before March 30. Debt service payments due on bonds described in this paragraph during calendar year 1996 will be paid by the state. The amount of those payments must be repaid by the school district to the state in three equal annual installments beginning in 1997. No interest will be due on those payments if timely paid by June 15 of the year due.

Sec. 23. [CAPITAL EXPENDITURE FACILITY LEVY.]

Notwithstanding Minnesota Statutes, sections 124.243 and 124.2442, subdivision 3, a school district's capital expenditures facilities levy for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 24. [CAPITAL EXPENDITURE EQUIPMENT LEVY.]

Notwithstanding Minnesota Statutes, sections 124.244, subdivision 2, and 124.2442, a school district's capital expenditures equipment levy for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 25. [LEVY FOR ADULT BASIC EDUCATION AID.]

Notwithstanding Minnesota Statutes, section 124.2601, school districts which did not levy for adult basic education for taxes payable in 1995, may not levy for that purpose for taxes payable in 1996.

Sec. 26. [EARLY CHILDHOOD FAMILY EDUCATION AND HOME VISITATION LEVY.]

Notwithstanding Minnesota Statutes, section 124.2711, subdivisions 2a and 5, a school district's levy for early childhood family education and home visitation under Minnesota Statutes, section 124.2711, subdivision 5, for school year 1996-1997 shall be no greater than it was for the prior year.

Sec. 27. [COMMUNITY EDUCATION LEVY.]

Notwithstanding Minnesota Statutes, section 124.2713, subdivision 6, 6a, or 6b, the community education levy of a school district for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 28. [LEVY FOR ADDITIONAL COMMUNITY EDUCATION REVENUE.]

Notwithstanding Minnesota Statutes, section 124.2714, a school district's levy under that section for school year 1996-1997 shall be no greater than it was for the prior year.

Sec. 29. [PROGRAMS FOR ADULTS WITH DISABILITIES; LEVY.]

Notwithstanding Minnesota Statutes, section 124.2715, subdivision 3, a school district's levy for community education programs for adults with disabilities for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 30. [EXTENDED DAY LEVY.]

Notwithstanding Minnesota Statutes, section 124.2716, a school district's levy under that section for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 31. [COOPERATION AND COMBINATION LEVY.]

Notwithstanding Minnesota Statutes, section 124.2725, subdivisions 3 and 4, a school district's levy for cooperation and combination for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 32. [EARLY RETIREMENT AND SEVERANCE LEVY.]

Notwithstanding Minnesota Statutes, section 124.2725, subdivision 15, a school district's levy for the 1996-1997 school year for severance pay or early retirement incentives for licensed and nonlicensed staff who retire early as the result of combination or cooperation shall be no greater than it was for the prior year.

Sec. 33. [CONSOLIDATION; RETIREMENT LEVY.]

Notwithstanding Minnesota Statutes, section 124.2726, subdivision 3, a school district's levy for retirement incentives under Minnesota Statutes, section 122.23, subdivision 20, for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 34. [DISTRICT COOPERATION LEVY.]

Notwithstanding Minnesota Statutes, section 124.2727, subdivisions 6b and 9, a school district's levy for district cooperation for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 35. [SPECIAL EDUCATION EQUALIZATION LEVY.]

Notwithstanding Minnesota Statutes, section 124.321, subdivisions 3 and 5, a school district's special education equalization levy for the 1996-1997 school year shall be no greater than it was for the prior year. If the resulting levy is less than the school district would have levied under Minnesota Statutes, section 124.321, subdivisions 3 and 5, the district shall receive additional aid equal to the difference.

Sec. 36. [ALTERNATIVE DELIVERY LEVY.]

Notwithstanding Minnesota Statutes, section 124.322, subdivision 4, a school district's levy for alternative delivery of specialized instructional services for the 1996-1997 school year shall be no greater than it was for the prior year. If the resulting levy is less than the school district would have levied under Minnesota Statutes, section 124.322, subdivision 4, the district shall receive additional aid equal to the difference.

Sec. 37. [JOINT POWERS BOARD; EARLY RETIREMENT AND SEVERANCE LEVY.]

Notwithstanding Minnesota Statutes, section 124.4945, a school district's levy for the 1996-1997 school year for severance pay and early retirement incentives to a teacher as defined in Minnesota Statutes, section 125.12, subdivision 1, who is placed on unrequested leave as the result of a cooperative secondary facility agreement shall be no greater than it was for the prior year.

Sec. 38. [FACILITIES DOWN PAYMENT LEVY REFERENDUM.]

Notwithstanding Minnesota Statutes, section 124.82, subdivision 3, no facilities down payment levy referendum held after March 27, 1995, may authorize a levy first becoming payable in 1996.

Sec. 39. [HEALTH AND SAFETY LEVY.]

Notwithstanding Minnesota Statutes, section 124.83, subdivisions 4 and 7, a school district's levy for a health and safety program under Minnesota Statutes, section 124.83, for the 1996-1997 school year shall be no greater than it was for the prior year. If the resulting levy is less than the school district would have levied under Minnesota Statutes, section 124.83, subdivisions 4 and 7, the district shall receive additional aid equal to the difference.

Sec. 40. [HANDICAPPED ACCESS AND FIRE SAFETY LEVY.]

Notwithstanding Minnesota Statutes, section 124.84, subdivisions 3 and 4, a school district's levy for purposes of Minnesota Statutes, section 124.84, subdivisions 1 and 2, for the 1996-1997 school year shall be no greater than it was for the prior year. If the resulting levy is less than the school district would have levied under Minnesota Statutes, section 124.84, subdivision 3, the district may levy the difference in the subsequent year notwithstanding the five-year limitation in section 124.84, subdivision 3.

Sec. 41. [LEVY TO RENT OR LEASE BUILDING OR LAND.]

Notwithstanding Minnesota Statutes, section 124.91, subdivision 1, after March 30, 1995, the commissioner of education shall not authorize any school district to make any additional capital expenditure levy to rent or lease a building or land for instructional purposes if the levy for that purpose first becomes due and payable in 1996 unless the district's capital expenditure levy for taxes payable in 1996, including the levy for the new obligation, would not exceed its levy for that purpose for taxes payable in 1995.

Sec. 42. [LEVY FOR LEASE PURCHASE OR INSTALLMENT BUYS.]

(a) Except as provided in paragraphs (b) and (c), notwithstanding Minnesota Statutes, section 124.91, subdivision 3, after March 30, 1995, no school district may enter into an installment contract or a lease purchase agreement the levy for which would first become payable in 1996 unless the district's total levy for installment contracts and lease purchase agreements for taxes payable in 1996, including the levy for the new obligation, would not exceed its levy for that purpose for taxes payable in 1995.

(b) The limitation in paragraph (a) does not apply to an installment contract entered into before July 1, 1995, if it:

(1) relates to a high school construction project that was approved by the commissioner of education under Minnesota Statutes, section 121.15, before July 1, 1994; and

(2) relates at least in part to bids awarded between September 8, 1994, and February 21, 1995. Payments due on installment contracts described in this paragraph during calendar year 1996 will be paid by the state. The amount of those payments will be repaid by the school district to the state in three equal annual installments beginning in 1997. No interest will be due on those payments if timely paid by June 15 of the year due.

(c) For purposes of this section, installment contracts or lease purchase agreements will be deemed to have been entered into before March 30, 1995, if:

(1) an agreement has been entered into between the school district and a lessor or seller by that date;

(2) the school district is a party to contract or letter of understanding entered into before March 30, 1995, with the federal government that requires the school district to pay for a project, and the project will be funded with the proceeds of the installment contracts or lease purchase agreements; or

(3) the installment contracts or lease purchase agreements will be used to fund a project or acquisition with respect to which the school district has entered into a contract with a builder or supplier before March 30. Payments due on installment contracts or lease purchase agreements described in this paragraph during calendar year 1996 will be paid by the state. The amount of those payments must be repaid by the school district to the state in three equal annual installments beginning in 1997. No interest will be due on those payments if timely paid by June 15 of the year due.

Sec. 43. [COOPERATING DISTRICTS; CAPITAL LEVY.]

Notwithstanding Minnesota Statutes, section 124.91, subdivision 4, a school district's levy under that subdivision for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 44. [LEVY FOR INTERACTIVE TELEVISION.]

Notwithstanding Minnesota Statutes, section 124.91, subdivision 5, a school district's levy for interactive television for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 45. [ENERGY CONSERVATION LEVY.]

Notwithstanding Minnesota Statutes, section 124.91, subdivision 6, a school district may not enter into a loan under Minnesota Statutes, sections 216C.37 or 298.292 to 298.298 after March 27, 1995, if the levy for repayment of the loan would first become payable in 1996.

Sec. 46. [LEVY FOR STATUTORY OBLIGATIONS.]

Notwithstanding Minnesota Statutes, section 124.912, subdivision 1, a school district's levy as otherwise authorized under that subdivision for the 1996-1997 school year shall be no greater than it was for the prior year. To the extent that the portion of the resulting levy for the school district's obligation under Minnesota Statutes, section 268.06, subdivision 25, and section 268.08, is less than the school district would have been otherwise authorized to levy under Minnesota Statutes, section 124.912, subdivision 1, the school district shall receive additional aid equal to the difference. To the extent that the portion of the resulting levy for judgments under Minnesota Statutes, section 127.05, is less than the school district would have been authorized to levy under Minnesota Statutes, section 124.912, subdivision 1, for this purpose, the school district may levy the difference in the subsequent year.

Sec. 47. [DESEGREGATION LEVY.]

Notwithstanding Minnesota Statutes, section 124.912, subdivision 2, a school district's levy as otherwise authorized under that subdivision for the 1995-1996 school year shall be no greater than it was for the prior year. If the resulting levy is less than the school district would have levied under that subdivision, the school district shall receive additional aid equal to the difference.

Sec. 48. [RULE COMPLIANCE LEVY.]

Notwithstanding Minnesota Statutes, section 124.912, subdivision 3, a school district's levy as otherwise authorized under that subdivision for the 1995-1996 school year shall be no greater than it was for the prior year. If the resulting levy is less than the school district would have levied under that subdivision, the school district shall receive additional aid equal to the difference.

Sec. 49. [LEVY FOR CRIME RELATED COSTS.]

Notwithstanding Minnesota Statutes, section 124.912, subdivision 6, a school district's levy as otherwise authorized under that subdivision for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 50. [ICE ARENA LEVY.]

Notwithstanding Minnesota Statutes, section 124.912, subdivision 7, a school district's levy as otherwise authorized under that subdivision for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 51. [OUTPLACEMENT LEVY.]

Notwithstanding Minnesota Statutes, section 124.912, subdivision 8, the levy as otherwise authorized under that subdivision for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 52. [ABATEMENT LEVY.]

Notwithstanding Minnesota Statutes, section 124.912, subdivision 9, a school district's levy as otherwise authorized under that subdivision for the 1996-1997 school year shall be no greater than it was for the prior year. To the extent the portion of the resulting levy otherwise authorized under Minnesota Statutes, section 124.912, subdivision 9, paragraph (a), clause (1), is less than the school district would have been authorized to levy under that clause, the district shall receive additional aid equal to the difference. The remaining portion of the resulting levy that is less than the school district would have been authorized to levy under the remainder of Minnesota Statutes, section 124.912, subdivision 9, may be levied over a four-year period notwithstanding the three-year limitation of Minnesota Statutes, section 124.912, subdivision 9, paragraph (b).

Sec. 53. [OPERATING DEBT LEVIES.]

Notwithstanding Minnesota Statutes, section 122.531, subdivision 4a; 124.914; or Laws 1992, chapter 499, article 7, sections 25 and 26, a school district's levy as otherwise authorized under those sections for the 1996-1997 school year shall be no greater than it was for the prior year. To the extent this prevents a district from amortizing its reorganization operating debt as defined in Minnesota Statutes, section 121.915, clause (1), in five years, the district shall be permitted to levy the remainder in a subsequent year.

Sec. 54. [HEALTH INSURANCE BENEFITS LEVY.]

Notwithstanding Minnesota Statutes, section 124.916, subdivision 1, or Laws 1993, chapter 224, article 8, section 18, a school district's levy for retired employees health insurance as otherwise authorized under those provisions of law for the taxes payable in 1996 shall be no greater than it was for the prior year.

Sec. 55. [RETIREMENT LEVY.]

Notwithstanding Minnesota Statutes, section 124.916, subdivision 3, a school district's levy as otherwise authorized under that subdivision for taxes payable in 1996 shall be no greater than it was for the prior year. If the resulting levy is less than the school district would have been authorized to levy under that subdivision, the school district shall receive additional aid equal to the difference.

Sec. 56. [MINNEAPOLIS HEALTH INSURANCE SUBSIDY.]

Notwithstanding Minnesota Statutes, section 124.916, subdivision 4, a school district's levy as otherwise authorized under that section for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 57. [LEVY FOR TACONITE PAYMENT.]

Notwithstanding Minnesota Statutes, section 124.918, subdivision 8, a school district's levy reduction as otherwise authorized under that subdivision for the 1996-1997 school year shall be no less than it was for the prior year. General education aid reduction for the 1996-1997 school year shall be governed by Minnesota Statutes, section 124A.035, subdivision 5, and the levy reduction as dictated by this section.

Sec. 58. [EQUALIZED DEBT SERVICE LEVY.]

Notwithstanding Minnesota Statutes, section 124.95, subdivision 4, a school district's levy as otherwise authorized under that subdivision for the 1996-1997 school year taxes payable in 1996 shall be based on the actual pupil units in the district for the 1992-1993 school year and the 1993 adjusted net tax of the district.

Sec. 59. [UNEQUALIZED REFERENDUM LEVY.]

Notwithstanding Minnesota Statutes, section 124A.03, subdivision 1i, a school district's unequalized referendum levy for the 1996-1997 school year shall be no greater than it was for the prior year. If the resulting levy is less than the school district would have levied under that subdivision, the school district shall receive additional aid equal to the difference.

Sec. 60. [REFERENDUM LEVY.]

(a) Except as provided in paragraph (b) or (c), notwithstanding Minnesota Statutes, section 124A.03, subdivision 2 or 2b, or 124B.03, subdivision 2, no referendum conducted after March 30, 1995, under those sections may authorize a levy first becoming payable in 1996.

(b) A referendum may authorize such a levy if the referendum provides for continuation of a referendum levy that terminates beginning with taxes payable in 1996. If the terminated levy had been based on net tax capacity, the referendum relating to taxes payable in 1996 must be based on net tax capacity and the ballot shall state the estimated referendum tax rate based on net tax capacity for taxes levied in 1996, notwithstanding Minnesota Statutes, section 124A.03, subdivisions 2 and 2a. To the extent the referendum relates to taxes payable in 1997 and subsequent years, the levies for those years are subject to Minnesota Statutes, sections 124A.03, subdivision 2a, and 124A.0311, subdivision 3, and the ballot shall also state the estimated referendum tax rate as a percentage of market value for taxes levied in 1997.

(c) A referendum may authorize such a levy if the levy required under the referendum would not result in an increase for taxes payable in 1996 in the total levy for all purposes imposed by the school district over the total levy imposed by the district for taxes payable in 1995.

Sec. 61. [REFERENDUM AUTHORITY; CONVERSION.]

Notwithstanding Minnesota Statutes, section 124A.0311, subdivisions 2 and 3, no school district may convert its referendum authority currently authorized to be levied against net tax capacity to referendum authority authorized to be levied against referendum market value effective for taxes payable in 1996.

Sec. 62. [TRAINING AND EXPERIENCE LEVY.]

Notwithstanding Minnesota Statutes, section 124A.22, subdivision 4a, a school district's training and experience levy for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 63. [SUPPLEMENTAL LEVY.]

Notwithstanding Minnesota Statutes, section 124A.22, subdivision 8a, a school district's supplemental levy for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 64. [GENERAL EDUCATION LEVY; OFF-FORMULA DISTRICTS.]

Notwithstanding Minnesota Statutes, section 124A.23, subdivision 3, an off-formula school district's levy for general education for the 1996-1997 school year shall be no greater than it was for the prior year. An off-formula school district's aid reduction for general education levy equity under Minnesota Statutes, section 124A.24, shall be computed using the levy computed under this section. If an off-formula district payments pursuant to Minnesota Statutes, section 124A.035, subdivision 4, are reduced from that received in the prior school year, the district shall receive additional aid equal to the difference.

Sec. 65. [LEVY REDUCTION.]

Notwithstanding Minnesota Statutes, section 124A.26, subdivision 2, a district's levy reduction for the 1996-1997 school year under that subdivision shall be no less than it was in the prior year. To the extent that the resulting reduction is greater than the school district would have otherwise received under that subdivision, the school district shall receive additional aid equal to the difference.

Sec. 66. [STAFF DEVELOPMENT LEVY.]

Notwithstanding Minnesota Statutes, section 124A.292, subdivision 3, a school district's levy for staff development for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 67. [SCHOOL RESTRUCTURING LEVIES.]

Notwithstanding Minnesota Statutes, section 126.019, a school district's levy under that section for taxes payable in 1996 shall be no greater than it was in the prior year. To the extent the resulting levy is less than the district would have otherwise been authorized to levy under that section, the district shall receive additional aid equal to the difference.

Sec. 68. [LEVY FOR LOCAL SHARE OF TECHNICAL COLLEGE CONSTRUCTION.]

Notwithstanding Minnesota Statutes, section 136C.411, the levy as otherwise authorized under that section for the 1996-1997 school year shall be no greater than it was for the prior year. If the resulting levy is less than is necessary for the district to pay its local share of the costs of construction in that year, the joint vocational technical district shall receive additional aid equal to the difference.

Sec. 69. [JOINT VOCATIONAL TECHNICAL DISTRICT TAX LEVY.]

Notwithstanding Minnesota Statutes, section 136C.67, a joint vocational technical district's levy under that subdivision for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 70. [LEVY ADJUSTMENT.]

Notwithstanding any other law to the contrary, any adjustment of a school district's levy authority other than for debt redemption fund excesses under Minnesota Statutes, section 475.61, for taxes payable in 1996 shall not result in a levy that is greater than it was in 1995. If the resulting levy adjustments reduce the district's revenues below that which the district would have otherwise received in the absence of this section, the district will receive additional aid equal to the difference.

Sec. 71. [OTHER LEVY AUTHORITY.]

A school district's levy under any special law or any authority other than that contained in Minnesota Statutes, chapters 124, 124A, and 136C, shall not be greater for taxes payable in 1996 than it was for taxes payable in 1995 except for any debt service on obligations, certificates of indebtedness, capital notes, or other debt instruments issued prior to March 30, 1995, or to make payments on installment purchase contracts or lease purchase agreements entered into prior to March 30, 1995.

Sec. 72. [BENEFIT RATIO FOR RURAL SERVICE DISTRICTS.]

Notwithstanding Minnesota Statutes, section 272.67, subdivision 6, the benefit ratio used for apportioning levies to a rural service district for taxes payable in 1996 shall not be greater than that in effect for taxes payable in 1995.

Sec. 73. [PROHIBITION AGAINST INCURRING NEW DEBT.]

Subdivision 1. [GENERALLY.] (a) After March 30, 1995, no municipality as defined in Minnesota Statutes, section 475.51, or any special taxing district as defined under Minnesota Statutes, section 275.066, may sell obligations, certificates of indebtedness, or capital notes under Minnesota Statutes, chapter 475, section 412.301, or any other law authorizing obligations, certificates of indebtedness, capital notes, or other debt instruments or enter into installment purchase contracts or lease purchase agreements under Minnesota Statutes, section 465.71, or any other law authorizing installment purchase contracts or lease purchase agreements if issuing those debt instruments or entering into those contracts would require a levy first becoming due in 1996. This restriction does not apply to (1) refunding bonds sold to refund bonds originally sold before March 30, 1995, or (2) obligations for which the amount of the levy first becoming due in 1996

would not exceed the amount by which the municipality's total debt service levy for taxes payable in 1996 prior to issuance of those obligations is less than the municipality's total debt service levy for taxes payable in 1995. As used in clause (2), "obligations" includes certificates of indebtedness, capital notes, or other debt instruments or installment purchase contracts or lease purchase agreements.

(b) For purposes of this section, bonds will be deemed to have been sold before March 30, 1995, if:

(1) an agreement has been entered into between the municipality and a purchaser or underwriter for the sale of the bonds by that date;

(2) the issuing municipality is a party to contract or letter of understanding entered into before March 30, 1995, with the federal government or the state government that requires the municipality to pay for a project, and the project will be funded with the proceeds of the bonds; or

(3) the proceeds of the bonds will be used to fund a project or acquisition with respect to which the municipality has entered into a contract with a builder or supplier before March 30. Debt service payments due on bonds described in this paragraph during calendar year 1996 will be paid by the state. The amount of those payments must be repaid by the municipality to the state in three equal annual installments beginning in 1997. No interest will be due on those payments if timely paid by June 15 of the year due.

Subd. 2. [EXCEPTION.] Notwithstanding subdivision 1, certificates of indebtedness, capital notes, installment purchase contracts, lease purchase agreements or any other debt instruments, and the debt service levies for the obligations shall, for purposes of this act, be treated as if sold prior to March 30, 1995, if:

(a) The municipality or other governmental authority has satisfied any one of the following conditions prior to March 30, 1995:

(1) it has adopted a resolution or ordinance authorizing the issuance of the obligations;

(2) it has declared official intent to issue the obligations under federal tax laws and regulations;

or

(3) it has entered into a binding agreement to design or construct a project or acquire property to be financed with the obligations; and

(b) The municipality makes a finding at the time of the sale of the bonds that no levy will be required for taxes payable in 1996 to pay the debt service on the obligations because sufficient funds are available from nonproperty tax sources to pay the debt service.

Sec. 74. [ASSESSMENT LIMITATIONS.]

Subdivision 1. [1995 ASSESSMENT.] Notwithstanding Minnesota Statutes, section 273.11, or any other law to the contrary, the value of property for the 1995 assessment shall not exceed the lesser of its limited market value determined for the 1994 assessment pursuant to Minnesota Statutes, section 273.11, subdivision 1a, or its market value as otherwise determined for the 1994 assessment provided that any value attributable to new construction or improvements to the extent it does not qualify for deferral under Minnesota Statutes, section 273.11, subdivision 16, shall be added to the prior year's value used to determine its tax capacity. It is further provided that previously tax exempt property that loses its tax exempt status pursuant to Minnesota Statutes, section 272.02, subdivision 4, shall not have its assessment limited in any way under this subdivision.

Subd. 2. [1996 ASSESSMENT.] The provisions of Minnesota Statutes, section 273.11, subdivision 1a, shall govern in determining the value of property classified as agricultural homestead or nonhomestead, residential homestead or nonhomestead, or noncommercial seasonal residential for the 1996 assessment provided that "five percent" shall be substituted for "ten percent" in that section.

Sec. 75. [LEVY LIMITATION TAXES PAYABLE IN 1996.]

Subdivision 1. [TAXES PAYABLE IN 1996 PROPOSED LEVY.] Notwithstanding any other law to the contrary, for purposes of the certification required by Minnesota Statutes, section 275.065, subdivision 1, in 1995, no taxing authority other than a school district shall certify to the county auditor a proposed property tax levy or in the case of a township, a final property tax levy, greater than the amount certified to the county auditor pursuant to Minnesota Statutes, section 275.07, subdivision 1, in the prior year except as provided in subdivisions 3, 4, and 5.

Subd. 2. [TAXES PAYABLE IN 1996 FINAL LEVY.] Notwithstanding any other law to the contrary, for purposes of the certification required by Minnesota Statutes, section 275.07, subdivision 1, in 1995, no taxing authority other than a school district shall certify to the county auditor a property tax levy greater than the amount certified to the county auditor pursuant to Minnesota Statutes, section 275.07, subdivision 1, in the prior year except as provided in subdivisions 4 to 6.

Subd. 3. [SCHOOL DISTRICTS.] School district levies shall be governed by sections 10 to 71.

Subd. 4. [DEBT SERVICE EXCEPTION.] If a payable 1996 levy for debt service on obligations, certificates of indebtedness, capital notes, or other debt instruments sold prior to March 30, 1995, or to make payments on installment purchase contracts or lease purchase agreements entered into prior to March 30, 1995, exceeds the levy a taxing authority certified pursuant to Minnesota Statutes, section 275.07, subdivision 1, for taxes payable in 1995 for the same purpose, the excess may be levied notwithstanding the limitations of subdivisions 1 and 2.

Subd. 5. [ANNEXATION EXCEPTION.] The city tax rate for taxes payable in 1996 on any property annexed under chapter 414 may not be increased over the city or township tax rate in effect on the property in 1995, notwithstanding any law, municipal board order, or ordinance to the contrary. The limit on the annexing city's levy under subdivisions 1 and 2 may be increased in excess of that limit by an amount equal to the net tax capacity of the property annexed times the city or township tax rate in effect on that property for taxes payable in 1995. The levy limit of the city or township from which the property was annexed shall be reduced by the same amount.

Subd. 6. [INCREASE AUTHORIZED.] Notwithstanding the limitation of subdivision 1, a taxing authority other than a school district may increase its levy for taxes payable in 1996 over that certified to the county pursuant to Minnesota Statutes, section 275.07, subdivision 1, in the prior year by an amount equal to the taxing authority's net tax capacity pursuant to section 74, subdivision 1, times its tax rate for taxes payable in 1995 less the taxing authority's levy under subdivision 1.

Sec. 76. [FREEZE ON LOCAL MATCH REQUIREMENTS.]

Notwithstanding any other law to the contrary, the local funding or local match required from any city, town, or county for any state grant or program shall not be increased for calendar year 1996 above the dollar amount of the local funding or local match required for the same grant or program in 1995, regardless of the level of state funding provided; and any new local match or local funding requirements for new or amended state grants or programs shall not be effective until calendar year 1997. Nothing in this section shall affect the eligibility of a city, town, or county, for the receipt of state grants or program funds in 1996 or reduce the amount of state funding a city, town, or county would otherwise receive in 1996 if the local match requirements of the state grant or program were met in 1996.

Sec. 77. [SUSPENSION OF SALARY AND BUDGET APPEAL AUTHORIZATION.]

After April 11, 1995, no county sheriff may exercise the authority granted under Minnesota Statutes, section 387.20, subdivision 7, and no county attorney may exercise the authority granted under Minnesota Statutes, section 388.18, subdivision 6, to the extent that the salary or budget increase sought in the appeal would result in an increase in county expenditures in calendar year 1996.

Sec. 78. [SUSPENSION OF PUBLICATION AND HEARING REQUIREMENTS.]

A local taxing authority is not required to comply with the public advertisement notice of Minnesota Statutes, section 275.065, subdivision 5a, or the public hearing requirement of

Minnesota Statutes, section 275.065, subdivision 6, with respect to taxes levied in 1995, payable in 1996, only.

Sec. 79. [LEVY LIMITATION TAXES PAYABLE IN 1997.]

Subdivision 1. [DEFINITION.] The "percentage increase in the implicit price deflator" means the percentage change in the implicit price deflator for state and local governments purchases of goods and services as calculated in Minnesota Statutes, section 477A.03, subdivision 3, provided that the 2.5 percent and five percent limits do not apply and that the increase can not be less than zero percent.

Subd. 2. [TAXES PAYABLE IN 1997 PROPOSED LEVY.] Notwithstanding any other law to the contrary, for purposes of the certification required by Minnesota Statutes, section 275.065, subdivision 1, in 1996, no taxing authority other than a school district or a joint vocational technical district shall certify to the county auditor a proposed property tax levy or in the case of a township, a final property tax levy, that is greater than the product of:

(1) the sum of one plus the lesser of (i) three percent, or (ii) the percentage increase in the implicit price deflator; and

(2) the amount certified to the county auditor pursuant to Minnesota Statutes, section 275.07, subdivision 1, in the prior year, except as provided in subdivisions 4 and 5.

Subd. 3. [TAXES PAYABLE IN 1997 FINAL LEVY.] Notwithstanding any other law to the contrary, for purposes of the certification required by Minnesota Statutes, section 275.07, subdivision 1, in 1996, no taxing authority other than a school district or a joint vocational technical district shall certify to the county auditor a property tax levy that is greater than the product of:

(1) the sum of one plus the lesser of (i) three percent, or (ii) the percentage increase in the implicit price deflator; and

(2) the amount certified to the county auditor pursuant to Minnesota Statutes, section 275.07, subdivision 1, in the prior year, except as provided in subdivisions 4, 5, and 6.

Subd. 4. [REFERENDA.] (a) A taxing authority other than a school district or an education district may increase its levy above the limits provided in subdivisions 2 and 3, by the amount approved by the voters residing in the jurisdiction of the authority at a referendum called for the purpose. The referendum may be called by the governing body or shall be called by the governing body upon written petition of qualified voters of the jurisdiction. 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. 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 levy and the estimated referendum tax rate as a percentage of taxable net tax capacity in the year it is to be levied. 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 levy proposed by (petition to) the governing body of, be approved?"

(b) The governing body 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 a notice of the referendum and the proposed levy increase. The governing body need not mail more than once notice to any taxpayer. 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 jurisdiction of the taxing authority.

The notice must include the following statement: "Passage of this referendum will result in an increase in your property taxes."

(c) A petition authorized by paragraph (a) shall be effective if signed by a number of qualified voters in excess of 15 percent of the registered voters of the jurisdiction of the taxing authority on the day the petition is filed with the governing body. A referendum invoked by petition shall be held on the date specified in paragraph (a).

(d) The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this subdivision.

(e) A bond authorization under Minnesota Statutes, section 475.59, shall be deemed to meet the requirements of this subdivision provided the ballot includes the information required in paragraph (a) and the notice required in paragraph (b) is distributed.

Subd. 5. [DEBT SERVICE EXCEPTION.] If a payable 1997 levy for debt service on obligations, certificates of indebtedness, capital notes, or other debt instruments sold prior to March 30, 1995, or to make payments on installment purchase contracts or lease purchase agreements entered into prior to March 30, 1995, exceeds the levy a taxing authority certified pursuant to Minnesota Statutes, section 275.07, subdivision 1, for taxes payable in 1996 for the same purpose, or a payable 1997 levy for general obligations exceeds any payable 1997 levy required as a condition for the issuance of such general obligations, the excess may be levied notwithstanding the limitations of subdivisions 2 and 3.

Subd. 6. [LEVY OF TOWN BEING MERGED INTO CITY.] If a town has entered into an agreement to merge with a home rule charter or statutory city, and the merger has been approved by a referendum, the town's levy for taxes payable in 1997 shall not exceed the greater of (1) the amount determined under subdivisions 1 to 5, or (2) the amount established as a term of the merger agreement with the city.

Sec. 80. [FISCAL DISPARITIES FREEZE.]

Notwithstanding Minnesota Statutes, section 473F.08, subdivision 2, clause (a), the amount to be deducted from a governmental unit's net tax capacity for taxes payable in 1996 under that clause shall equal the amount deducted for taxes payable in 1995. Notwithstanding Minnesota Statutes, section 473F.08, subdivision 2, clause (b), the amount to be added to a governmental unit's net tax capacity for taxes payable in 1996 under that clause shall equal the same amount added for taxes payable in 1995. Notwithstanding Minnesota Statutes, section 473F.08, subdivision 3, the areawide portion of the levy for each governmental unit shall be determined using the local tax rate for the 1993 levy year. Notwithstanding Minnesota Statutes, section 473F.08, subdivision 6, the portion of commercial-industrial property within a municipality subject to the areawide tax rate shall be computed using the amount determined under Minnesota Statutes, sections 473F.06 and 473F.07, for taxes payable in 1995.

Sec. 81. [TAX RATE FREEZE.]

Subdivision 1. [REDUCTION OF LEVY; PAYMENT.] If in the course of determining local tax rates for taxes payable in 1996 after reductions for disparity reduction aid under Minnesota Statutes, section 275.08, subdivisions 1c and 1d, the county auditor finds the local tax rate exceeds that in effect for taxes payable in 1995, the county auditor shall reduce the local government's levy so the local tax rate does not exceed that in effect for taxes payable in 1995. The difference between the levy as originally certified by the local government and the reduced levy shall be certified to the commissioner of revenue at the time the abstracts are submitted under Minnesota Statutes, section 275.29. That amount shall be paid to the local government on or before August 31.

Subd. 2. [APPROPRIATION.] An amount sufficient to pay the aid provided for under this section is appropriated from the general fund to the commissioner of revenue for payment to counties, cities, townships, and special taxing districts. An amount sufficient to pay the aid provided for under this section is appropriated from the general fund to the commissioner of education for payment to school districts.

Sec. 82. [PENSION LIABILITIES.]

Notwithstanding any other law or charter provision to the contrary, no levy for taxes payable in 1996 for a local police and fire relief association for the purpose of amortizing an unfunded pension liability may exceed the levy for that purpose for taxes payable in 1995.

Sec. 83. [DUTIES OF TOWNSHIP BOARD OF SUPERVISORS.]

Notwithstanding Minnesota Statutes, section 365.10, in 1995 the township board of supervisors shall adjust the levy and in 1996 the township board of supervisors may adjust the expenditures of a township below the level authorized by the electors to adjust for any reduction in the previously authorized levy of the township pursuant to section 75.

Sec. 84. [PROPERTY TAX AND EDUCATION AIDS REFORM.]

Subdivision 1. [RECOMMENDED PROGRAM.] The legislative commission on planning and fiscal policy shall prepare and recommend to the legislature a property tax reform and education aids reform program that includes:

- (1) a property tax classification and class rate system;
- (2) elementary and secondary education aids and levies; and
- (3) aids to local government.

Subd. 2. [STANDARDS.] (a) The recommended program must provide for accountability, equity, revenue adequacy, and efficiency as provided in paragraphs (b) to (e).

(b) The recommended program must provide accountability by being understandable to the taxpayer, by linking the costs of services to the taxes paid for those services, and by correlating the responsibility for raising revenues with the ability to make spending decisions.

(c) The recommended program must provide equity by minimizing large, short-term shifts in tax burdens, and by ensuring that tax burdens and aids are progressive and related to the ability to pay or raise revenue.

(d) The recommended program must provide for adequate revenue by controlling costs and the need for increased revenue, minimizing reductions or shifts in revenues available to local governments to provide needed services, and directing aids to meet needs and fund services based on established funding priorities.

(e) The program must promote efficiency by providing stable predictable property taxes and local government revenues that are competitive with those of other states and areas so that property taxes and aids have minimal impact on the economic decisions of taxpayers.

Subd. 3. [TASK FORCE.] The commission may designate a task force to advise the commission in carrying out its duties under this section. The task force may include legislators, agency and legislative staff, state and local governmental officials, educators, and taxpayers and members of the public. The task force expires on January 1, 1997.

Subd. 4. [SERVICES.] The commission may enter into contracts for the professional and other services necessary to carry out its duties under this section.

Subd. 5. [REPORT.] The commission shall report its recommendations to the legislature on or before January 1, 1997. The report shall include proposed legislation to implement the recommendations of the commission.

Sec. 85. [UNFUNDED MANDATE PROHIBITION.]

Subdivision 1. [DEFINITION.] As used in this section, "state mandates" has the meaning given in Minnesota Statutes, section 3.881.

Subd. 2. [FUNDING OF THE COST OF MANDATES.] If the fiscal note prepared by the commissioner of finance under Minnesota Statutes, section 3.982, indicates that a new or

expanded mandate on a political subdivision in a bill introduced in the legislature will impose a statewide cost on counties in excess of \$500,000 or a statewide cost on cities or townships in excess of \$250,000, the political subdivisions are not required to implement the mandate unless the legislature, by appropriation enacted before the mandate is required to be implemented, provides reimbursement to the political subdivisions for the costs incurred.

Sec. 86. [SAVINGS CLAUSE.]

Notwithstanding the repealers in section 88 or any other provision in this act to the contrary, nothing in this act constitutes an impairment of any obligations, certificates of indebtedness, capital notes, or other debt instruments, including installment purchase contracts or lease purchase agreements, issued before the date of final enactment of this act, by a municipality as defined in Minnesota Statutes, section 469.174, subdivision 6, or a special taxing district as defined in Minnesota Statutes, section 275.066.

Sec. 87. [PIPESTONE COUNTY.]

Subdivision 1. [BOND AUTHORIZATION.] The county of Pipestone may issue its general obligation bonds in a principal amount of not to exceed \$598,000 to defray the expense of repair and renovation of the county courthouse and courthouse annex. The bonds shall be issued in accordance with Minnesota Statutes, chapter 475. No further election proceedings are required and Minnesota Statutes, section 275.61, shall not apply.

Subd. 2. [EFFECTIVE DATE.] This section takes effect the day after the county board of Pipestone county complies with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 88. [REPEALER.]

Subdivision 1. Minnesota Statutes 1994, sections 124.01; 124.05; 124.06; 124.07; 124.76; 124.82; 124.829; 124.83; 124.84; 124.85; 124.86; 124.90; 124.91; 124.912; 124.914; 124.916; 124.918; 124.95; 124.961; 124.962; 124.97; 124A.02, subdivisions 16, 23, and 24; 124A.03, subdivisions 1b, 1c, 1d, 1e, 1f, 1g, 1h, and 1i; 124A.0311; 124A.032; 124A.04; 124A.22, subdivisions 1, 2, 3, 4, 4a, 4b, 6, 6a, 8, and 9; 124A.23; 124A.24; 124A.26, subdivisions 1, 2, and 3; 124A.27; 124A.28; and 124A.29, subdivision 2, are repealed. Laws 1991, chapter 265, article 7, section 35, is repealed.

Subd. 2. Minnesota Statutes 1994, sections 273.13; 273.135; 273.136; 273.1391; 473F.001; 473F.01; 473F.02; 473F.03; 473F.05; 473F.06; 473F.07; 473F.08; 473F.09; 473F.10; 473F.11; 473F.13; 477A.011; 477A.012; 477A.0121; 477A.0122; 477A.013; 477A.0132; 477A.014; 477A.015; 477A.016; 477A.017; 477A.03; 477A.11; 477A.12; 477A.13; 477A.14; and 477A.15, are repealed.

Subd. 3. [REPEALER.] Minnesota Statutes 1994, sections 245.48; and 256H.12, subdivision 3, are repealed.

Sec. 89. [EFFECTIVE DATE.]

Sections 2 to 5 and 85, subdivision 3, are effective July 1, 1995. Section 88, subdivision 2, is effective for taxes payable in 1998, and section 88, subdivision 1, is effective for the 1998-1999 school year, provided that if the legislature does not pass and the governor does not approve legislation by the conclusion of the 1997 session that states in its body that it is replacing the provisions of the repealed chapters and sections in section 88, the repealed chapters and sections are reenacted.

Sections 10 to 71, and section 75, subdivision 3, will not become effective if a bill styled as S.F. No. 944 is enacted during the 1995 session of the legislature and that bill provides for the imposition of levies by school districts for taxes payable in 1996.

ARTICLE 4
PROPERTY TAXES

Section 1. Minnesota Statutes 1994, 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 section 124.914, subdivision 1.

(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 an amount equal to the levy recognized as revenue in June of the prior year plus ~~37.4~~ 44.4 percent for fiscal year ~~1994~~ 1996 and thereafter 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) ~~37.4~~ 44.4 percent for fiscal year ~~1994~~ 1996 and thereafter 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 124.914, subdivision 1;

(iii) retirement and severance pay pursuant to sections 122.531, subdivision 9, 124.2725, subdivision 15, 124.4945, 124.912, subdivision 1, and 124.916, subdivision 3, and Laws 1975, chapter 261, section 4;

(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 136C.411; and

(v) amounts levied under section 124.755.

(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 1994, section 121.904, subdivision 4c, is amended to read:

Subd. 4c. [~~PROPERTY TAX SHIFT REDUCTION CHANGE IN LEVY RECOGNITION PERCENT.~~] (a) Money appropriated under section 16A.152, subdivision 2, must be used to ~~reduce the~~ levy recognition percent specified in subdivision 4a, clauses (b)(2) and (b)(3), for taxes payable in the succeeding calendar year.

(b) The levy recognition percent shall equal the result of the following computation: the current levy recognition percent, times the ratio of

(1) the statewide total amount of levy recognized in June of the year in which the taxes are payable pursuant to subdivision 4a, clause (b), excluding those levies that are shifted for revenue recognition but are not included in the computation of the adjustment to aids under section 124.155, subdivision 1, reduced by the difference between the amount of money appropriated under section 16A.152, subdivision 2, and the amount required for the adjustment payment under clause (d), to

(2) the statewide total amount of the levy recognized in June of the year in which the taxes are payable pursuant to subdivision 4a, clause (b), excluding those levies that are shifted for revenue recognition but are not included in the computation of the adjustment to aids under section 124.155, subdivision 1.

The result shall be rounded up to the nearest one-tenth of a percent. However, in no case shall the levy recognition percent be reduced below zero or increased above the current levy recognition percent.

(c) The commissioner of finance must certify to the commissioner of education the levy recognition percent computed under this subdivision by January 5 of each year. The commissioner of education must notify school districts of a change in the levy recognition percent by January 15.

(d) For fiscal years 1994 and 1995, When the levy recognition percent is increased or decreased as provided in this subdivision, a special aid adjustment shall be made to each school district with an operating referendum levy:

(i) When the levy recognition percent is increased from the prior fiscal year, the commissioner of education shall calculate the difference between (1) the amount of the levy under section 124A.03, that is recognized as revenue for the current fiscal year according to subdivision 4a; and (2) the amount of the levy, under section 124A.03, that would have been recognized as revenue for the current fiscal year had the percentage according to subdivision 4a, not been increased. The commissioner shall reduce other aids due the district by the amount of the difference. This aid reduction shall be in addition to the aid reduction required because of the increase pursuant to this subdivision of the levy recognition percent.

(ii) When the levy recognition percent is reduced as provided in this subdivision from the prior fiscal year, a special adjustment payment shall be made to each school district with an operating referendum levy that received an aid reduction under Laws 1991, chapter 265, article 1, section 31, or Laws 1992, chapter 499, article 1, section 22 when the levy recognition percent was last increased. The special adjustment payment shall be in addition to the additional payments required because of the reduction pursuant to this subdivision of the levy recognition percent. The amount of the special adjustment payment shall be computed by the commissioner of education such that any remaining portion of the aid reduction these districts received that has not been repaid is repaid on a proportionate basis as the levy recognition percent is reduced from 50 percent to 31 percent. The special adjustment payment must be included in the state aid payments to school districts according to the schedule specified in section 124.195, subdivision 3. An additional adjustment shall be made on June 30, 1995, for the final payment otherwise due July 1, 1995, under Minnesota Statutes 1992, section 136C.36.

(e) The commissioner of finance shall transfer from the general fund to the education aids appropriations specified by the commissioner of education, the amounts needed to finance the additional payments required because of the reduction pursuant to this subdivision of the levy recognition percent. Payments to a school district of additional state aids resulting from a reduction in the levy recognition percent must be included in the cash metering of payments made according to section 124.195 after January 15, and must be paid in a manner consistent with the percent specified in that section.

Sec. 3. Minnesota Statutes 1994, section 216B.16, is amended by adding a subdivision to read:

Subd. 6d. [WIND ENERGY; PROPERTY TAX.] Contracts for the purchase of electric energy produced by a wind energy conversion system installed after June 1, 1995, and before January 1, 1997, between a public utility and the owner or developer of the system must provide for the public utility to be liable for property taxes imposed on the system. The commission shall permit a public utility that is purchasing electricity produced by a wind energy conversion system installed after June 1, 1995, and before January 1, 1997, to recover in its rates payments made by the public utility for property taxes paid on the system.

Sec. 4. Minnesota Statutes 1994, 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), other than those that qualify for exemption under clause (25).

(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 273.125, 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, 1992, 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 have 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 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 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 owned and operated or under lease from a unit of government or governmental agency under a property disposition program and operated by one or more organizations exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1992. 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, 1992, 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: are exempt to the extent provided in items (i) to (iii):

(i) systems installed after January 1, 1991, and before January 1, 1995, are exempt;

(ii) systems installed on or after January 1, 1995, located within the same county and owned by the same owner that produce in aggregate two or less megawatts of electricity, as measured by the nameplate rating, are exempt;

(iii) systems installed on or after January 1, 1995, located within the same county and owned by the same owner that produce in aggregate more than two megawatts of electricity, as measured by the nameplate rating, are taxable to the following extent:

(A) the foundation or pads are taxable upon installation; and

(B) the devices in such a system that convert wind energy to a form of usable energy and any supporting or protective structures are exempt.

(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 section 216C.06, subdivision 13, 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.

(25) A structure that is situated on real property that is used for:

(i) housing for the elderly or for low- and moderate-income families as defined in Title II of the National Housing Act, as amended through December 31, 1990, and funded by a direct federal loan or federally insured loan made pursuant to Title II of the act; or

(ii) housing lower income families or elderly or handicapped persons, as defined in section 8 of the United States Housing Act of 1937, as amended.

In order for a structure to be exempt under (i) or (ii), it must also meet each of the following criteria:

(A) is owned by an entity which is operated as a nonprofit corporation organized under chapter 317A;

(B) is owned by an entity which has not entered into a housing assistance payments contract under section 8 of the United States Housing Act of 1937, or, if the entity which owns the structure has entered into a housing assistance payments contract under section 8 of the United States Housing Act of 1937, the contract provides assistance for less than 90 percent of the dwelling units in the structure, excluding dwelling units intended for management or maintenance personnel;

(C) operates an on-site congregate dining program in which participation by residents is mandatory, and provides assisted living or similar social and physical support services for residents; and

(D) was not assessed and did not pay tax under chapter 273 prior to the 1991 levy, while meeting the other conditions of this clause.

An exemption under this clause remains in effect for taxes levied in each year or partial year of the term of its permanent financing.

(26) Real and personal property that is located in the Superior National Forest, and owned or leased and operated by a nonprofit organization that is exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1992, and primarily used to provide recreational opportunities for disabled veterans and their families.

(27) Manure pits and appurtenances, which may include slatted floors and pipes, installed or operated in accordance with a permit, order, or certificate of compliance issued by the Minnesota pollution control agency. The exemption shall continue for as long as the permit, order, or certificate issued by the Minnesota pollution control agency remains in effect.

(28) Notwithstanding clause (8), item (a), attached machinery and other personal property which is part of a facility containing a cogeneration system as described in section 216B.166, subdivision 2, paragraph (a), if the cogeneration system has met the following criteria: (i) the system utilizes natural gas as a primary fuel and the cogenerated steam initially replaces steam generated from existing thermal boilers utilizing coal; (ii) the facility developer is selected as a result of a procurement process ordered by the public utilities commission; and (iii) construction of the facility is commenced after July 1, 1994, and before July 1, 1997.

(29) Real property acquired by a home rule charter city, statutory city, county, town, or school district under a lease purchase agreement or an installment purchase contract during the term of

the lease purchase agreement as long as and to the extent that the property is used by the city, county, town, or school district and devoted to a public use and to the extent it is not subleased to any private individual, entity, association, or corporation in connection with a business or enterprise operated for profit.

Sec. 5. Minnesota Statutes 1994, section 272.115, subdivision 1, is amended to read:

Subdivision 1. Whenever any real estate is sold 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 when the deed or other document is presented for recording. Contract for deeds are subject to recording under section 507.235, subdivision 1. 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 items and value of personal property transferred with the real property must be listed and deducted from the sale price. 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. Pursuant to the authority of the commissioner of revenue in section 270.066, the certificate of value must include the social security number or the federal employer identification number of the grantors and grantees. The identification numbers of the grantors and grantees are private data on individuals or nonpublic data as defined in section 13.02, subdivisions 9 and 12, but, notwithstanding that section, the private or nonpublic data may be disclosed to the commissioner of revenue for purposes of tax administration.

Sec. 6. Minnesota Statutes 1994, section 273.11, subdivision 1a, is amended to read:

Subd. 1a. [LIMITED MARKET VALUE.] In the case of all property classified as agricultural homestead or nonhomestead, residential homestead or nonhomestead, or noncommercial seasonal recreational residential, the assessor shall compare the value with that determined in the preceding assessment. The amount of the increase entered in the current assessment shall not exceed the greater of (1) ten percent of the value in the preceding assessment, or (2) one third of the difference between the current assessment and the preceding assessment an amount equal to the value determined for the preceding assessment year, multiplied by the rate of increase in the consumer price index for all urban consumers as determined by the United States Bureau of Labor Statistics. This limitation shall not apply to increases in value due to improvements. For purposes of this subdivision, the term "assessment" means the value prior to any exclusion under subdivision 16.

For the first assessment year after the sale or conveyance of property for which the actual market value is less than the value determined under this subdivision, the market value of the property will be increased to its actual market value.

The provisions of this subdivision shall be in effect ~~only~~ for assessment years ~~1993 through 1997~~ 1996 and thereafter.

For purposes of the assessment/sales ratio study conducted under section 124.2131, and the computation of state aids paid under chapters 124, 124A, and 477A, market values and net tax capacities determined under this subdivision and subdivision 16, shall be used.

Sec. 7. Minnesota Statutes 1994, section 273.11, subdivision 16, is amended to read:

Subd. 16. [VALUATION EXCLUSION FOR CERTAIN IMPROVEMENTS.] Improvements to homestead property made before January 2, 2003, shall be fully or partially excluded from the value of the property for assessment purposes provided that:

(1) the house is at least 35 years old at the time of the improvement; and

(2) either:

(a) the assessor's estimated market value of the house on January 2 of the current year is equal to or less than \$150,000; or

(b) if the estimated market value of the house is over \$150,000 market value but is less than \$300,000 on January 2 of the current year, the property qualifies if:

(i) it is located in a city or town in which 50 percent or more of the homes were constructed before 1960 based upon the 1990 federal census, and

(ii) the city or town's median family income based upon the 1990 federal census is less than the statewide median family income based upon the 1990 federal census; or

(c) if the estimated market value of the house is over \$300,000 on January 2 of the current year, the property qualifies if:

(i) it meets the qualifications of paragraph (b), items (i) and (ii); and

(ii) it is located in a city of the first class within the metropolitan area defined in section 473.121, subdivision 2.

~~Any house which has an estimated market value of \$300,000 or more on January 2 of the current year is not eligible to receive any property valuation exclusion under this section. For purposes of determining this eligibility, "house" means land and buildings.~~

The age of a residence is the number of years that the residence has existed at its present site. In the case of an owner-occupied duplex or triplex, the improvement is eligible regardless of which portion of the property was improved.

If the property lies in a jurisdiction which is subject to a building permit process, a building permit must have been issued prior to commencement of the improvement. Any improvement must add at least \$1,000 to the value of the property to be eligible for exclusion under this subdivision. Only improvements to the structure which is the residence of the qualifying homesteader or construction of or improvements to no more than one two-car garage per residence qualify for the provisions of this subdivision. If an improvement was begun between January 2, 1992, and January 2, 1993, any value added from that improvement for the January 1994 and subsequent assessments shall qualify for exclusion under this subdivision provided that a building permit was obtained for the improvement between January 2, 1992, and January 2, 1993. Whenever a building permit is issued for property currently classified as homestead, the issuing jurisdiction shall notify the property owner of the possibility of valuation exclusion under this subdivision. The assessor shall require an application, including documentation of the age of the house from the owner, if unknown by the assessor. The application may be filed subsequent to the date of the building permit provided that the application is filed prior to the next assessment date.

After the adjournment of the 1994 county board of equalization meetings, no exclusion may be granted for an improvement by a local board of review or county board of equalization unless (1) a building permit was issued prior to the commencement of the improvement if the jurisdiction requires a building permit, and (2) an application was completed on a timely basis. No abatement of the taxes for qualifying improvements may be granted by a county board unless (1) a building permit was issued prior to commencement of the improvement if the jurisdiction requires a building permit, and (2) an application was completed on a timely basis.

The assessor shall note the qualifying value of each improvement on the property's record, and the sum of those amounts shall be subtracted from the value of the property in each year for ten years after the improvement has been made, at which time an amount equal to 20 percent of the qualifying value shall be added back in each of the five subsequent assessment years. The valuation exclusion shall terminate whenever (1) the property is sold, or (2) the property is reclassified to a class which does not qualify for treatment under this subdivision. Improvements made by an occupant who is the purchaser of the property under a conditional purchase contract do not qualify under this subdivision unless the seller of the property is a governmental entity. The qualifying value of the property shall be computed based upon the increase from that structure's market value as of January 2 preceding the acquisition of the property by the governmental entity.

The total qualifying value for a homestead may not exceed \$50,000. The total qualifying value for a homestead with a house that is less than 70 years old may not exceed \$25,000. The term "qualifying value" means the increase in estimated market value resulting from the improvement if

the improvement occurs when the house is at least 70 years old, or one-half of the increase in estimated market value resulting from the improvement otherwise. The \$25,000 and \$50,000 maximum qualifying value under this subdivision may result from up to three separate improvements to the homestead. The application shall state, in clear language, that if more than three improvements are made to the qualifying property, a taxpayer may choose which three improvements are eligible, provided that after the taxpayer has made the choice and any valuation attributable to those improvements has been excluded from taxation, no further changes can be made by the taxpayer.

If 50 percent or more of the square footage of a structure is voluntarily razed or removed, the valuation increase attributable to any subsequent improvements to the remaining structure does not qualify for the exclusion under this subdivision. If a structure is unintentionally or accidentally destroyed by a natural disaster, the property is eligible for an exclusion under this subdivision provided that the structure was not completely destroyed. The qualifying value on property destroyed by a natural disaster shall be computed based upon the increase from that structure's market value as determined on January 2 of the year in which the disaster occurred. A property receiving benefits under the homestead disaster provisions under section 273.123 is not disqualified from receiving an exclusion under this subdivision. If any combination of improvements made to a structure after January 1, 1993, increases the size of the structure by 100 percent or more, the valuation increase attributable to the portion of the improvement that causes the structure's size to exceed 100 percent does not qualify for exclusion under this subdivision.

Sec. 8. Minnesota Statutes 1994, 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.

Property of a trustee, beneficiary, or grantor of a trust is not disqualified from receiving homestead benefits if the homestead requirements under this chapter are satisfied.

The assessor shall require proof, 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.

When there is a name change or a transfer of homestead property, the assessor may reclassify the property in the next assessment unless a homestead application is filed to verify that the property continues to qualify for homestead classification.

(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) 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 and paragraph (f), "relative" means a parent, stepparent, child, stepchild, 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

~~four assessment years beginning after the date when the relative of the owner occupies the property as a homestead will not be reclassified as a homestead unless it is occupied as a homestead by the owner; this delay prohibition 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, except as provided in paragraph (d).~~

(d) Agricultural property that is occupied and used for purposes of a homestead by a relative of the owner, is a homestead, only to the extent of the homestead treatment that would be provided if the related owner occupied the property, and only if all of the following criteria are met:

(1) the relative who is occupying the agricultural property is a son, daughter, father, or mother of the owner of the agricultural property or a son or daughter of the spouse of the owner of the agricultural property,

(2) the owner of the agricultural property must be a Minnesota resident,

(3) the owner of the agricultural property must not receive homestead treatment on any other agricultural property in Minnesota, and

(4) the owner of the agricultural property is limited to only one agricultural homestead per family under this paragraph.

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 qualifying under this paragraph. For purposes of this paragraph, "agricultural property" means the house, garage, other farm buildings and structures, and agricultural land.

Application must be made to the assessor by the owner of the agricultural property to receive homestead benefits under this paragraph. The assessor may require the necessary proof that the requirements under this paragraph have been met.

(e) In the case of property owned by a property owner who is married, the assessor must not deny homestead treatment in whole or in part if only one of the spouses occupies the property and the other spouse is absent due to: (1) marriage dissolution proceedings, (2) legal separation, (3) employment or self-employment in another location as provided under subdivision 13, or (4) residence in a nursing home or boarding care facility. Homestead treatment, in whole or in part, shall not be denied to the spouse of an owner if he or she previously occupied the residence with the owner and the absence of the owner is due to one of the prior four exceptions.

(f) 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 and extend full homestead credit. This provision only applies to first-time purchasers, whether married or single, or to a person who had previously been married and is purchasing as a single individual for the first time. The application for homestead benefits must be on a form prescribed by the commissioner and must contain the data necessary for the assessor to determine if full homestead benefits are warranted.

Sec. 9. Minnesota Statutes 1994, section 273.124, subdivision 13, is amended to read:

Subd. 13. [HOMESTEAD APPLICATION.] (a) A person who meets the homestead requirements under subdivision 1 must file a homestead application with the county assessor to initially obtain homestead classification.

(b) 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

who occupy the property or by the qualifying relative 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.

(c) Every property owner applying for homestead classification must furnish to the county assessor the social security number of each occupant who is listed as an owner of the property on the deed of record, the name and address of each owner who does not occupy the property, and the name and social security number of each owner's spouse who occupies the property. The application must be signed by each owner who occupies the property and by each owner's spouse who occupies the property, or, in the case of property that qualifies as a homestead under subdivision 1, paragraph (c), by the qualifying relative.

If a property owner occupies a homestead, the property owner's spouse may not claim another property as a homestead unless the property owner and the property owner's spouse file with the assessor an affidavit or other proof required by the assessor stating that the property owner's spouse does not occupy the homestead because marriage dissolution proceedings are pending, the spouses are legally separated, or the spouse's employment or self-employment at a location distant from the other spouse's place of employment requires the spouse to have a separate homestead. The assessor may require proof of employment or self-employment and employment or self-employment location, or proof of dissolution proceedings or legal separation.

~~If the social security number or affidavit or other proof is not provided, the county assessor shall classify the property as nonhomestead. Owners or spouses occupying residences owned by their spouses and previously occupied with the other spouse, either of whom fail to include the other spouse's name and social security number of the homestead application or provide the affidavits or other proof requested, will be deemed to have elected to receive only partial homestead treatment of their residence. The remainder of the residence will be classified as nonhomestead residential. When an owner or spouse's name and social security number appear on homestead applications for two separate residences and only one application is signed, the owner or spouse will be deemed to have elected to homestead the residence for which the application was signed.~~

The social security numbers or affidavits or other proofs of the property owners and spouses 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, or, for purposes of proceeding under the revenue recapture act to recover personal property taxes owing, to the county treasurer.

(d) 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 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 who is related to an occupant 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 social security number of a relative occupying the property is private data on individuals as defined by section 13.02, subdivision 12, but may be disclosed to the commissioner of revenue.

(e) 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, or any assessment year thereafter, that same property shall remain classified as homestead until the property is sold or transferred to another person, or the owners, the spouse of the owner, 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 assessor within 30 days that the property has been sold, transferred, or that the owner, the spouse of 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.

(f) If the 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. Beginning with assessment year 1993 for all properties, 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.

(g) 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 and the property owner's spouse occupying the property, or relative of a property owner, applying for homestead classification under this subdivision. The commissioner shall use the information provided on the lists as appropriate under the law, including for the detection of improper claims by owners, or relatives of owners, under chapter 290A.

(h) 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 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. In the case of a manufactured home, the amount shall be certified to the current year's tax list for collection.

(i) 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.

(j) 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.

(k) In addition to lists of homestead properties, the commissioner may ask the counties to furnish lists of all properties and the record owners.

Sec. 10. Minnesota Statutes 1994, section 273.13, subdivision 24, is amended to read:

Subd. 24. [CLASS 3.] (a) Commercial and industrial property and utility real and personal property, except class 5 property as identified in subdivision 31, clause (1), is class 3a. It has a class rate of three percent of the first \$100,000 of market value for taxes payable in 1993 and thereafter, and 5.06 percent of the market value over \$100,000. In the case of state-assessed commercial, industrial, and utility property owned by one person or entity, only one parcel has a reduced class rate on the first \$100,000 of market value. In the case of other commercial, industrial, and utility property owned by one person or entity, only one parcel in each county has a reduced class rate on the first \$100,000 of market value, except that:

(1) if the market value of the parcel is less than \$100,000, and additional parcels are owned by the same person or entity in the same city or town within that county, the reduced class rate shall

be applied up to a combined total market value of \$100,000 for all parcels owned by the same person or entity in the same city or town within the county;

(2) in the case of grain, fertilizer, and feed elevator facilities, as defined in section 18C.305, subdivision 1, or 232.21, subdivision 8, the limitation to one parcel per owner per county for the reduced class rate shall not apply, but there shall be a limit of \$100,000 of preferential value per site of contiguous parcels owned by the same person or entity. Only the value of the elevator portion of each parcel shall qualify for treatment under this clause. For purposes of this subdivision, contiguous parcels include parcels separated only by a railroad or public road right-of-way; and

(3) in the case of property owned by a nonprofit charitable organization that qualifies for tax exemption under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1993, if the property is used as a business incubator, the limitation to one parcel per owner per county for the reduced class rate shall not apply, provided that the reduced rate applies only to the first \$100,000 of value per parcel owned by the organization. As used in this clause, a "business incubator" is a facility used for the development of nonretail businesses, offering access to equipment, space, services, and advice to the tenant businesses, for the purpose of encouraging economic development, diversification, and job creation in the area served by the organization.

To receive the reduced class rate on additional parcels under clause (1), (2), or (3), the taxpayer must notify the county assessor that the taxpayer owns more than one parcel that qualifies under clause (1), (2), or (3).

(b) Employment property defined in section 469.166, during the period provided in section 469.170, shall constitute class 3b and has a class rate of 2.3 percent of the first \$50,000 of market value and 3.6 percent of the remainder, except that for employment property located in a border city enterprise zone designated pursuant to section 469.168, subdivision 4, paragraph (c), the class rate of the first \$100,000 of market value and the class rate of the remainder is determined under paragraph (a), unless the governing body of the city designated as an enterprise zone determines that a specific parcel shall be assessed pursuant to the first clause of this sentence. The governing body may provide for assessment under the first clause of the preceding sentence only for property which is located in an area which has been designated by the governing body for the receipt of tax reductions authorized by section 469.171, subdivision 1.

(c) Structures which are (i) located on property classified as class 3a, (ii) constructed after January 2, 1995, and (iii) located in a transit zone as defined under section 473.3915, shall have a class rate of four percent on that portion of the market value in excess of \$100,000. The four percent rate shall also apply to that portion of any class 3a structure located in a transit zone constructed after January 2, 1995, even if the remainder of the structure was constructed prior to January 2, 1995. For the purposes of this paragraph, a structure shall be considered to be located in a transit zone if any portion of the structure lies within the zone.

Sec. 11. Minnesota Statutes 1994, section 273.13, subdivision 25, 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. The public financing received must be from at least one of the following sources: government issued bonds exempt from taxes under section 103 of the Internal Revenue Code of 1986, as amended through December 31, 1993, the proceeds of which are used for the acquisition or rehabilitation of the building; programs under section 221(d)(3), 202, or 236, of Title II of the National Housing Act; 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; public financing provided by a local government used for the acquisition or rehabilitation of the building, including grants or loans from federal community development block grants, HOME block grants, or residential rental bonds issued under chapter 474A; or other rental housing program funds provided by the Minnesota housing finance agency for the acquisition or rehabilitation of the building.

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 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 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 3.2 percent 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) for 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~~ 1.8 percent for taxes payable in 1997 and thereafter and the market value of each parcel that exceeds \$72,000 has a class rate of 2.5 percent, and (ii) manufactured home parks assessed under clause (8) have a class rate of two percent ~~for taxes payable in 1993, 1994, and 1995 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 those properties, 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.

In the case of a structure financed or refinanced under any federal or state mortgage insurance or direct loan program exclusively for housing for the elderly or for housing for the handicapped, a unit shall be considered occupied so long as it is actually occupied by an elderly or handicapped person or, if vacant, is held for rental to an elderly or handicapped person.

(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) 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 except that property classified under clause (3), shall have the same class rate as class 1a property.

(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. 12. Minnesota Statutes 1994, section 273.37, is amended by adding a subdivision to read:

Subd. 3. [WIND ENERGY CONVERSION SYSTEMS.] Taxable wind energy conversion systems, situated upon land owned by another person, which are not in good faith owned, operated, and exclusively controlled by such other person, shall be listed and assessed as personal property in the town or district where situated, in the name of the owner.

Sec. 13. Minnesota Statutes 1994, section 274.01, subdivision 1, is amended to read:

Subdivision 1. [ORDINARY BOARD; MEETINGS, DEADLINES, GRIEVANCES.] (a) The town board of a town, or the council or other governing body of a city, is the board of review except in cities whose charters provide for a board of equalization. The county assessor shall fix a day and time when the board or the board of equalization shall meet in the assessment districts of the county. On or before February 15 of each year the assessor shall give written notice of the time to the city or town clerk. Notwithstanding the provisions of any charter to the contrary, the meetings must be held between April 1 and May 31 each year. The clerk shall give published and posted notice of the meeting at least ten days before the date of the meeting. If at least 25 percent of the net tax capacity of the city or town is noncommercial seasonal recreational residential property classified under section 273.13, subdivision 25, the meeting or, if more than one meeting is scheduled, at least one of the meetings must be held on a Saturday. The Saturday meeting date must be contained on the notice of valuation of real property under section 273.121. The board shall meet at the office of the clerk to review the assessment and classification of property in the town or city. No changes in valuation or classification which are intended to correct errors in judgment by the county assessor may be made by the county assessor after the board of review or the county board of equalization has adjourned; however, corrections of errors that are merely clerical in nature or changes that extend homestead treatment to property are permitted after adjournment until the tax extension date for that assessment year. The changes must be fully documented and maintained in the assessor's office and must be available for review by any person. A copy of the changes made during this period must be sent to the county board no later than December 31 of the assessment year.

(b) The board shall determine whether the taxable property in the town or city has been properly placed on the list and properly valued by the assessor. If real or personal property has been omitted, the board shall place it on the list with its market value, and correct the assessment so that each tract or lot of real property, and each article, parcel, or class of personal property, is entered on the assessment list at its market value. No assessment of the property of any person may be raised unless the person has been duly notified of the intent of the board to do so. On application of any person feeling aggrieved, the board shall review the assessment or classification, or both, and correct it as appears just.

(c) A local board of review may reduce assessments upon petition of the taxpayer but the total reductions must not reduce the aggregate assessment made by the county assessor by more than one percent. If the total reductions would lower the aggregate assessments made by the county assessor by more than one percent, none of the adjustments may be made. The assessor shall correct any clerical errors or double assessments discovered by the board of review without regard to the one percent limitation.

(d) A majority of the members may act at the meeting, and adjourn from day to day until they finish hearing the cases presented. The assessor shall attend, with the assessment books and papers, and take part in the proceedings, but must not vote. The county assessor, or an assistant delegated by the county assessor shall attend the meetings. The board shall list separately, on a form appended to the assessment book, all omitted property added to the list by the board and all items of property increased or decreased, with the market value of each item of property, added or changed by the board, placed opposite the item. The county assessor shall enter all changes made by the board in the assessment book.

(e) If a person fails to appear in person, by counsel, or by written communication before the board after being duly notified of the board's intent to raise the assessment of the property, or if a person feeling aggrieved by an assessment or classification fails to apply for a review of the assessment or classification, the person may not appear before the county board of equalization for a review of the assessment or classification. This paragraph does not apply if an assessment was made after the board meeting, as provided in section 273.01, or if the person can establish not having received notice of market value at least five days before the local board of review meeting.

(f) The board of review or the board of equalization must complete its work and adjourn within 20 days from the time of convening stated in the notice of the clerk, unless a longer period is approved by the commissioner of revenue. No action taken after that date is valid. All complaints about an assessment or classification made after the meeting of the board must be heard and determined by the county board of equalization. A nonresident may, at any time, before the meeting of the board of review file written objections to an assessment or classification with the county assessor. The objections must be presented to the board of review at its meeting by the county assessor for its consideration.

Sec. 14. Minnesota Statutes 1994, section 276.131, is amended to read:

276.131 [DISTRIBUTION OF PENALTIES, INTEREST, AND COSTS.]

The penalties, interest, and costs collected on special assessments and real and personal property taxes must be distributed as follows:

(1) all penalties and interest collected on special assessments against real or personal property must be distributed to the taxing jurisdiction that levied the assessment;

(2) 50 percent of all penalties and interest collected on real and personal property taxes must be distributed to the county in which the property is located, and the other 50 percent must be distributed to the school district in which the property is located districts within the county. The distribution to the school district must be in accordance with the provisions of section 124.10; and

(3) all costs collected by the county on special assessments and on delinquent real and personal property taxes must be distributed to the county in which the property is located.

Sec. 15. Minnesota Statutes 1994, section 279.01, subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivision 3 or 4, 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 two percent on homestead property 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 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 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. 16. Minnesota Statutes 1994, section 279.01, is amended by adding a subdivision to read:

Subd. 4. In the case of class 4c seasonal residential recreational property not used for commercial purposes, penalties shall accrue and be charged on unpaid taxes at the times and at the rates provided in subdivision 1 for homestead property.

Sec. 17. [473.3915] [TRANSIT ZONES.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the terms defined in subdivisions 2 and 3 have the meaning given them.

Subd. 2. [TRANSIT ROUTE.] "Transit route" means a route along which transportation of passengers is provided by a motor vehicle or other means of conveyance, including light rail

transit, by any person operating on a regular and continuing basis as a common carrier on fixed routes and schedules. "Transit route" does not include (1) a route along which transportation is provided for children to or from school or for passengers between a common carrier terminal station and a hotel or motel, (2) transportation by common carrier railroad or by taxi, (3) transportation furnished by a person solely for that person's employees or customers, or (4) paratransit.

Subd. 3. [TRANSIT ZONE.] "Transit zone" means the area within one-quarter of a mile of a transit route that is also within the metropolitan urban service area, as determined by the council. "Transit zone" includes any light rail transit route for which funds for construction have been committed.

Subd. 4. [TRANSIT ZONES; MAP AND PLAN.] For the purposes of section 273.13, subdivision 24, the council shall designate transit zones and identify them on a detailed map and in a plan. The council shall review the map and plan once a year and revise them as necessary to indicate the current transit zones. The council shall provide each county and city assessor in the metropolitan area a copy of the current map and plan.

Sec. 18. Minnesota Statutes 1994, section 477A.011, subdivision 36, is amended to read:

Subd. 36. [CITY AID BASE.] (a) Except as provided in paragraph (b), "city aid base" means, for each city, the sum of the local government aid and equalization aid it was originally certified to receive in calendar year 1993 under Minnesota Statutes 1992, section 477A.013, subdivisions 3 and 5, and the amount of disparity reduction aid it received in calendar year 1993 under Minnesota Statutes 1992, section 273.1398, subdivision 3.

(b) A city that in 1992 or 1993 transferred an amount from governmental funds to its sewer and water fund, which amount exceeded its net levy for taxes payable in the year in which the transfer occurred, has a "city aid base" equal to the amount the city was certified to receive in calendar year 1995 under section 477A.013.

Sec. 19. Laws 1992, chapter 511, article 2, section 45, is amended by adding a subdivision to read:

Subd. 6a. [HOUSING REDEVELOPMENT AUTHORITY; EXCEPTIONS.] The requirements of subdivisions 2, 3, 4, and 5 do not apply in order to qualify for the exemption if the student housing is owned by the local housing and redevelopment authority, the reduced cost of development due to the exemption is reflected in lower rents, and a reasonable system is used to provide priority to students in renting the dwelling units.

Sec. 20. Laws 1992, chapter 511, article 2, section 45, subdivision 7, is amended to read:

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.

Sec. 21. Laws 1992, chapter 511, article 2, section 46, is amended by adding a subdivision to read:

Subd. 6a. [HOUSING REDEVELOPMENT AUTHORITY; EXCEPTIONS.] The requirements of subdivisions 2, 3, 4, and 5 do not apply in order to qualify for the exemption if the student housing is owned by the local housing and redevelopment authority or by a multicounty housing and redevelopment authority on land leased from a city or school district, the reduced cost of development due to the exemption is reflected in lower rents, and a reasonable system is used to provide priority to students in renting the dwelling units.

Sec. 22. Laws 1992, chapter 511, article 2, section 46, subdivision 7, is amended to read:

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.

Sec. 23. [HACA REDUCTION; HENNEPIN COUNTY COURT EMPLOYEES.]

There shall be deducted from the homestead and agricultural credit aid payments to Hennepin county under Minnesota Statutes, section 273.1398, an amount equal to \$180,000 which represents the cost to the state for the assumption of two Hennepin county staff attorneys whose job function is that of court referees and whose positions should have been transferred to the state as part of the court takeover in Laws 1989, First Special Session chapter 1, article 4. One-half of the total amount shall be deducted from each of the aid payments made in 1995 to Hennepin county under Minnesota Statutes, section 273.1398. The amount of reduction made under this section shall be a permanent aid reduction.

Sec. 24. [TRANSIT ZONE MAP; DATE FIRST PRODUCED.]

The metropolitan council shall produce an initial version of the transit zone map required under section 473.3915, subdivision 4, by January 1, 1996.

Sec. 25. [COMPUTATION OF TAX RATES.]

In computing the basic transportation tax rate under Minnesota Statutes, section 124.226, subdivision 1, and the general education tax rate under Minnesota Statutes, section 124A.23, subdivision 1, the commissioner shall, notwithstanding Minnesota Statutes, section 124.2131, subdivision 1, use adjusted net tax capacities that do not reflect the class rate reduction in section 11. Notwithstanding the dollar amounts specified in Minnesota Statutes, section 124.226, subdivision 1, and section 124A.23, subdivision 1, the resulting rate shall be applied to the adjusted net tax capacities as computed under Minnesota Statutes, section 124.2131, for purposes of determining the basic transportation levy under Minnesota Statutes, section 124.226, subdivision 1, and the general education levy under Minnesota Statutes, section 124A.23, subdivision 2. The equalization factor under Minnesota Statutes, section 124A.02, shall be computed using the tax rate computed under this section.

Sec. 26. [APPLICATION.]

Sections 17 and 24 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 27. [EFFECTIVE DATES.]

Section 3 is effective the day following final enactment.

Sections 4, 8, 9, and 12 are effective for taxes levied in 1995, payable in 1996, and thereafter, provided that the provisions of section 8 restricting homestead classification for seasonal recreational residential property applies to taxes payable in 1996 and thereafter regardless of the date of occupancy of the property or the date of filing of an application for homestead classification by the relative of the owner.

Section 7 is effective for improvements made in 1995 and subsequent years.

Sections 10 and 13 are effective for 1996 assessments for taxes payable in 1997 and subsequent years.

Sections 15 and 16 are effective for taxes levied in 1995, payable in 1996, and thereafter.

Section 18 is effective for aids paid in 1996 and thereafter.

Sections 19 and 20 are effective the day after the governing body of Duluth complies with Minnesota Statutes, section 645.021, subdivision 3.

Sections 21 and 22 are effective the day after the governing body of Thief River Falls complies with Minnesota Statutes, section 645.021, subdivision 3.

Section 23 is effective for aid payments made to Hennepin county in 1995 provided, however, that the aid reduction is contingent upon enactment of a law in 1995 which (i) transfers the Hennepin county positions, and (ii) provides from the general fund a funding to the state supreme court for the positions.

PROPERTY TAX REFUND

Section 1. [13.515] [PROPERTY TAX DATA.]

The following data calculated or maintained by political subdivisions and shown on property tax statements under section 276.09 are classified as private data on individuals, pursuant to section 13.02, subdivision 12: (1) property tax refund amounts under section 276.04, subdivision 2, paragraph (c), clause (8); and (2) the property tax after deduction of the property tax refunds under section 276.04, subdivision 2, paragraph (c), clause (9).

Sec. 2. Minnesota Statutes 1994, section 270A.03, subdivision 7, is amended to read:

Subd. 7. [REFUND.] "Refund" means an individual income tax refund or political contribution refund, pursuant to chapter 290; or a property tax credit or refund, pursuant to chapter 290A, other than a refund which has been certified to or calculated by the county auditor under section 276.012.

For purposes of this chapter, lottery prizes, as set forth in section 349A.08, subdivision 8, shall be treated as refunds.

In the case of a joint property tax refund payable to spouses under chapter 290A, the refund shall be considered as belonging to each spouse in the proportion of the total refund that equals each spouse's proportion of the total income determined under section 290A.03, subdivision 3. The commissioner shall remit the entire refund to the claimant agency, which shall, upon the request of the spouse who does not owe the debt, determine the amount of the refund belonging to that spouse and refund the amount to that spouse.

Sec. 3. Minnesota Statutes 1994, section 270B.12, is amended by adding a subdivision to read:

Subd. 10. [PROPERTY TAX REFUNDS.] The commissioner may disclose to a county auditor and treasurer, and to their designated agents or employees, the property tax refund amounts for each parcel of homestead property in the county as determined by the commissioner under chapter 290A.

Sec. 4. Minnesota Statutes 1994, section 270B.12, is amended by adding a subdivision to read:

Subd. 11. [SOCIAL SECURITY NUMBERS.] For purposes of determining and administering homestead status and property tax refunds, the commissioner may disclose to a county auditor, county treasurer, county assessor, the county recorder or registrar of deeds, and their designated agents or employees, and those officials may disclose to each other and to the commissioner, the parcel identification number and the names and social security numbers of the owners of homestead property and their spouses.

Sec. 5. Minnesota Statutes 1994, section 273.124, subdivision 13, is amended to read:

Subd. 13. [HOMESTEAD APPLICATION.] (a) A person who meets the homestead requirements under subdivision 1 must file a homestead application with the county assessor to initially obtain homestead classification.

(b) 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 who occupy the property or by the qualifying relative 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.

(c) Every property owner applying for homestead classification must furnish to the county assessor the social security number of each occupant who is listed as an owner of the property on the deed of record, the name and address of each owner who does not occupy the property, and the

name and social security number of each owner's spouse who occupies the property. The application must be signed by each owner who occupies the property and by each owner's spouse who occupies the property, or, in the case of property that qualifies as a homestead under subdivision 1, paragraph (c), by the qualifying relative.

If a property owner occupies a homestead, the property owner's spouse may not claim another property as a homestead unless the property owner and the property owner's spouse file with the assessor an affidavit or other proof required by the assessor stating that the property owner's spouse does not occupy the homestead because marriage dissolution proceedings are pending, the spouses are legally separated, or the spouse's employment or self-employment location requires the spouse to have a separate homestead. The assessor may require proof of employment or self-employment and employment or self-employment location, or proof of dissolution proceedings or legal separation.

If the social security number or affidavit or other proof is not provided, the county assessor shall classify the property as nonhomestead.

The social security numbers or affidavits or other proofs of the property owners and spouses 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, or, for purposes of proceeding under the revenue recapture act to recover personal property taxes owing, to the county treasurer.

(d) 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 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 who is related to an occupant 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 social security number of a relative occupying the property is private data on individuals as defined by section 13.02, subdivision 12, but may be disclosed to the commissioner of revenue.

(e) 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, or any assessment year thereafter, 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 assessor 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.

(f) If the 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. Beginning with assessment year 1993 for all properties, 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.

(g) 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 and the property owner's spouse occupying the property, or relative of a property owner, applying for homestead classification under this subdivision. The commissioner shall use the information provided on the lists as appropriate under the law, including for the detection of improper claims by owners, or relatives of owners, under chapter 290A.

(h) 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, and the property tax refunds under chapter 290A deducted on the property tax statement.

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 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. In the case of a manufactured home, the amount shall be certified to the current year's tax list for collection.

(i) 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 property tax refunds reimbursed to the county by the state shall be paid to the commissioner of revenue for deposit in the fund from which it was paid. 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.

(j) 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.

(k) In addition to lists of homestead properties, the commissioner may ask the counties to furnish lists of all properties and the record owners.

Sec. 6. Minnesota Statutes 1994, section 275.065, subdivision 3, is amended to read:

Subd. 3. [NOTICE OF PROPOSED PROPERTY TAXES.] (a) The county auditor shall prepare and the county treasurer shall deliver after November 10 and on or before November 24 each year, by first class mail to each taxpayer at the address listed on the county's current year's assessment roll, a notice of proposed property taxes and, in the case of a town, final property taxes.

(b) The commissioner of revenue shall prescribe the form of the notice.

(c) The notice must inform taxpayers that it contains the amount of property taxes each taxing authority other than a town proposes to collect for taxes payable the following year and, for a town, the amount of its final levy. It must clearly state that each taxing authority, including regional library districts established under section 134.201, and including the metropolitan taxing districts as defined in paragraph (i), but excluding all other special taxing districts and towns, 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. The notice must include the estimated percentage increase in Minnesota personal income, provided by the commissioner of revenue under section 275.064, in a way to facilitate comparison of the proposed budget and levy increases with the increase in personal income. For 1993, the notice must clearly state that each taxing authority holding a public meeting will describe the increases or decreases of the total budget, including employee and independent contractor compensation in the prior year, current year, and the proposed budget year.

(d) The notice must state for each parcel:

(1) the market value of the property as determined under section 273.11, and used for computing property taxes payable in the following year and for taxes payable in 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 excess referenda levy, remaining school district levy, regional library district, if in existence, the total of the metropolitan special taxing districts as defined in paragraph (i) and the sum of the remaining special taxing districts, and as a total of the taxing authorities, including all special taxing districts, the proposed or, for a town, final net tax on the property for taxes payable the following year, including separate deductions for the property tax refunds under section 290A.04, subdivisions 2 and 2h, and the actual tax for taxes payable the current year, including separate deductions for the property tax refunds under section 290A.04, subdivisions 2 and 2h. For the purposes of this subdivision, "school district excess referenda levy" means school district taxes for operating purposes approved at referendums, including those taxes based on net tax capacity as well as those based on market value. "School district excess referenda levy" does not include school district taxes for capital expenditures approved at referendums or school district taxes to pay for the debt service on bonds approved at referenda. In the case of the city of Minneapolis, the levy for the Minneapolis library board and the levy for Minneapolis park and recreation shall be listed separately from the remaining amount of the city's levy. In the case of a parcel where tax increment or the fiscal disparities areawide tax applies, the proposed tax levy on the captured value or the proposed tax levy on the tax capacity subject to the areawide tax must each be stated separately and not included in the sum of the special taxing districts; and

(3) the increase or decrease in the amounts in clause (2) from taxes payable in the current year to proposed or, for a town, final taxes payable the following year, expressed as a dollar amount and as a percentage.

(e) The notice must clearly state that the proposed or final taxes do not include the following and that these items may increase the proposed tax shown on the notice:

(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) the contamination tax imposed on properties which received market value reductions for contamination.

The notice must state that the deduction for a property tax refund under section 290A.04, subdivision 2h, is contingent upon continuity in ownership of the property.

(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.

(i) For purposes of this subdivision, subdivisions 5a and 6, "metropolitan special taxing districts" means the following taxing districts in the seven-county metropolitan area that levy a property tax for any of the specified purposes listed below:

(1) metropolitan council under section 473.132, 473.167, 473.249, 473.325, 473.446, 473.521, 473.547, or 473.834;

(2) metropolitan airports commission under section 473.667, 473.671, or 473.672; and

(3) metropolitan mosquito control commission under section 473.711.

For purposes of this section, any levies made by the regional rail authorities in the county of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington under chapter 398A shall be included with the appropriate county's levy and shall be discussed at that county's public hearing.

The notice must be mailed or posted by the taxpayer by November 27 or within three days of receipt of the notice, whichever is later. A taxpayer may notify the county treasurer of the address of the taxpayer, agent, caretaker, or manager of the premises to which the notice must be mailed in order to fulfill the requirements of this paragraph.

Sec. 7. [276.012] [COMPUTATION AND ADMINISTRATION OF PROPERTY TAX REFUNDS.]

(a) On or before October 1 each year, the commissioner of revenue shall certify to the county auditor the property tax refund amount under section 290A.04, subdivision 2, for each parcel of homestead property as defined in section 290A.04, subdivision 6, other than a manufactured home assessed under section 273.125, subdivision 8, paragraph (c), that qualifies for a refund relating to taxes payable in the current year.

(b) The county auditor shall compute the refund for purposes of the proposed property tax notice for each parcel of homestead property as defined in section 290A.03, subdivision 6, other than a manufactured home assessed under section 273.125, subdivision 8, paragraph (c), that may qualify for a refund under section 290A.04, subdivision 2h, for taxes payable in the subsequent year.

(c) After certification of the levies by taxing districts under section 275.07, the county auditor shall compute the refund for each parcel of homestead property as defined in section 290A.03, subdivision 6, other than a manufactured home assessed under section 273.125, subdivision 8, paragraph (c), that qualifies for a refund under section 290A.04, subdivision 2h, for taxes payable in the current year.

(d) The county auditor shall separately certify the amounts in paragraphs (a) and (c) to the county treasurer who shall reflect the amounts as property tax deductions on the property tax statement under section 276.04 for taxes payable in the current year, provided that to receive the refunds, the property must be classified as homestead property under section 273.13 for taxes payable in the year the refund is payable.

(e) The county auditor shall annually separately certify the costs of the property tax refunds under section 290A.04, subdivisions 2 and 2h, to the department of revenue with the abstract of tax lists under section 275.29.

Sec. 8. Minnesota Statutes 1994, section 276.04, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF TAX STATEMENTS.] (a) The treasurer shall provide for the printing of the tax statements. The commissioner of revenue shall prescribe the form of the property tax statement and its contents. The statement must contain the parcel identification number and a county identification number in the upper right corner of the statement. The statement must contain the qualifying tax amount to be used by the taxpayer in claiming a property tax refund under section 290A.04, subdivision 2, in the form and location determined by the commissioner of revenue. The statement must contain a tabulated statement of the dollar amount due to each taxing authority from the parcel of real property for which a particular tax statement is

prepared. The dollar amounts due the county, township or municipality, the total of the metropolitan special taxing districts as defined in section 275.065, subdivision 3, paragraph (i), school district excess referenda levy, remaining school district levy, and the total of other voter approved referenda levies based on market value under section 275.61 must be separately stated. The amounts due all other special taxing districts, if any, may be aggregated. For the purposes of this subdivision, "school district excess referenda levy" means school district taxes for operating purposes approved at referenda, including those taxes based on market value. "School district excess referenda levy" does not include school district taxes for capital expenditures approved at referendums or school district taxes to pay for the debt service on bonds approved at referenda. The amount of the tax on contamination value imposed under sections 270.91 to 270.98, if any, must also be separately stated. The dollar amounts, including the dollar amount of any special assessments, may be rounded to the nearest even whole dollar. For purposes of this section whole odd-numbered dollars may be adjusted to the next higher even-numbered dollar. The amount of market value excluded under section 273.11, subdivision 16, if any, must also be listed on the tax statement. The statement shall include the following sentence, printed in upper case letters in boldface print: "THE STATE OF MINNESOTA DOES NOT RECEIVE ANY PROPERTY TAX REVENUES. THE STATE OF MINNESOTA REDUCES YOUR PROPERTY TAX BY PAYING CREDITS AND REIMBURSEMENTS TO LOCAL UNITS OF GOVERNMENT."

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

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

(1) the property's estimated market value under section 273.11, subdivision 1;

(2) the property's taxable market value after reductions under section 273.11, subdivisions 1a and 16;

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

(4) a total of the following aids:

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

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

(iii) disparity reduction aid under section 273.1398;

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

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

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

(8) for eligible homestead properties, the property tax refunds under section 290A.04, subdivisions 2 and 2h, if any, shown separately as deductions on the statement; and

(9) the tax after deduction of the property tax refunds under clause (8).

(d) The commissioner of revenue shall certify to the county auditor the actual or estimated aids

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

Sec. 9. Minnesota Statutes 1994, section 276.09, is amended to read:

276.09 [SETTLEMENT BETWEEN AUDITOR AND TREASURER.]

On the later of May 20 of each year or 26 calendar days after the postmark date on the envelopes containing real or personal property tax statements, the county treasurer shall make full settlement with the county auditor of all receipts collected for all purposes, from the date of the last settlement up to and including each day mentioned. The county auditor shall, within 30 days after the settlement, send an abstract of it to the state auditor in the form prescribed by the state auditor. At the settlement the treasurer shall make complete returns of the receipts on the current tax list, showing the amount collected on account of the several funds included in the list.

Settlement of receipts from the later of May 20 or the actual settlement date to December 31 of each year must be made as provided in section 276.111.

For purposes of this section, "receipts" includes all tax payments received by the county treasurer on or before the settlement date and all property tax refunds paid to the county treasurer under section 290A.07.

Sec. 10. Minnesota Statutes 1994, section 276.111, is amended to read:

276.111 [DISTRIBUTIONS AND FINAL YEAR-END SETTLEMENT.]

Within 14 business days after July 20, the county treasurer shall pay to each taxing district 100 percent of the estimated collections arising from taxes levied by and belonging to the taxing district from the settlement day determined in section 276.09 to July 25.

Within seven business days after October 15, the county treasurer shall pay to the school districts 50 percent of the estimated collections arising from taxes levied by and belonging to the school district from ~~the settlement day determined in section 276.09~~ July 25 to October 20. The remaining 50 percent of the estimated tax collections must be paid to the school district within the next seven business days. Within ten business days after November 15, the county treasurer shall pay to the school district 100 percent of the estimated collections arising from taxes levied by and belonging to the school districts from October 20 to November 20.

Within ten business days after November 15, the county treasurer shall pay to each taxing district, except any school district, 100 percent of the estimated collections arising from taxes levied by and belonging to each taxing district from ~~the settlement day determined in section 276.09~~ July 25 to November 20.

On or before January 5, the county treasurer shall make full settlement with the county auditor of all receipts collected from the settlement day determined in section 276.09 to December 31. After subtracting any tax distributions that have been made to the taxing districts in July, October, and November, the treasurer shall pay to each of the taxing districts on or before January 25, the balance of the tax amounts collected on behalf of each taxing district. Interest accrues at an annual rate of eight percent and must be paid to the taxing district if this final settlement amount is not paid by January 25. Interest must be paid upon appropriation from the general revenue fund of the county. If not paid, it may be recovered by the taxing district in a civil action.

Sec. 11. Minnesota Statutes 1994, section 289A.60, subdivision 12, is amended to read:

Subd. 12. [PENALTIES RELATING TO PROPERTY TAX REFUNDS.] (a) If the commissioner determines that a property tax refund claim is or was excessive and was filed with fraudulent intent, the claim must be disallowed in full. If the claim has been paid, the amount disallowed may be recovered by assessment and collection.

(b) If it is determined that a property tax refund claim is excessive and was negligently prepared, ten percent of the corrected claim must be disallowed. If the claim has been paid, the amount disallowed must be recovered by assessment and collection.

(c) An owner or managing agent who knowingly fails to give a certificate of rent constituting property tax to a renter, as required by section 290A.19, paragraph (a), is liable to the commissioner for a penalty of \$100 for each failure.

(d) If the owner or managing agent knowingly gives rent certificates that report total rent constituting property taxes in excess of the amount of actual rent constituting property taxes paid on the rented part of a property, the owner or managing agent is liable for a penalty equal to the greater of (1) \$100 or (2) 50 percent of the excess that is reported. An overstatement of rent constituting property taxes is presumed to be knowingly made if it exceeds by ten percent or more the actual rent constituting property taxes.

(e) No property tax refund claim based on rent paid, or on property taxes payable in the case of a manufactured home assessed under section 273.125, subdivision 8, paragraph (c), is allowed if the initial claim is filed more than one year after the original due date for filing the claim.

(f) Except as provided in paragraph (e), no property tax refund claim based on property taxes payable filed after the original due date for filing the claim may be paid. No extensions of time for filing may be granted.

Sec. 12. Minnesota Statutes 1994, section 290A.03, subdivision 13, is amended to read:

Subd. 13. [PROPERTY TAXES PAYABLE.] "Property taxes payable" means the property tax exclusive of special assessments, penalties, and interest payable on a claimant's homestead ~~before reductions made under section 273.13~~ but after deductions made under sections 273.135, 273.1391, 273.42, subdivision 2, and any other state paid property tax credits in any calendar year other than property tax refunds determined under chapter 290A. In the case of a claimant who makes ground lease payments, "property taxes payable" includes the amount of the payments directly attributable to the property taxes assessed against the parcel on which the house is located. No apportionment or reduction of the "property taxes payable" shall be required for the use of a portion of the claimant's homestead for a business purpose if the claimant does not deduct any business depreciation expenses for the use of a portion of the homestead in the determination of federal adjusted gross income. For homesteads which are manufactured homes ~~as defined in section 274.19, subdivision 8~~ assessed under section 273.125, subdivision 8, paragraph (c), "property taxes payable" shall also include the amount of the gross rent paid in the preceding year for the site on which the homestead is located, which is attributable to the net tax paid on the site. The amount attributable to property taxes shall be determined by multiplying the net tax on the parcel by a fraction, the numerator of which is the gross rent paid for the calendar year for the site and the denominator of which is the gross rent paid for the calendar year for the parcel. When a homestead is owned by two or more persons as joint tenants or tenants in common, such tenants shall determine between them which tenant may claim the property taxes payable on the homestead. If they are unable to agree, the matter shall be referred to the commissioner of revenue whose decision shall be final. Property taxes are considered payable in the year prescribed by law for payment of the taxes.

In the case of a claim relating to "property taxes payable," the claimant must have owned and occupied the homestead on January 2 of the year ~~in which the tax is payable~~ to which the "property taxes payable" used in computing the refund relate, and (i) the property must have been classified as homestead property pursuant to section 273.13, subdivision 22 or 23, on or before December 15 of the assessment year to which the "property taxes payable" relate; or (ii) the claimant must provide documentation from the local assessor that application for homestead classification has been made on or before ~~December~~ August 15 of the year in which the "property taxes payable" were payable and that the assessor has approved the application.

No refunds under section 290A.04, subdivision 2 or 2h, may be deducted on the property tax statement unless the property is classified as homestead property for taxes payable in the year the property tax refund is paid.

Sec. 13. Minnesota Statutes 1994, section 290A.04, subdivision 2h, is amended to read:

Subd. 2h. (a) If the gross property taxes payable on a homestead increase more than 12 percent over the net property taxes payable in the prior year on the same property that is owned and occupied by the same owner on January 2 of both years, and the amount of that increase is \$100 or

~~more for taxes payable in 1995 and 1996, a claimant who is, a homeowner shall be allowed an additional refund equal to 60 percent of the amount of the increase over the greater of 12 percent of the prior year's net property taxes payable or \$100 for taxes payable in 1995 and 1996. 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.~~

The maximum refund allowed under this subdivision is \$1,000.

(b) For purposes of this subdivision, the following terms have the meanings given:

(1) "Net property taxes payable" means property taxes payable minus 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.

~~(e) 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.~~

~~(d) On or before December 1, 1995, the commissioner shall estimate the cost of making the payments provided by this subdivision for taxes payable in 1996. Notwithstanding the open appropriation provision of section 290A.23, if the estimated total refund claims for taxes payable in 1996 exceed \$5,500,000, the commissioner shall first reduce the 60 percent refund rate enough, but to no lower a rate than 50 percent, so that the estimated total refund claims do not exceed \$5,500,000. If the commissioner estimates that total claims will exceed \$5,500,000 at a 50 percent refund rate, the commissioner shall also reduce the \$1,000 maximum refund amount by enough so that total estimated refund claims do not exceed \$5,500,000.~~

~~The determinations of the revised thresholds by the commissioner are not rules subject to chapter 14.~~

~~(e) Upon request, the appropriate county official shall make available the names and addresses of the property taxpayers who may be eligible for the additional property tax refund under this section. The information shall be provided on a magnetic computer disk. The county may recover its costs by charging the person requesting the information the reasonable cost for preparing the data. The information may not be used for any purpose other than for notifying the homeowner of potential eligibility and assisting the homeowner, without charge, in preparing a refund claim.~~

Sec. 14. Minnesota Statutes 1994, section 290A.07, is amended to read:

290A.07 [TIME FOR AND MANNER OF PAYMENT.]

Subdivision 1. [GENERAL FUND.] Allowable claims filed pursuant to the provisions of this chapter and the refund under section 290A.04, subdivision 2h, shall be paid by the commissioner from the general fund as provided in this section.

Subd. 2a. [PAYMENT TO CLAIMANT.] A claimant who is a renter or a homeowner who occupies a manufactured home, as defined in section 273.125, subdivision 8, paragraph (c), shall receive full payment after August 1 and before August 15 or 60 days after receipt of the application, whichever is later.

Subd. 3. [PAYMENT TO COUNTY TREASURER AS DEDUCTION ON PROPERTY TAX STATEMENT.] ~~A claimant~~ In the case of property not included in subdivision 2a shall receive full payment after September 15 and before September 30, payment of a refund under section 290A.04, subdivision 2, is made as a deduction on the property tax statement for the homestead for taxes payable the following year, and payment of a refund under section 290A.04, subdivision 2h, is made as a deduction on the property tax statement for the homestead for taxes payable in the current year.

Subd. 4. [PAYMENT TO COUNTY TREASURER.] Annually on or before July 20, the commissioner shall pay the amount of the property tax refunds under section 290A.04, subdivisions 2 and 2h, certified by the county auditor under section 276.012, paragraph (e), to the county treasurer for settlement and distribution under sections 276.09 to 276.111.

Sec. 15. Minnesota Statutes 1994, section 290A.15, is amended to read:

290A.15 [CLAIM APPLIED AGAINST OUTSTANDING LIABILITY.]

The amount of any claim otherwise payable under this chapter may be applied by the commissioner against any delinquent tax liability of the claimant or spouse of the claimant payable to the department of revenue. This section does not apply to (1) refunds under section 290A.04, subdivision 2, that have been certified by the commissioner of revenue to the county auditor under section 276.012, or (2) refunds under section 290A.04, subdivision 2h, determined by the county auditor under section 276.012.

Sec. 16. Minnesota Statutes 1994, section 290A.18, is amended to read:

290A.18 [RIGHT TO FILE CLAIM; RIGHT TO RECEIVE CREDIT.]

Subdivision 1. [CLAIM BY SURVIVING SPOUSE OR DEPENDENT.] Except as provided in subdivision 3, if a person entitled to relief under this chapter dies prior to receiving relief, the surviving spouse or dependent of the person shall be entitled to file the claim and receive relief. If there is no surviving spouse or dependent, the right to the credit shall lapse.

Subd. 2. [CLAIMANT CANNOT BE LOCATED.] Except as provided in subdivision 3, if the commissioner cannot locate the claimant within two years from the date that the original warrant was issued, or if a claimant to whom a warrant has been issued does not cash that warrant within two years from the date the warrant was issued, the right to the credit shall lapse, and the warrant shall be deposited in the general fund.

Subd. 3. [RIGHT TO RECEIVE REFUND NOT PERSONAL TO CLAIMANT.] Property tax refunds under section 290A.04, subdivisions 2 and 2h, are paid as a deduction on the property tax statement of the property as provided in section 290A.07, subdivision 3. The right to receive the deduction is not personal to the claimant or to a surviving spouse or dependent of the claimant.

Sec. 17. [290A.26] [APPROPRIATION; COUNTY COSTS.]

\$2,650,000 is appropriated for fiscal year 1997, and \$2,370,000 is appropriated for fiscal year 1998, and each year thereafter, to the commissioner of revenue to pay counties for the costs of implementing and administering the property tax refunds for homeowners. The commissioner shall make the payments annually, on July 20 of each year. Each county auditor shall determine the county's costs and certify the costs to the commissioner at the time and in the manner directed by the commissioner. The commissioner shall review the costs, and may limit or correct them, return them to the county for changes, or request additional information or documentation. The commissioner shall apportion the available appropriation to each county in the same proportion that the county's expenses as finally determined by the commissioner are to the sum of all the counties' expenses.

Sec. 18. [1996 LEVY; TRUTH IN TAXATION NOTICE.]

For taxes payable in 1997 only, the notice of proposed property taxes under Minnesota Statutes, section 275.065, subdivision 3, shall state that beginning with property taxes payable in 1997, the homestead property tax refund calculated under Minnesota Statutes, section 290A.04, subdivision 2, and the special refund for property tax increases under Minnesota Statutes, section 290A.04, subdivision 2h, shall be paid as a deduction from the net tax on the property for all qualifying properties other than manufactured homes assessed under Minnesota Statutes, section 273.125, subdivision 8, paragraph (c). The notice shall clearly notify the taxpayer that these deductions are shown on the notice of proposed taxes for taxes payable in 1997, and that the actual tax for taxes payable in 1997 may be greater than the amount shown on the notice if the ownership or classification of the property changes before the refunds are paid. The commissioner of revenue shall prescribe the form and wording of the statement required in this section. The commissioner may prescribe that the statement be included with the notice of proposed property taxes as a separate addendum. At least five working days before distribution to the counties, the notice prescribed by the commissioner of revenue under this section must be submitted to the chairs of the senate committee on taxes and tax laws and the house tax committee for their advice and approval.

Sec. 19. [PROPERTY TAX REFUNDS FOR TAXES PAYABLE IN 1997; TRANSITION PROVISION.]

Notwithstanding the provisions of Minnesota Statutes, chapter 290A, or any other law to the contrary, the property tax refund amounts under Minnesota Statutes, section 290A.04, subdivisions 2 and 2h, relating to property taxes payable in 1996, as paid by the commissioner to the claimants under Minnesota Statutes, section 290A.07, subdivision 3, shall be the amounts certified on October 1, 1996, by the commissioner of revenue to the county auditors. The refund amounts under Minnesota Statutes, section 290A.04, subdivision 2, are the amounts that the county auditor shall show as a deduction on the property tax statement for taxes payable in 1997. The county auditor shall calculate the amounts of the refund under Minnesota Statutes, section 290A.04, subdivision 2h, for taxes payable in 1997, and show that amount as a deduction on the 1997 property tax statement.

Sec. 20. [APPROPRIATION.]

\$95,000 is appropriated for the fiscal year ending June 30, 1997, from the general fund in the state treasury to the commissioner of revenue for purposes of implementing and administering this article.

Sec. 21. [EFFECTIVE DATE.]

Sections 1 to 16 are effective for property tax refunds payable as deductions on property tax statements in 1997 and thereafter.

ARTICLE 6

ECONOMIC DEVELOPMENT

Section 1. Minnesota Statutes 1994, section 116J.556, is amended to read:

116J.556 [LOCAL MATCH REQUIREMENT.]

(a) In order to qualify for a grant under sections 116J.551 to 116J.557, the municipality must pay for at least one-half of the project costs as a local match. The municipality shall pay an amount of the project costs equal to at least 18 percent of the cleanup costs from the municipality's general fund, a property tax levy for that purpose, or other unrestricted money available to the municipality (excluding tax increments). These unrestricted moneys may be spent for project costs, other than cleanup costs, and qualify for the local match payment equal to 18 percent of cleanup costs. The rest of the local match may be paid with tax increments or any other money available to the municipality.

(b) If the development authority establishes a tax increment financing district or hazardous substance subdistrict on the site to pay for part of the local match requirement, ~~the district or subdistrict is not subject to the state aid reductions under section 273.1399. In order to qualify for the exemption from the state aid reductions, the municipality must elect, by resolution, on or before the request for certification is filed that all tax increments from the district or subdistrict will be used exclusively to pay (1) for project costs for the site and (2) administrative costs for the district or subdistrict.~~ the district or subdistrict must be decertified when an amount of tax increments equal to no more than three times the costs of implementing the response action plan for the site and the administrative costs for the district or subdistrict have been received, after deducting the amount of the state grant.

Sec. 2. [270.0683] [REPORT ON THE EFFECT OF TAX INCENTIVES UPON THE NUMBER OF JOBS.]

On a biennial basis, the commissioner of trade and economic development shall analyze the effect of all business related tax reductions or waivers on the aggregate number of jobs created and wages paid in those new jobs. The commissioner of trade and economic development shall present the results of the analysis to the legislature.

Sec. 3. [270.0684] [GOALS FOR NEW TAX EXPENDITURES.]

Each newly enacted business related tax expenditure shall include measurable goals for jobs

and wages and require a biennial review conducted by the commissioner of trade and economic development for continuation based upon meeting those goals. The commissioner of trade and economic development shall report the results of the review to the legislature.

Sec. 4. Minnesota Statutes 1994, section 273.1399, subdivision 6, is amended to read:

Subd. 6. [EXEMPTION; ETHANOL PROJECTS.] (a) The provisions of this section do not apply to a tax increment financing district that satisfies all of the following requirements:

(1) The district is an economic development district, that qualifies under section 469.176, subdivision 4c, paragraph (a), clause (1).

(2) The facility is certified by the commissioner of revenue to qualify for state payments for ethanol development under section 41A.09 to the extent funds are available.

(3) Increments from the district are used only to finance the qualifying ethanol development project located in the district or to pay for administrative costs of the district.

(4) The district is located outside of the seven-county metropolitan area, as defined in section 473.121.

(5) The tax increment financing plan was approved by a resolution of the county board.

~~(6) (b) The exemption provided by this subdivision does not apply beginning for the first year after the total amount of increment for the district does not exceed \$1,000,000 exceeds \$1,500,000. The county auditor shall notify the commissioners of revenue and education of the expiration of the exemption by June 1 of the year in which the revenues from increments will exceed \$1,500,000 if all the levied taxes for that year are paid when due.~~

Sec. 5. Minnesota Statutes 1994, section 273.1399, is amended by adding a subdivision to read:

Subd. 7. [EXEMPTION; AGRICULTURAL PROCESSING FACILITIES.] The provisions of this section do not apply to a tax increment financing district that satisfies all of the following requirements:

(1) the district is established to construct or expand an agricultural processing facility;

(2) the construction or expansion of the facility creates, or upon completion will create, a minimum of five permanent full-time jobs;

(3) the district is located outside of the seven-county metropolitan area, as defined in section 473.121;

(4) the tax increment financing plan was approved by a resolution of the county board;

(5) the total amount of increment for the district does not exceed \$1,500,000; and

(6) the commissioner of agriculture has certified to the county auditor that the requirements of this subdivision have been met.

For purposes of this section, "agricultural processing facility" means land, buildings, structures, fixtures, and improvements used or operated primarily for the processing or production of marketable products from agricultural crops, including waste and residues from agricultural crops, and including livestock products, poultry products, and wood products, but not the raising of livestock or poultry.

Sec. 6. Minnesota Statutes 1994, section 375.83, is amended to read:

375.83 [ECONOMIC AND AGRICULTURAL DEVELOPMENT.]

A county board may appropriate ~~not more than \$50,000 annually~~ money out of the general revenue fund of the county to be paid to any incorporated development society or organization of this state which, in the board's opinion, will use the money for the best interests of the county in promoting, advertising, improving, or developing the economic and agricultural resources of the

~~county. The limitation on appropriations in this section does not prohibit accumulation of amounts in excess of \$50,000 in a fund to be used for the purposes of this section. The total amount accumulated in the fund must not exceed \$300,000.~~

Sec. 7. Minnesota Statutes 1994, section 469.169, subdivision 9, is amended to read:

Subd. 9. [ADDITIONAL BORDER CITY ALLOCATIONS.] In addition to tax reductions authorized in subdivisions 7 and 8, the commissioner may allocate \$1,100,000 for tax reductions to border city enterprise zones in cities located on the western border of the state, and \$300,000 to the border city enterprise zone in the city of Duluth. The commissioner shall make allocations to zones in cities on the western border by evaluating which cities' applications for allocations relate to business prospects that have the greatest positive economic impact. Allocations made under this subdivision may be used for tax reductions as provided in section 469.171, or other offsets of taxes imposed on or remitted by businesses located in the enterprise zone, but only if the municipality determines that the granting of the tax reduction or offset is necessary in order to retain a business within or attract a business to the zone. Limitations on allocations under section 469.169, subdivision 7, do not apply to this allocation. Enterprise zones that receive allocations under this subdivision may continue in effect for purposes of those allocations through December 31, 1994 1995.

Sec. 8. Minnesota Statutes 1994, section 469.169, is amended by adding a subdivision to read:

Subd. 10. [ADDITIONAL BORDER CITY ALLOCATIONS.] In addition to tax reductions authorized in subdivisions 7, 8, and 9, the commissioner may allocate \$1,500,000 for tax reductions to border city enterprise zones in cities located on the western border of the state. The commissioner shall make allocations to zones in cities on the western border on a per capita basis. Allocations made under this subdivision may be used for tax reductions as provided in section 269.171, or other offsets of taxes imposed on or remitted by businesses located in the enterprise zone, but only if the municipality determines that the granting of the tax reduction or offset is necessary in order to retain a business within or attract a business to the zone. Limitations on allocations under section 469.169, subdivision 7, do not apply to this allocation. Enterprise zones that receive allocations under this subdivision may continue in effect for purposes of those allocations through December 31, 1996.

Sec. 9. [CITY OF SPRINGFIELD; TAX INCREMENT FINANCING DISTRICT.]

Subdivision 1. [EXCEPTION.] The city of Springfield may establish a tax increment financing district for the purpose of expanding an agricultural production facility. The expansion of the facility must create or preserve a minimum of 25 jobs. The district is established under and subject to Minnesota Statutes, sections 469.174 to 469.178, except that it is exempt from the provisions of Minnesota Statutes, section 273.1399.

Subd. 2. [EFFECTIVE DATE.] Subdivision 1 is effective upon compliance by the governing body of the city of Springfield with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 10. [CITY OF ST. LOUIS PARK; ESTABLISHMENT OF SPECIAL SERVICE DISTRICTS.]

Subdivision 1. [DEFINITIONS.] (a) For the purpose of this section, the terms defined have the meanings given them.

(b) "City" means the city of St. Louis Park.

(c) "Special services" means:

(1) all services rendered or contracted for by the city, including the repair, maintenance, operation, and construction of any improvement authorized by Minnesota Statutes, section 429.021;

(2) maintenance of landscape and streetscape improvements installed by the city; and

(3) any other service provided to the public by the city as authorized by law or charter.

Subd. 2. [ESTABLISHMENT OF DISTRICTS.] The governing body of the city of St. Louis Park may adopt ordinances establishing special service districts. The provisions of Minnesota Statutes, chapter 428A, govern the establishment and operation of special service districts in the city.

Sec. 11. [TAX INCREMENT FINANCING DISTRICT EXTENSION.]

Notwithstanding Minnesota Statutes, section 469.176, subdivision 1c, the St. Louis Park economic development authority may collect and expend tax increments from the Excelsior Boulevard Redevelopment Project and Oak Park Village tax increment financing districts (Hennepin county project numbers 1300 and 1301, respectively) located within the city of St. Louis Park, after April 1, 2001, for eligible activities within the redevelopment area. The authority under this section expires August 1, 2009.

Sec. 12. [EXEMPTION FROM LGA/HACA OFFSET.]

The hazardous substance subdistrict created in the Excelsior Boulevard tax increment financing district in the city of St. Louis Park is exempt from Minnesota Statutes, section 273.1399.

Sec. 13. [CITY OF COLUMBIA HEIGHTS; TAX INCREMENT FINANCING DISTRICT.]

Subdivision 1. [EXEMPTION.] The Sheffield tax increment financing district, including area added to its geographic area pursuant to Minnesota Statutes, section 469.175, subdivision 4, is exempt from the provisions of Minnesota Statutes, section 273.1399, provided that at least five percent of the district costs are paid by the city from its general fund, a property tax levy, or other unrestricted money not including tax increments.

Subd. 2. [EFFECTIVE DATE.] This section is effective upon approval by the governing body of the city of Columbia Heights and compliance with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 14. [CITY OF HASTINGS; DISTRICT EXTENSION.]

Subdivision 1. [AUTHORIZATION.] Notwithstanding the provisions of Minnesota Statutes, section 469.176, subdivision 1c, the Housing and Redevelopment Authority may collect and expend tax increments from the downtown redevelopment tax increment financing district, located within the city of Hastings, after April 1, 2001, for eligible activities within the district. The authority under this section expires December 31, 2006.

Subd. 2. [EFFECTIVE DATE.] This section is effective upon compliance by the governing body of the city of Hastings with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 15. [CITY OF HOPKINS; TAX INCREMENT DISTRICT.]

Subdivision 1. [DURATION.] Notwithstanding the provisions of Minnesota Statutes, section 469.176, subdivision 1c, tax increment collected by the housing and redevelopment authority in and for the city of Hopkins from tax increment financing district no. 1-1 may be expended by the authority or the city of Hopkins to pay or defease (1) bonds or obligations issued within two years after the effective date of this section, or (2) bonds issued to refund the principal of the outstanding bonds and pay associated issuance costs, provided the average maturity of the refunding bonds does not exceed the bonds refunded. Tax increment from district no. 1-1 will not be paid to the authority after August 1, 2009.

Subd. 2. [EFFECTIVE DATE.] This section is effective upon compliance by the governing body of the city of Hopkins with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 16. [COTTONWOOD COUNTY; TAX INCREMENT FINANCING DISTRICT.]

Subdivision 1. [EXCEPTIONS.] The southwest Minnesota multicounty housing redevelopment authority may establish an economic development tax increment financing district in Cottonwood county under Minnesota Statutes, sections 469.174 to 469.179, for an ethanol facility that is certified by the commissioner of revenue to qualify for state payments for ethanol development under Minnesota Statutes, section 41A.09, to the extent funds are available.

Subd. 2. [SPECIAL RULES.] (a) The district established under the authority of subdivision 1 is subject to Minnesota Statutes, sections 469.174 to 469.179, except as provided in this subdivision.

(b) Minnesota Statutes, section 273.1399, does not apply.

(c) Notwithstanding Minnesota Statutes, section 469.176, subdivision 1b, tax increments from the district may be paid to the authority for up to 18 years from the date of the receipt of the first increment.

(d) The adjustment to original net tax capacity under Minnesota Statutes, section 469.177, subdivision 1, paragraph (f), does not apply.

(e) The tax rate used to determine the amount of revenues from tax increments is the sum of the local tax rates for the taxes payable year, notwithstanding contrary provisions of Minnesota Statutes, section 469.177, subdivision 1a, limiting increments to the original tax capacity rate.

(f) The county board in which the district is located shall approve, by resolution:

(1) the tax increment financing plan;

(2) amendments to the tax increment financing plan that require notice and a public hearing under Minnesota Statutes, section 469.175, subdivision 4; and

(3) any modifications, whether an amendment to the tax increment financing plan or otherwise, that change the distribution to or sharing of the revenues derived from increments with the county and school district under Minnesota Statutes, section 469.176, subdivision 2, or otherwise.

If the county board declines to approve the plan, or an amendment or a modification required to be approved under this paragraph, the action is not effective.

Subd. 3. [EFFECTIVE DATE.] This section is effective upon compliance by the governing body of the southwest Minnesota multicounty housing redevelopment authority with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 17. [SWIFT COUNTY RURAL DEVELOPMENT FINANCE AUTHORITY.]

Subdivision 1. [ESTABLISHMENT.] The Swift county board may, by adopting a written enabling resolution, establish a county rural development finance authority that, subject to subdivision 2, has the following powers: powers of an economic development authority under Minnesota Statutes, sections 469.090 to 469.107; and powers of a rural development financing authority under sections 469.142 to 469.151.

Subd. 2. [ECONOMIC DEVELOPMENT AUTHORITY POWERS.] If the county rural development finance authority exercises the powers of an economic development authority, the county may exercise all of the powers relating to an economic development authority granted to a city under Minnesota Statutes, sections 469.090 to 469.108, except for the authority to issue general obligation bonds under Minnesota Statutes, section 469.102. The levy imposed by the county board under Minnesota Statutes, section 469.107, may be levied in addition to levies otherwise authorized by law. The county rural development finance authority may create and define the boundaries of economic development districts at any place or places within the county. Minnesota Statutes, section 469.174, subdivision 10, and the contiguity requirement specified under Minnesota Statutes, section 469.101, subdivision 1, do not apply to limit the areas that may be designated as county economic development districts.

Subd. 3. [LIMIT OF POWERS.] (a) The enabling resolution may impose the following limits on the actions of the authority:

(1) that the authority may not exercise any of the powers contained in subdivision 1 unless those powers are specifically authorized in the enabling resolution; and

(2) any other limitation or control established by the county board by the enabling resolution.

(b) The enabling resolution may be modified at any time, but may not be applied in a manner that impairs contracts executed before the modification is made. All modifications to the enabling resolution must be by written resolution.

(c) Before the commencement of a project by the authority, the governing body of the municipality in which the project is to be located or the Swift county board, if the project is outside municipal corporate limits, shall by majority vote approve the project as recommended by the authority.

Subd. 4. [BOARD OF DIRECTORS.] (a) The authority consists of a board of seven directors. The directors shall be appointed by the Swift county board. Each director shall be appointed to serve for three years or until a successor is appointed and qualified. No director may serve more than two consecutive terms. The initial appointment of directors must be made so that no more than one-third of the directors' positions will require appointment in any one year due to fulfillment of their three-year appointment. The appointment of directors must be made to reflect representation of the entire county by population, appointing one director to represent each of the five county commissioner districts. The other two directors must be representatives of various county-based economic development organizations or be directors at-large. No more than two directors may reside in any one county commissioner district.

(b) Two of the directors initially appointed shall serve for terms of one year, two for two years, and three for three years. Each vacancy must be filled for the unexpired term in the manner in which the original appointment was made. A vacancy occurs if a director no longer resides in the county. No director shall be an officer, employee, director, shareholder, or member of any corporation, firm, or association with which the authority has entered into any operating lease, or other agreement. The directors may be removed by the county for the reasons and in the manner provided under Minnesota Statutes, section 469.010, and shall receive no compensation other than reimbursement for expenses incurred in the performance of their duties. Directors shall have no personal liability for obligations of the authority or the methods of enforcement and collection of the obligations.

Subd. 5. [EFFECTIVE DATE.] This section is effective upon compliance by the Swift county board with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 18. [CITY OF MORRIS; TAX INCREMENT FINANCING DISTRICT.]

Subdivision 1. [AUTHORIZATION.] Notwithstanding the provisions of Minnesota Statutes, section 469.175, subdivision 4, paragraph (b), the economic development authority of the city of Morris may, within one year after the effective date of this section, enlarge the geographic area of tax increment financing district No. 5 to include a parcel identified as lot 2, block 2, Morris industrial park. The district is established under and subject to Minnesota Statutes, sections 469.174 to 469.178, except:

(1) Minnesota Statutes, section 273.1399, does not apply to the enlarged geographic area of the district;

(2) the duration limit for the district and enlarged area is December 31, 2010; and

(3) the buildings to be constructed in the enlarged geographic area of the district may, notwithstanding the provisions of Minnesota Statutes, section 469.176, subdivision 4c, include space necessary for and related to the manufacturing facility located on parcels contiguous to the district.

Subd. 2. [EFFECTIVE DATE.] This section is effective after compliance by the governing body of the city of Morris under Minnesota Statutes, section 645.021, subdivision 3.

Sec. 19. [CITY OF BROOTEN; TAX INCREMENT FINANCING DISTRICT.]

Subdivision 1. [EXCEPTION.] A tax increment financing district created by the city of Brooten for the purpose of financing the construction of an agricultural processing facility as defined in article 2, section 25, is exempt from the provisions of Minnesota Statutes, section 273.1399.

Subd. 2. [EFFECTIVE DATE.] This section is effective upon compliance by the governing body of the city of Brooten with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 20. [CITY OF MANKATO; ECONOMIC DEVELOPMENT DISTRICT.]

Subdivision 1. [ESTABLISHMENT.] The city of Mankato may establish economic development tax increment financing districts that include all properties in the Eastwood Industrial Centre Industrial Park. The districts are established subject to Minnesota Statutes, sections 469.174 to 469.179, except that the provisions of Minnesota Statutes, section 273.1399, do not apply.

Subd. 2. [EXEMPTION.] Minnesota Statutes, section 273.1399, does not apply to tax increment financing district No. 19-2, located in the city of Mankato.

Subd. 3. [ESTABLISHMENT.] The city of Mankato may establish a redevelopment tax increment district that includes all properties in the area between Poplar Street and River Front Drive South. The district is subject to Minnesota Statutes, sections 469.174 to 469.178, except that Minnesota Statutes, section 273.1399, does not apply to this district.

Subd. 4. [EFFECTIVE DATE.] This section is effective after compliance by the governing body of the city of Mankato with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 21. [CITY OF GLENVILLE; TAX INCREMENT FINANCING DISTRICT.]

Subdivision 1. [EXCEPTIONS.] The city of Glenville may establish an economic development tax increment financing district for the purpose of establishing an industrial park, including acquiring land, construction of rail services, construction of roads, extension of utilities, and the construction of a sewer collection line to carry effluent from one or more locations in Glenville to the city of Albert Lea sewage treatment plant. The district is established under and subject to Minnesota Statutes, sections 469.174 to 469.179, except:

(1) Minnesota Statutes, section 273.1399, does not apply; and

(2) the city may not establish the tax increment financing district under this section unless the tax increment financing plan is approved by resolution of the governing body of the city of Albert Lea.

Subd. 2. [EFFECTIVE DATE.] This section is effective the day after compliance by the governing body of the city of Glenville with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 22. [CITY OF ALBERT LEA TAX INCREMENT FINANCING DISTRICT.]

Subdivision 1. [INDUSTRIAL PROJECT; EXCEPTIONS.] The city of Albert Lea may establish economic development tax increment financing district 5-6 for industrial and manufacturing projects. The district is established under and subject to Minnesota Statutes, sections 469.174 to 469.179, except:

(1) Minnesota Statutes, section 273.1399, does not apply; and

(2) the city must pay at least five percent of the project costs from its general fund, a property tax levy, or other unrestricted money (other than tax increments).

Subd. 2. [TAX INCREMENT FINANCING DISTRICTS; EXCEPTIONS.] Minnesota Statutes, section 273.1399, does not apply to tax increment financing districts 5-3, 5-4, and 5-5, located in the city of Albert Lea.

Subd. 3. [EFFECTIVE DATE.] This section is effective the day after compliance by the governing body of the city of Albert Lea with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 23. [CITY OF OAKDALE; TAX INCREMENT DISTRICTS.]

Subdivision 1. [DURATION.] (a) Notwithstanding Minnesota Statutes, section 469.176, subdivisions 1 and 1b, tax increments from the city of Oakdale tax increment financing district number 1-2 may be collected and expended by the authority through December 31, 2011.

(b) Notwithstanding Minnesota Statutes, section 469.176, subdivisions 1 and 1b, tax increments from the city of Oakdale tax increment financing district number 9 may be collected and expended by the authority through December 31, 2004.

Subd. 2. [TAX INCREMENT DISTRICT 1-2; EXEMPTIONS AND HOUSING ACTIVITIES.] (a) Minnesota Statutes, section 273.1399, shall not apply to the city of Oakdale tax increment financing district number 1-2 during any calendar year after adoption of an amendment to the tax increment financing plan for the district, provided 15 percent of the tax increments from the district in each such calendar year is deposited in the housing development account for expenditure on housing activities pursuant to the plan as provided in paragraphs (b) and (c). The amendment must be adopted within one year of the effective date of this section.

(b) The authority must identify in the amendment to the plan the housing activities that will be assisted by the housing development account. Housing activities may include, but are not limited to, rehabilitation, acquisition, demolition, and financing of new or existing single family or multifamily housing. Housing activities listed in the plan need not be located within the district or project area, but must be activities that meet the income requirements of a qualified housing district under Minnesota Statutes, section 469.1761, subdivisions 2 and 3.

(c) Tax increments to be expended for housing activities under this subdivision must be segregated by the authority into a special account on its official books and records. The account may also receive funds from other public and private sources. The expenditure of tax increments from the account for housing activities is exempt from the provisions of Minnesota Statutes, section 469.1763, subdivisions 2, 3, and 4, and shall be disregarded for purposes of satisfying the provisions of Minnesota Statutes, section 469.1763, subdivisions 2, 3, and 4.

Subd. 3. [TAX INCREMENT DISTRICT 6; MODIFICATIONS; SPECIAL RULES.] (a) Notwithstanding the provisions of Minnesota Statutes, sections 469.174, subdivision 10, and 469.175, subdivision 4, paragraph (b), the city of Oakdale may, within one year after the effective date of this section, enlarge the geographic area of city of Oakdale tax increment financing district number 6 to include the southwest one-quarter of the southwest one-quarter of section 29, tract 29, range 21, that is also known as parcel number 57029-2001.

(b) The parcels included in the enlarged area described in paragraph (a) are subject to Minnesota Statutes, sections 469.174 to 469.179, except as provided in this subdivision.

(c) Minnesota Statutes, section 273.1399, does not apply to the district.

(d) Minnesota Statutes, section 469.1763, subdivisions 2, 3, and 4, do not apply to the district.

(e) The enlarged area shall be treated as part of a redevelopment district.

(f) The governing body of the city of Oakdale, in addition to the findings required by section 469.175, subdivision 3, shall also find:

(1) that the parcels included in the enlarged area have an estimated market value for the year in which the area is certified that is at least 40 percent less than the estimated market value of three years earlier; and

(2) that the enlarged area is occupied by buildings that are functionally obsolete and underutilized. "Underutilized," for purposes of this subdivision, means that less than 60 percent of the useable square footage of the existing buildings are not leased.

Subd. 4. [EFFECTIVE DATE.] This section is effective upon compliance by the governing body of the city of Oakdale with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 24. [CITY OF SAINT PAUL; TAX INCREMENT FINANCING DISTRICT.]

Subdivision 1. [EXEMPTION.] Any tax increment financing districts located in the Phalen Corridor Project Area of the city of Saint Paul that are certified after the date of final enactment of this section are exempt from the provisions of Minnesota Statutes, section 273.1399.

Subd. 2. [EFFECTIVE DATE.] This section is effective upon compliance by the governing body of the city of Saint Paul with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 25. [CITY OF LAKE CITY; TAX INCREMENT DISTRICT.]

Subdivision 1. [DURATION EXTENSION.] Notwithstanding the provisions of Minnesota Statutes, section 469.176, subdivision 1b, the duration of tax increment financing district number 3, located within the city of Lake City, may be extended to January 1, 2002, by resolution of the governing body of Lake City.

Subd. 2. [EFFECTIVE DATE.] This section is effective upon compliance by the governing body of the city of Lake City with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 26. [CITY OF LAKEFIELD; TAX INCREMENT FINANCING DISTRICTS.]

Subdivision 1. [REDEVELOPMENT DISTRICT.] (a) The governing body of the city of Lakefield may establish a tax increment financing district that is a redevelopment district as defined in Minnesota Statutes, section 469.174, subdivision 10, for the purpose of developing the property previously used as the municipal hospital. The district is subject to Minnesota Statutes, sections 469.174 to 469.179, except that the provisions of Minnesota Statutes, section 273.1399, do not apply.

(b) Notwithstanding Minnesota Statutes, section 469.177, subdivision 1, paragraph (d), for the district established under this subdivision, the original tax capacity of the previously tax exempt property comprising the municipal hospital equals the value of the land only, as determined by the assessor at the time of the transfer.

Subd. 2. [HOUSING DISTRICT.] The governing body of the city of Lakefield may also establish a tax increment financing district that is a housing district as defined in Minnesota Statutes, section 469.174, subdivision 11. The district is subject to Minnesota Statutes, sections 469.174 to 469.179, except that the provisions of Minnesota Statutes, section 273.1399, do not apply.

Subd. 3. [EFFECTIVE DATE.] This section is effective upon compliance by the governing body of the city of Lakefield with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 27. [CITY OF CROOKSTON; TAX INCREMENT FINANCING DISTRICT.]

Subdivision 1. [EXCEPTION.] The provisions of Minnesota Statutes, section 273.1399, do not apply to an economic development tax increment financing district in the city of Crookston, if the city establishes the district by July 1, 1996, and the district is used solely to assist a manufacturer of passenger buses to locate a manufacturing facility in the city.

Subd. 2. [EFFECTIVE DATE.] This section is effective upon approval by the governing body of the city of Crookston and compliance with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 28. [SWIFT COUNTY; TAX INCREMENT FINANCING DISTRICT.]

Subdivision 1. [EXCEPTION.] Swift county may establish a redevelopment tax increment financing district in Torning township to facilitate the location of a manufacturing facility in the district. The district is established under and subject to Minnesota Statutes, sections 469.174 to 469.178, except that it is not subject to the provisions of Minnesota Statutes, section 273.1399.

Subd. 2. [EFFECTIVE DATE.] This section is effective upon compliance by the governing body of Swift county with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 29. [CITY OF NORTHFIELD; TAX INCREMENT DISTRICT.]

Subdivision 1. [EXEMPTIONS.] Notwithstanding Minnesota Statutes, section 469.176, subdivision 1b, the duration of the tax increment districts within development district No. 2 and development district No. 3 are extended through December 31, 1999. Notwithstanding any limitation in law on use of increments, all additional tax increment generated by the extensions may be used by the Northfield city council to defray, whether directly or through the issuance of bonds or other obligations, the reasonable costs associated with making or financing building renovations and restorations, public improvements, or other property development and redevelopment activities for the benefit of the city's central business district.

Subd. 2. [LOCAL APPROVAL.] This section is effective upon compliance by the governing body of the city of Northfield with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 30. [NORTH ST. PAUL; TAX INCREMENT DISTRICT.]

Subdivision 1. [DURATION EXTENSION.] Notwithstanding Minnesota Statutes, section 469.176, subdivision 4c, the city of North St. Paul may elect to extend the duration of tax increment financing district No. 2-2. The city may extend the duration of the district No. 2-2 until the earlier of: (1) December 31, 2010; or (2) the date when it has collected total increments from the district equal to the city's cleanup and related expenditures for the district, less any reimbursement from private parties for these costs.

Subd. 2. [EFFECTIVE DATE.] This section is effective upon compliance by the governing body of the city of North St. Paul with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 31. [CITIES OF CRYSTAL, FRIDLEY, AND MINNEAPOLIS; HOUSING REPLACEMENT DISTRICTS; DEFINITIONS.]

Subdivision 1. [CAPTURED NET TAX CAPACITY.] "Captured net tax capacity" means the amount by which the current net tax capacity of the improvements to real property in a housing replacement district exceeds the original net tax capacity of improvements to property in the district, including the value of property normally taxable as personal property by reason of its location on or over property owned by a tax-exempt entity. No amount of net tax capacity attributable to land is included in captured net tax capacity.

Subd. 2. [ORIGINAL NET TAX CAPACITY.] "Original net tax capacity" means the tax capacity of all taxable real property within a housing replacement district as certified by the commissioner of revenue for the previous assessment year, provided that the request by the authority for certification of a new housing replacement district has been made to the county auditor by June 30. The original net tax capacity of housing replacement districts for which requests are filed after June 30 has an original net tax capacity based on the current assessment year. In any case, the original net tax capacity must be determined together with subsequent adjustments as set forth in Minnesota Statutes, section 469.177, subdivisions 1 and 4. In determining the original net tax capacity, the net tax capacity of real property exempt from taxation at the time of the request shall be zero, except for real property which is tax exempt by reason of public ownership by the requesting authority and which has been publicly owned for less than one year prior to the date of the request for certification, in which event the net tax capacity of the property shall be the net tax capacity as most recently determined by the commissioner of revenue.

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

Subd. 4. [AUTHORITY.] For housing replacement projects in the city of Crystal, "authority" means the Crystal economic development authority. For housing development projects in the city of Fridley, "authority" means the housing and redevelopment authority in and for the city of Fridley or a successor in interest. For housing replacement projects in the city of Minneapolis, "authority" means the Minneapolis community development agency.

Sec. 32. [ESTABLISHMENT OF HOUSING REPLACEMENT DISTRICTS.]

Subdivision 1. [CREATION OF PROJECTS.] (a) An authority may create a housing replacement project under sections 31 to 34, as provided in this section.

(b) For the cities of Crystal and Fridley, the authority may designate up to 50 parcels in the city to be included in a housing replacement district over the life of the district. No more than ten parcels may be included in the original district, with up to seven additional parcels added to the district in each of the following nine years. For the city of Minneapolis, the authority may designate up to 500 parcels in the city to be included in a housing replacement district over the life of the district.

(c) The city in which the authority is located must pay at least 25 percent of the project costs from its general fund, property tax levy, or other unrestricted money, not including tax increments.

(d) The project must have as its sole object the acquisition of parcels for the purpose of preparing the site to be sold for market rate housing. As used in this section, "market rate housing"

means housing that has a market value that does not exceed 150 percent of the average market value of single-family housing in that municipality.

Subd. 2. [HOUSING REPLACEMENT DISTRICT PLAN.] To establish a housing replacement district under sections 31 to 34, an authority shall develop a housing replacement project plan which shall contain:

(1) a statement of the objectives and a description of the projects proposed by the authority for the housing replacement district;

(2) a statement of the housing replacement project plan, demonstrating the coordination of that plan with the city's comprehensive plan;

(3) estimates of the following:

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

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

(iii) the most recent net tax capacity of taxable real property within the housing replacement district; and

(iv) the estimated captured net tax capacity of the housing replacement district at completion;

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

(5) identification of all parcels to be included in the zone, to the extent known at the time the plan is prepared. At a minimum, the parcels that will be included in the district during its first year must be identified in the original plan. If parcels for subsequent years are not specifically identified, the plan must include the criteria that will be used by the authority to select parcels to be included in the later years.

Subd 3. [PROCEDURE.] The provisions of Minnesota Statutes, section 469.175, subdivisions 3, 4, 5, and 6, apply to the establishment and operation of the districts created under sections 31 to 34, except as follows:

(1) the determination specified in Minnesota Statutes, section 469.175, subdivision 3, clause (1), is not required; and

(2) addition of parcels not identified in the original plan is not treated as a modification of a plan requiring an approval process provided that the parcels added are consistent with the criteria described in subdivision 2, clause (5).

Sec. 33. [LIMITATIONS.]

Subdivision 1. [DURATION LIMITS.] No tax increment shall be paid to the authority on each parcel in a housing replacement district after 20 years from date of receipt by the county of the first tax increment from that parcel.

Subd. 2. [LIMITATION ON USE OF TAX INCREMENTS.] All revenues derived from tax increments shall be used in accordance with the tax increment financing plan. The revenues shall be used solely to pay the costs of site acquisition, demolition of existing structures, site preparation, and pollution abatement on parcels identified in the plan, as well as public improvements and administrative costs directly related to those parcels.

Sec. 34. [APPLICATION OF OTHER LAWS.]

Subdivision 1. [COMPUTATION OF TAX INCREMENT.] The provisions of Minnesota Statutes, section 469.177, apply to the computation of tax increment for the housing replacement districts created under sections 31 to 34.

Subd. 2. [OTHER PROVISIONS.] References in Minnesota Statutes to tax increment financing districts created and tax increments generated under Minnesota Statutes, sections 469.174 to 469.179, other than references in Minnesota Statutes, section 273.1399, shall include housing replacement districts and tax increments subject to sections 31 to 34, provided that Minnesota Statutes, sections 469.174 to 469.179, apply only to the extent specified in sections 31 to 34.

Sec. 35. [CITY OF FAIRMONT; TAX INCREMENT FINANCING DISTRICT.]

Subdivision 1. [EXEMPTION.] The provisions of Minnesota Statutes, section 273.1399, does not apply to the economic development tax increment financing district in the city of Fairmont designated "Weigh-tronix."

Subd. 2. [EFFECTIVE DATE.] This section is effective upon compliance by the governing body of the city of Fairmont with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 36. [CITY OF BAYPORT; TAX INCREMENT FINANCING DISTRICT.]

Subdivision 1. [EXEMPTION.] The economic tax increment financing district for the city of Bayport designated as economic development district No. 2 is not subject to the provisions of Minnesota Statutes, section 273.1399.

Subd. 2. [LOCAL APPROVAL.] This section is effective upon compliance by the governing body of the city of Bayport with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 37. [CITY OF ROSEVILLE; ESTABLISHMENT OF SPECIAL SERVICE DISTRICTS.]

Subdivision 1. [DEFINITIONS.] (a) For the purpose of this section, the terms defined have the meanings given them.

(b) "City" means the city of Roseville.

(c) "Special services" means:

(1) all services rendered or contracted for by the city, including the repair, maintenance, operation, and construction of any improvement authorized by Minnesota Statutes, section 429.021;

(2) maintenance of landscape and streetscape improvements installed by the city; and

(3) any other service provided to the public by the city as authorized by law or charter.

Subd. 2. [ESTABLISHMENT OF DISTRICTS.] The governing body of the city of Roseville may adopt ordinances establishing special service districts. The provisions of Minnesota Statutes, chapter 428A, govern the establishment and operation of special service districts in the city.

Sec. 38. [ROSEVILLE; EXEMPTION FROM LGA/HACA OFFSET.]

The hazardous substance subdistrict (No. 11A) created in tax increment financing district No. 11 in the city of Roseville is exempt from Minnesota Statutes, section 273.1399.

Sec. 39. [ROSEVILLE; COMPUTATION OF TAX INCREMENT.]

Notwithstanding the provisions of Minnesota Statutes, section 469.177, subdivision 3, paragraph (c), the governing body of the city of Roseville may change its election of a method for computing tax increment for the tax increment financing district number 11 certified on March 26, 1990, and known as the Twin Lakes redevelopment district and for Roseville hazardous substance district number 11A. 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), to the computation in Minnesota Statutes, section 469.177, subdivision 3, paragraph (a).

Sec. 40. [ROSEVILLE; ORIGINAL LOCAL TAX RATE.]

Notwithstanding the provisions of Minnesota Statutes, section 469.177, subdivision 1a, the

original local tax rate for Roseville hazardous substance subdistrict number 11A shall be the sum of all the local tax rates that apply to the property in the subdistrict at the time the subdistrict is certified by the county auditor. The resulting tax capacity rate is the original local tax rate for the life of the subdistrict. The original local tax rate shall revert to the original local tax rate of the overlying tax increment district number 11 once the subdistrict is decertified.

Sec. 41. [FARIBAULT ECONOMIC DEVELOPMENT AUTHORITY; EXEMPTIONS FROM TAX INCREMENT FINANCING RESTRICTIONS.]

Subdivision 1. [AUTHORIZATION.] The Faribault economic development authority may create an economic development tax increment financing district as provided in this section.

Subd. 2. [SPECIAL RULES.] (a) The district is subject to Minnesota Statutes, sections 469.174 to 469.179, except as provided in this subdivision.

(b) Minnesota Statutes, section 273.1399 does not apply.

(c) Notwithstanding Minnesota Statutes, section 469.176, subdivision 1b, tax increments from the district may be paid to the authority for up to 15 years from the date of the receipt of the first increment from the district.

(d) Notwithstanding Minnesota Statutes, section 469.176, subdivision 4, the Faribault economic development authority may agree to pay revenues derived from the tax increments from the district for any costs provided in the tax increment plan for the district, including assistance to companies locating or expanding within the boundaries of the district for any costs related to the companies' operations, including the costs of acquiring, constructing, and equipping a new or expanded facility and financing costs and interest expenses associated with the location or expansion of the companies' operations within the district, as reasonably determined by the authority.

Revenues derived from tax increments from the district may also be used to provide improvements, loans, or interest rate subsidies, for a project which is established by a Faribault regional treatment center employee, or which gives hiring preference to displaced regional treatment center employees. No revenues may be used to subsidize the operating cost of any such enterprise.

(e) The limitations on expenditures of revenue outside districts under Minnesota Statutes, section 469.1763, subdivisions 2, 3, and 4, do not apply to this district or to tax increment district No. 3 Central.

Subd. 3. [LOCAL APPROVAL.] This section is effective upon compliance by the governing body of the city of Faribault with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 42. [REPEALER.]

Minnesota Statutes 1994, sections 273.1399; and 469.175, subdivision 7a, are repealed.

Sec. 43. [EFFECTIVE DATE.]

Sections 1 and 42 are effective for districts for which certification is requested after April 30, 1990.

Sections 2 and 3 apply to state grants, state loans, and tax increment financing authorized on or after August 1, 1995.

Section 4 is effective the day following final enactment and applies to all tax increment financing districts, regardless of when the request for certification was made.

Section 5 is effective for taxes payable in 1996, and thereafter, and applies to districts for which certification is requested after the date of final enactment.

Section 7 is effective January 1, 1995.

Sections 10 to 12 are effective the day following final enactment, after the governing body of the city of St. Louis Park complies with Minnesota Statutes, section 645.021, subdivision 3.

Sections 31 to 34 are effective, for the city of Crystal, upon compliance by the Crystal city council with Minnesota Statutes, section 645.021, subdivision 3, and, for the city of Fridley, upon compliance by the Fridley city council with Minnesota Statutes, section 645.021, subdivision 3, and, for the city of Minneapolis, upon compliance by the Minneapolis city council with Minnesota Statutes, section 645.021, subdivision 3.

Sections 37 to 40 are effective the day following final enactment, after the governing body of the city of Roseville complies with Minnesota Statutes, section 645.021, subdivision 3.

ARTICLE 7

TACONITE TAX

Section 1. Minnesota Statutes 1994, section 298.01, subdivision 4, is amended to read:

Subd. 4. [OCCUPATION TAX; IRON ORE; TACONITE CONCENTRATES.] A person engaged in the business of mining or producing of iron ore or, taconite concentrates or direct reduced ore in this state shall pay an occupation tax to the state of Minnesota. The tax is determined in the same manner as the tax imposed by section 290.02, except that sections 290.05, subdivision 1, clause (a), and 290.17, subdivision 4, do not apply. The tax is in addition to all other taxes.

Sec. 2. Minnesota Statutes 1994, section 298.227, is amended to read:

298.227 [TACONITE ECONOMIC DEVELOPMENT FUND.]

An amount equal to that distributed pursuant to each taconite producer's taxable production and qualifying sales under section 298.28, subdivision 9a, shall be held by the iron range resources and rehabilitation board in a separate taconite economic development fund for each taconite and direct reduced ore 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. If a taconite production facility is sold after operations at the facility had ceased, any money remaining in the fund for the former producer may be released to the purchaser of the facility on the terms otherwise applicable to the former producer under this section. 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. 3. Minnesota Statutes 1994, section 298.24, subdivision 1, is amended to read:

Subdivision 1. (a) For concentrate produced in 1992, 1993, ~~and~~ 1994, and 1995 there is 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 \$2.054 per gross ton of merchantable iron ore concentrate produced therefrom.

(b) For concentrates produced in ~~1995~~ 1996 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 \$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.

(f) (1) Notwithstanding any other provision of this subdivision, for concentrates produced in 1994 through 1999 the first five years of a plant's production of direct reduced ore, the rate of the tax on direct reduced ore is determined under this paragraph. As used in this paragraph, "direct reduced ore" is ore that results in a product that has an iron content of at least 75 percent. The rate to be applied to direct reduced ore is 25 percent of the rate otherwise determined under this subdivision for the first 500,000 of taxable tons for the production year, and 50 percent of the rate otherwise determined for any remainder. If the taxpayer had no production in the two years prior to the the current production year, the tonnage eligible to be taxed at 25 percent of the rate otherwise determined under this subdivision is the first 166,667 tons. If the taxpayer had some production in the year prior to the current production year but no production in the second prior year, the tonnage eligible to be taxed at 25 percent of the rate otherwise determined under this subdivision is the first 333,333 tons.

(2) Production of direct reduced ore in this state is subject to the tax imposed by this section, but if that production is not produced by a producer of taconite or iron sulfides, the production of taconite or iron sulfides consumed in the production of direct reduced iron in this state is not subject to the tax imposed by this section on taconite or iron sulfides.

Sec. 4. Minnesota Statutes 1994, section 298.25, is amended to read:

298.25 [TAXES ADDITIONAL TO OTHER TAXES.]

The taxes imposed under section 298.24 shall be in addition to the occupation tax imposed upon the business of mining and producing iron ore. Except as herein otherwise provided, such taxes shall be in lieu of all other taxes upon such taconite and iron sulphides, and direct reduced ore or the lands in which they are contained, or upon the mining or quarrying thereof, or the production of concentrate or direct reduced ore therefrom, or upon the concentrate or direct reduced ore produced, or upon the machinery, equipment, tools, supplies and buildings used in such mining, quarrying or production, or upon the lands occupied by, or used in connection with, such mining, quarrying or production facilities. If electric or steam power for the mining, transportation or concentration of such taconite or the concentrates or direct reduced ore produced therefrom is generated in plants principally devoted to the generation of power for such purposes, the plants in which such power is generated and all machinery, equipment, tools, supplies, transmission and distribution lines used in the generation and distribution of such power, shall be considered to be machinery, equipment, tools, supplies and buildings used in the mining, quarrying, or production of taconite and taconite concentrates or direct reduced ore within the meaning of this section. If part of the power generated in such a plant is used for purposes other than the mining or concentration of taconite or direct reduced ore or the transportation or loading of taconite or the concentrates thereof or direct reduced ore, a proportionate share of the value of such generating facilities, equal to the proportion that the power used for such other purpose bears to the generating capacity of the plant, shall be subject to the general property tax in the same manner as other property; provided, power generated in such a plant and exchanged for an equivalent amount of power which is used for the mining, transportation, or concentration of such taconite or concentrates or direct reduced ore produced therefrom, shall be considered as used for

such purposes within the meaning of this section. Nothing herein shall prevent the assessment and taxation of the surface of reserve land containing taconite and not occupied by such facilities or used in connection therewith at the value thereof without regard to the taconite or iron sulphides therein, nor the assessment and taxation of merchantable iron ore or other minerals, or iron-bearing materials other than taconite or iron sulphides in such lands in the manner provided by law, nor the assessment and taxation of facilities used in producing sulphur or sulphur products from iron sulphide concentrates, or in refining such sulphur products, under the general property tax laws. Nothing herein shall except from general taxation or from taxation as provided by other laws any property used for residential or townsite purposes, including utility services thereto.

Sec. 5. Minnesota Statutes 1994, section 298.28, subdivision 9a, is amended to read:

Subd. 9a. [TACONITE ECONOMIC DEVELOPMENT FUND.] (a) ~~10.4 cents per ton for distributions in 1993 and~~ 15.4 cents per ton for distributions in 1994, and 1995, and ~~11.3 cents per ton for distributions in~~ 1996 shall be paid to the taconite economic development fund. No distribution shall be made under this paragraph in any year in which total industry production falls below 30 million tons.

(b) An amount equal to 50 percent of the tax under section 298.24 for concentrate sold in the form of pellet chips and fines not exceeding 5/16 inch in size and not including crushed pellets shall be paid to the taconite economic development fund. The amount paid shall not exceed \$700,000 annually for all companies. If the initial amount to be paid to the fund exceeds this amount, each company's payment shall be prorated so the total does not exceed \$700,000.

Sec. 6. Minnesota Statutes 1994, section 298.296, subdivision 4, is amended to read:

Subd. 4. [TEMPORARY LOAN AUTHORITY.] The board may recommend that up to \$10,000,000 from the corpus of the trust may be used for loans as provided in this subdivision. The money would be available for loans for construction and equipping of facilities constituting (1) a value added iron products plant, which may be either a new plant or a facility incorporated into an existing plant that produces iron upgraded to a minimum of 75 percent iron content or any iron alloy with a total minimum metallic content of 90 percent; or (2) a new mine or minerals processing plant for any mineral subject to the net proceeds tax imposed under section 298.015. A loan under this subdivision may not exceed \$5,000,000 for any facility. The authority to make loans under this subdivision terminates December 31, ~~1995~~ 1997.

Sec. 7. [EFFECTIVE DATE.]

This article is effective for production years beginning after December 31, 1994.

ARTICLE 8

JUDGMENT BONDS

Section 1. [16A.67] [JUDGMENT BONDS.]

Subdivision 1. [AUTHORIZATION.] The commissioner of finance, upon request of the governor, is authorized to sell and issue state bonds to fund the judgment rendered against the state by the Minnesota supreme court in Cambridge State Bank et al. v. James, 514 N.W. 2d 565, on April 1, 1994, and interest accrued thereon to fund any bond reserve determined to be necessary, and to pay costs of issuance of the bonds. The proceeds of the bonds are appropriated for these purposes. The principal amount of the bonds shall not exceed \$400,000,000. The bonds shall be sold and issued upon such terms and in such manner as the commissioner shall determine to be in the best interests of the state. The final maturity of the bonds shall be not later than June 30, 2005.

Subd. 2. [SECURITY; BONDS NOT PUBLIC DEBT.] The bonds and the interest thereon shall be payable solely from and secured by the revenues appropriated to the debt service fund established for this purpose in subdivision 3 and investment income thereon, and any bond reserve established for the bonds. The bonds are not public debt, and the full faith, credit, and taxing powers of the state are not pledged for their payment. The bonds and the interest thereon shall not be paid, directly or indirectly, in whole or in part, from a tax of statewide application on any class of property, income, transaction, or privilege.

Subd. 3. [DEBT SERVICE FUND.] There is established in the state treasury a separate and special debt service fund. There shall be credited to the fund net proceeds of the lottery in accordance with section 349A.10, subdivision 5, money received for payment or reimbursement of health care costs in accordance with section 246.18, subdivision 7, and investment income thereon. Money appropriated to the fund and investment income thereon on hand or required to be credited to the fund shall be used and are irrevocably appropriated for the payment of the principal of and interest on the bonds when due.

Subd. 4. [COVENANTS; AGREEMENTS.] The commissioner may, for and on behalf of the state, enter into such covenants and agreements not inconsistent with subdivisions 1 to 3 and sections 246.18, subdivisions 4 and 6; and 349A.10, subdivision 5, as may be necessary or desirable to facilitate the sale and issuance of the bonds on terms favorable to the state, including, but not limited to, covenants and agreements relating to the payment of and security for the bonds, tax-exemption, and disclosure of information required by federal and state securities laws. Such covenants may include covenants to continue to operate the state lottery and to continue to seek payment by and reimbursement from nonstate sources of health care costs so long as any bonds issued pursuant to this section are outstanding. The provisions of sections 16A.672 and 16A.675 are applicable to the bonds.

Subd. 5. [LIMITATION ON USE OF GENERAL FUND.] The amount of the refund, including accrued interest, to be paid on the judgment in fiscal year 1996 from the general fund not including the proceeds of these bonds shall not exceed \$66,000,000.

Sec. 2. Minnesota Statutes 1994, section 246.18, subdivision 4, is amended to read:

Subd. 4. [COLLECTIONS DEPOSITED IN THE GENERAL FUND.] Except as provided in subdivisions 2 and 5, 6, and 7, all receipts from collection efforts for the regional treatment centers, state nursing homes, and other state facilities as defined in section 246.50, subdivision 3, must be deposited in the general fund. The commissioner shall ensure that the departmental financial reporting systems and internal accounting procedures comply with federal standards for reimbursement for program and administrative expenditures and fulfill the purpose of this paragraph.

Sec. 3. Minnesota Statutes 1994, section 246.18, is amended by adding a subdivision to read:

Subd. 6. [COLLECTIONS DEDICATED.] Except for state-operated programs and services funded through a direct appropriation from the legislature, money received within the regional treatment center system for the following state-operated services is dedicated to the commissioner for the provision of those services:

(1) community-based residential and day training and habilitation services for mentally retarded persons;

(2) community health clinic services;

(3) accredited hospital outpatient department services;

(4) certified rehabilitation agency and rehabilitation hospital services; or

(5) community-based transitional support services for adults with serious and persistent mental illness.

This money must be deposited in the state treasury in a revolving account and money in the revolving account is appropriated to the commissioner to operate the services authorized. Any unexpended balances do not cancel but are available until spent.

Sec. 4. Minnesota Statutes 1994, section 246.18, is amended by adding a subdivision to read:

Subd. 7. [USE OF CERTAIN REIMBURSEMENT FUNDS.] Except as provided in subdivisions 2, 5, and 6, and unless otherwise required by federal law, during any period in which bonds are issued and outstanding under section 16A.67, all money received from the federal government or other nonstate source for payment or reimbursement of health care costs incurred at regional treatment centers, state nursing homes, and other state facilities as defined in section

246.50, subdivision 3, must be credited to a separate and special fund in the state treasury. Money credited to the special fund must be credited to the debt service fund established in section 16A.67 at the times and in the amounts determined by order of the commissioner of finance to be necessary to provide for the payment and security of bonds issued pursuant to section 16A.67. On or after the tenth day of each month, any money in the special fund not required to be credited to the debt service fund must be credited to the general fund.

Sec. 5. Minnesota Statutes 1994, section 349A.10, subdivision 5, is amended to read:

Subd. 5. [DEPOSIT OF NET PROCEEDS.] Within 30 days after the end of each month, the director shall deposit in the state treasury the net proceeds of the lottery, which is the balance in the lottery fund after transfers to the lottery prize fund and credits to the lottery operations account. Of the net proceeds, (1) 40 percent must be credited to the Minnesota environment and natural resources trust fund, (2) an amount determined by order of the commissioner of finance to be necessary to provide for the payment and security of bonds issued pursuant to section 16A.67 must be credited to the debt service fund established in section 16A.67, and (3) the remainder must be credited to the general fund.

Sec. 6. [EFFECTIVE DATE.]

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

ARTICLE 9

BUDGET RESERVE

Section 1. Minnesota Statutes 1994, section 16A.152, subdivision 1, is amended to read:

Subdivision 1. [BUDGET RESERVE AND CASH FLOW ACCOUNT ESTABLISHED.] (a) A budget reserve and cash flow account is created in the general fund in the state treasury. The commissioner of finance shall restrict part or all of the balance before reserves in the general fund as may be necessary to fund the budget reserve and cash flow account as provided by law from time to time.

(b) The commissioner of finance shall transfer the amount necessary to bring the total amount of the budget reserve and cash flow account, including any existing balance in the account on ~~June 30, 1993~~ July 1, 1995, to ~~\$360,000,000~~ \$350,000,000. The amounts restricted shall remain in the account until drawn down under subdivision 1 or increased under subdivision 2.

ARTICLE 10

MISCELLANEOUS

Section 1. Minnesota Statutes 1994, section 60A.15, subdivision 1, is amended to read:

Subdivision 1. [DOMESTIC AND FOREIGN COMPANIES.] (a) On or before April 1, June 1, and December 1 of each year, every domestic and foreign company, including town and farmers' mutual insurance companies, domestic mutual insurance companies, marine insurance companies, health maintenance organizations, integrated service networks, community integrated service networks, and nonprofit health service plan 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 paragraphs ~~(b) and (e)~~ (d) and (e), installments must be based on a sum equal to two percent of the premiums described in paragraph ~~(e)~~ (b).

~~(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 (e):~~

- ~~(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.~~

~~(e) Installments under paragraph (a), ~~(b), or, (e)~~ (d), 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.~~

(d) (c) 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) (d) For health maintenance organizations, nonprofit health services plan corporations, integrated service networks, and community integrated service networks, the installments must be based on an amount equal to one percent of premiums described in paragraph (e) (b) that are paid after December 31, 1995.

(e) For insurance other than fire, lightning, sprinkler leakage and extended coverage insurance and automobile insurance written by 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 one-half of one percent of the percentages of the premiums described in paragraph (b).

(f) Premiums under medical assistance, the MinnesotaCare program, and the Minnesota comprehensive health insurance plan are not subject to tax under this section.

Sec. 2. Minnesota Statutes 1994, section 69.021, subdivision 2, is amended to read:

Subd. 2. [REPORT OF PREMIUMS.] Each insurer, including township and farmers mutual insurers where applicable, shall return to the commissioner with its annual financial statement the reports described in subdivision 1 certified by its secretary and president or chief financial officer. The Minnesota Firetown Premium Report shall contain a true and accurate statement of the total premium for all gross direct fire, lightning, sprinkler leakage, and extended coverage insurance of all domestic mutual insurers and the total premiums for all gross direct fire, lightning, sprinkler leakage and extended coverage insurance of all other insurers, less return premiums and dividends received by them on that business written or done during the preceding calendar year upon property located within the state or brought into the state for temporary use. The fire and extended coverage portion of multiperil and multiple peril package premiums and all other combination premiums shall be determined by applying percentages determined by the commissioner or by rating bureaus recognized by the commissioner. The Minnesota Aid to Police Premium Report shall contain a true and accurate statement of the total premiums, less return premiums and dividends, on all direct business received by such insurer in this state, or by its agents for it, in cash or otherwise, during the preceding calendar year, with reference to insurance written for perils described in section 69.011, subdivision 1, clause (f), ~~except that domestic mutual insurance companies must not file a report.~~

Sec. 3. Minnesota Statutes 1994, section 270A.08, subdivision 1, is amended to read:

Subdivision 1. [NOTICE TO DEBTOR.] Not later than five days after the claimant agency has sent notification to the department pursuant to section 270A.07, subdivision 1, the claimant agency shall send a written notification to the debtor asserting the right of the claimant agency to the refund or any part thereof. If the debt, other than a debt based on child support under section 518.17 or medical support under section 518.171, is not satisfied by the debtor or decertified by the claimant agency, the claimant agency shall provide written notification to the debtor on an annual basis. If the notice is returned to the claimant agency as undeliverable, or the claimant agency has reason to believe the debtor did not receive the notice, the claimant agency shall obtain the current address of the debtor from the commissioner and resend the corrected notice.

Sec. 4. [410.325] [TAX ANTICIPATION CERTIFICATES.]

Notwithstanding a contrary provision of other law or charter, a home rule charter city may issue tax anticipation certificates in the manner and subject to the limitations applicable to statutory cities under section 412.261. The certificates may also be issued in anticipation of federal and state aids, but the total amount of certificates issued against any fund for any year with interest on them must not exceed any limits in the charter relating to the total of the anticipated tax levy and the anticipated state aids for any fund not yet collected or received.

Sec. 5. Minnesota Statutes 1994, section 465.798, is amended to read:

465.798 [SERVICE BUDGET MANAGEMENT MODEL GRANTS.]

One or more local units of governments, an association of local governments, the metropolitan council, a local unit of government acting in conjunction with an organization or a state agency, or an organization established by two or more local units of government under a joint powers agreement may apply to the board of government innovation and management for a grant to be used to develop models for innovative service budget management. The application to the board must state what other sources of funding have been considered by the local units of government to implement the project and explain why it is not possible to complete the project without assistance from the board. The board may not award a grant if it determines that the local units of government could complete the project without board assistance. A copy of the application must be provided by the units to the exclusive representatives certified under section 179A.12 to represent employees who provide the service or program affected by the application.

Proposed models may provide options to local governments, neighborhood or community organizations, or individuals for managing budgets for service delivery. A copy of the work product for which the grant was provided must be furnished to the board upon completion, and the board may disseminate it to other local units of government or interested groups. If the board finds that the model was not completed or implemented according to the terms of the grant agreement, it may require the grantee to repay all or a portion of the grant. The board shall award grants on the basis of each qualified applicant's score under the scoring system in section 465.802. The amount of a grant under this section may not exceed \$50,000.

Sec. 6. Minnesota Statutes 1994, section 465.799, is amended to read:

465.799 [COOPERATION PLANNING GRANTS.]

Two or more local government units; an association of local governments; a local unit of government acting in conjunction with the metropolitan council, an organization, or a state agency; or an organization formed by two or more local units of government under a joint powers agreement may apply to the board of government innovation and cooperation for a grant to be used to develop a plan for intergovernmental cooperation in providing services. The application to the board must state what other sources of funding have been considered by the local units of government to implement the project and explain why it is not possible to complete the project without assistance from the board. The board may not award a grant if it determines that the local units of government could complete the project without board assistance. A copy of the application must be submitted by the applicants to the exclusive representatives certified under section 179A.12 to represent employees who provide the service or program affected by the application.

The plan may include model contracts or agreements to be used to implement the plan. A copy of the work product for which the grant was provided must be furnished to the board upon completion, and the board may disseminate it to other local units of government or interested groups. If the board finds that the grantee has failed to implement the plan according to the terms of the agreement, it may require the grantee to repay all or a portion of the grant. The board shall award grants on the basis of each qualified applicant's score under the scoring system in section 465.802. The amount of a grant under this section may not exceed \$50,000.

Sec. 7. Minnesota Statutes 1994, section 465.801, is amended to read:

465.801 [SERVICE SHARING GRANTS.]

Two or more local units of government; an association of local governments; a local unit of government acting in conjunction with the metropolitan council, an organization, or a state agency; or an organization established by two or more local units of government under a joint powers agreement may apply to the board of government innovation and cooperation for a grant to be used to meet the start-up costs of providing shared services or functions. Agreements solely to make joint purchases are not sufficient to qualify under this section. The application to the board must state what other sources of funding have been considered by the local units of government to implement the project and explain why it is not possible to complete the project without assistance from the board. The board may not award a grant if it determines that the local units of government could complete the project without board assistance. A copy of the application must

be provided by the applicants to the exclusive representatives certified under section 179A.12 to represent employees who provide the service or program affected by the application.

The proposal must include plans fully to integrate a service or function provided by two or more local government units. A copy of the work product for which the grant was provided must be furnished to the board upon completion, and the board may disseminate it to other local units of government or interested groups. If the board finds that the grantee has failed to implement the plan according to the terms of the agreement, it may require the grantee to repay all or a portion of the grant. The board shall award grants on the basis of each qualified applicant's score under the scoring system in section 465.802. The amount of a grant under this section may not exceed \$100,000.

Sec. 8. Minnesota Statutes 1994, section 465.81, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] Sections 465.81 to 465.87 establish procedures to be used by counties, cities, or towns that adopt by resolution an agreement providing a plan to provide combined services during an initial ~~two-year~~ cooperation period that may not exceed two years and then to merge into a single unit of government over the succeeding two-year period.

Sec. 9. Minnesota Statutes 1994, section 465.82, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF PLAN.] The plan shall ~~shall~~ must state:

(1) the specific cooperative activities the units will engage in during the first two years of the venture;

(2) the steps to be taken to effect the merger of the governmental units, ~~beginning in the third year of the process~~, with completion no later than four years after the process begins;

(3) the steps by which a single governing body will be created. ~~Notwithstanding any other law to the contrary, all current members of the governing bodies of the local government units that propose to combine under sections 465.81 to 465.87 may serve on the initial governing body of the combined unit, until a gradual reduction in membership is achieved by foregoing election of new members when terms expire until the number permitted by other law is reached;~~

(4) changes in services provided, facilities used, administrative operations and staffing to effect the preliminary cooperative activities and the final merger and a two-, five-, and ten-year projection of expenditures for each unit if it combined and if it remained separate;

(5) treatment of employees of the merging governmental units, specifically including provisions for reassigning employees, dealing with unions, and providing financial incentives to encourage early retirements;

(6) financial arrangements for the merger, specifically including responsibility for debt service on outstanding obligations of the merging entities;

(7) ~~two, five, and ten year projections prepared by the department of revenue at the request of the local government unit, of revenues, expenditures, and property taxes for each unit if it combined and if it remained separate; one- and two-year impact analysis, prepared by the granting state agency at the request of the local government unit, of major state aid revenues received for each unit if it combined and if it remained separate. This would also include an impact analysis, prepared by the department of revenue, of property tax revenue implications, if any, associated with tax increment financing districts and fiscal disparities resulting from the merger;~~

(8) procedures for a referendum to be held ~~prior to the year of~~ before the proposed combination to approve combining the local government units, specifically stating whether a majority of those voting in each district proposed for combination or a majority of those voting on the question in the entire area proposed for combination would be needed to pass the referendum; and

(9) a time schedule for implementation.

Notwithstanding clause (3) or any other law to the contrary, all current members of the governing bodies of the local governmental units that propose to combine under sections 465.81 to

465.87 may serve on the initial governing body of the combined unit until a gradual reduction in membership is achieved by foregoing election of new members when terms expire until the number permitted by other law is reached.

Sec. 10. Minnesota Statutes 1994, section 465.84, is amended to read:

465.84 [REFERENDUM.]

During the first or second year of cooperation, and after approval of the plan by the ~~department~~ board under section 465.83, a referendum on the question of combination ~~shall~~ must be conducted. The referendum ~~shall~~ must be on a date called by the governing bodies of the units that propose to combine. The referendum ~~shall~~ must be conducted 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 year. If the referendum fails again, the same question may not be submitted. Referendums shall be conducted on the same date in all local government units.

Sec. 11. Minnesota Statutes 1994, section 465.85, is amended to read:

465.85 [COUNTY AUDITOR TO PREPARE PLAT.]

Upon the request of two or more local government units that have adopted a resolution to cooperate and combine, the county auditor shall prepare a plat. If the proposed combined local government unit is located in more than one county, the request ~~shall~~ must be submitted to the county auditor of the county that has the greatest land area in the proposed district. The plat must show:

- (1) the boundaries of each of the present units;
- (2) the boundaries of the proposed unit;
- (3) the boundaries of proposed election districts, if requested; and
- (4) other information deemed pertinent by the governing bodies or the county auditor.

Sec. 12. Minnesota Statutes 1994, section 465.87, is amended to read:

465.87 [AIDS TO COOPERATING AND COMBINING UNITS.]

Subdivision 1. [ELIGIBILITY.] A local government unit is eligible to apply for aid under this section if the board has approved its plan to cooperate and combine under section 465.83.

Subd. 1a. [ADDITIONAL ELIGIBILITY.] A local government unit is eligible to apply for aid under this section if it has combined with another unit of government in accordance with any process within chapter 414 that results in the elimination of at least one local government unit and a copy of the municipal board's order combining the two units of government is forwarded to the board. If two units of government cooperate in the orderly annexation of the entire area of a third unit of government that has a population of at least 8,000, the two units of government are each eligible for the amount of aid specified in subdivision 2.

Subd. 1b. [APPLICATION PROCEDURES.] A local government unit covered by subdivision 1 may submit an application to the board along with the final plan for cooperation and combination required by section 465.83. A local government unit covered by subdivision 1a may submit an application to the board after the issuance of the municipal board's order combining the two units of government. The application must be on a form prescribed by the board and must specify the total amount of aid requested up to the maximum authorized by subdivision 2. The application must also include a detailed explanation of the need for the aid and provide a budget indicating how the requested aid would be used.

Subd. 1c. [AID AWARD.] The board may grant or deny an application for aid made by a local government under subdivision 1b. The board may also grant aid to an applicant in an amount that is less than the amount requested by the applicant. The board shall base its decision on the following criteria:

- (1) whether the local government unit has adequately demonstrated that the requested aid is essential to accomplishing the proposed combination;

(2) whether the activities to be funded by the requested aid are directly related to the combination;

(3) whether other sources of funding for the activities identified in the application, including short-term cost savings, are available to the applicant as a direct result of the combination; and

(4) whether there are competing needs for the funding available to the board that would provide a greater public benefit than would be realized by the combination or activities described in the application.

The board may award money to an applicant for a period not to exceed four years. Any funding awarded for a period beyond the biennium in which an award is made, however, is contingent on future appropriations to the board.

Subd. 2. [AMOUNT OF AID.] The annual amount of aid to be paid to each eligible local government unit is equal to may not exceed the following per capita amounts, based on the combined population of the units, not to exceed \$100,000 per year for any unit as estimated by the state demographer, or \$100,000, whichever is less.

Combined Population after Combination	Aid Per Capita
0 - 2,500	\$25
2,500 - 5,000	20
5,000 - 20,000	15
over 20,000	10

Payments shall must be made on the dates provided for payments of local government aid under section 477A.013, beginning in the year during which a combination in any form is expected to be ordered by the municipal board as evidenced in resolutions adopted by July 1 by the affected local government units declaring their intent to combine, or during which substantial cooperative activities under the plan initially occur, unless those activities begin after July 1, in which case the initial aid payment shall must be made in the following calendar year. Payments to a local government unit that qualifies for aid pursuant to subdivision 1a must be made on the dates provided for payments of local government aids under section 477A.013, beginning in the calendar year during which a combination in any form is expected to be ordered by the Minnesota municipal board as evidenced in a resolution adopted by July 1 by the affected local government units declaring their intent to combine. The resolutions must certify that the combination agreement addressing all issues relative to the combination is substantially complete. The total amount of aid paid may not exceed the amount appropriated to the board for purposes of this section.

Subd. 3. [TERMINATION OF AID; RECAPTURE.] If a second referendum under section 465.84 fails, or if an initial referendum fails and the governing body does not schedule a second referendum within one year after the first has failed, or if one or more of the local government units that proposed to combine terminates its participation in the cooperation or combination, no additional aid will may be paid under this section. The amount previously paid under this section to a unit must be repaid if the governing body of the unit acts to terminate its current level of participation in the plan. The amount previously paid to the unit must be repaid in annual installments equal to the total amount paid to the unit for all years under ~~subdivision~~ subdivisions 1c and 2, divided by the number of years when payments were made.

Sec. 13. [465.88] [CONSOLIDATION STUDY GRANTS.]

A local unit of government with a population no greater than 2,500 involved in a consolidation proceeding initiated by the municipal board on its own motion under section 414.041, subdivision 1, may apply to the board for a grant under this section. The grant may not exceed \$20,000. A grant under this section must be used to cover costs associated with the consolidation proceeding.

Sec. 14. [APPROPRIATION.]

\$2,000,000 is appropriated from the general fund to the board of government innovation and cooperation, \$1,000,000 to be available for the fiscal year ending June 30, 1996, and \$1,000,000 to be available for the fiscal year ending June 30, 1997. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 15. [EFFECTIVE DATE.]

Sections 1 and 2 are effective retroactively to January 1, 1995.

Section 4 is effective the day following final enactment.

ARTICLE 11

DEPARTMENT INCOME BUSINESS TAXES

Section 1. Minnesota Statutes 1994, section 289A.18, subdivision 2, is amended to read:

Subd. 2. [WITHHOLDING RETURNS, ENTERTAINER WITHHOLDING RETURNS, RETURNS FOR WITHHOLDING FROM PAYMENTS TO OUT-OF-STATE CONTRACTORS, AND WITHHOLDING RETURNS FROM PARTNERSHIPS AND S CORPORATIONS.] Withholding returns are due on or before the last day of the month following the close of the quarterly period. However, if the return shows timely deposits in full payment of the taxes due for that period, the ~~return~~ returns for the first, second, and third quarters may be filed on or before the tenth day of the second calendar month following the period and the return for the fourth quarter may be filed on or before the 28th day of the second calendar month following the period. An employer, in preparing a quarterly return, may take credit for monthly deposits previously made for that quarter. Entertainer withholding tax returns are due within 30 days after each performance. Returns for withholding from payments to out-of-state contractors are due within 30 days after the payment to the contractor. Returns for withholding by partnerships are due on or before the due date specified for filing partnership returns. Returns for withholding by S corporations are due on or before the due date specified for filing corporate franchise tax returns.

Sec. 2. Minnesota Statutes 1994, section 289A.20, subdivision 2, is amended to read:

Subd. 2. [WITHHOLDING FROM WAGES, ENTERTAINER WITHHOLDING, WITHHOLDING FROM PAYMENTS TO OUT-OF-STATE CONTRACTORS, AND WITHHOLDING BY PARTNERSHIPS AND SMALL BUSINESS CORPORATIONS.] (a) A tax required to be deducted and withheld during the quarterly period must be paid on or before the last day of the month following the close of the quarterly period, unless an earlier time for payment is provided. A tax required to be deducted and withheld from compensation of an entertainer and from a payment to an out-of-state contractor must be paid on or before the date the return for such tax must be filed under section 289A.18, subdivision 2. Taxes required to be deducted and withheld by partnerships and S corporations must be paid on or before the date the return must be filed under section 289A.18, subdivision 2.

(b) An employer who, during the previous quarter, withheld more than ~~\$500~~ \$1,500 of tax under section 290.92, subdivision 2a or 3, or 290.923, subdivision 2, must deposit tax withheld under those sections with the commissioner within the time allowed to deposit the employer's federal withheld employment taxes under Treasury Regulation, section 31.6302-1, without regard to the safe harbor or de minimus rules in subparagraph (f) or the one-day rule in subsection (c), clause (3). Taxpayers must submit a copy of their federal notice of deposit status to the commissioner upon request by the commissioner.

(c) The commissioner may prescribe by rule other return periods or deposit requirements. In prescribing the reporting period, the commissioner may classify payors according to the amount of their tax liability and may adopt an appropriate reporting period for the class that the commissioner judges to be consistent with efficient tax collection. In no event will the duration of the reporting period be more than one year.

(d) If less than the correct amount of tax is paid to the commissioner, proper adjustments with respect to both the tax and the amount to be deducted must be made, without interest, in the manner and at the times the commissioner prescribes. If the underpayment cannot be adjusted, the amount of the underpayment will be assessed and collected in the manner and at the times the commissioner prescribes.

(e) If the aggregate amount of the tax withheld during a fiscal year ending June 30 under section 290.92, subdivision 2a or 3, is equal to or exceeds ~~\$120,000~~ \$50,000, the employer must remit each required deposit 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 deposit is due. If the date the deposit 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 deposit is due.

(f) Providers of payroll services who remit withholding deposits on behalf of 50 or more employers, or on behalf of any employer with aggregate amounts over the threshold in paragraph (e), must remit all deposits by means of a funds transfer as provided in paragraph (e), regardless of the aggregate amount of tax withheld during a fiscal year for all of the employers.

Sec. 3. Minnesota Statutes 1994, section 289A.38, subdivision 7, is amended to read:

Subd. 7. [FEDERAL TAX CHANGES.] If the amount of income, items of tax preference, deductions, or credits for any year of a taxpayer as reported to the Internal Revenue Service is changed or corrected by the commissioner of Internal Revenue or other officer of the United States or other competent authority, or where a renegotiation of a contract or subcontract with the United States results in a change in income, items of tax preference, deductions, or credits, or, in the case of estate tax, where there are adjustments to the taxable estate resulting in a change to the credit for state death taxes, the taxpayer shall report the change or correction or renegotiation results in writing to the commissioner, ~~in the form required by the commissioner.~~ The report must be submitted within 90 180 days after the final determination and must concede the accuracy of the determination or state how it is wrong be in the form of either an amended Minnesota return conceding the accuracy of the federal determination or a letter detailing how the federal determination is incorrect or does not change the Minnesota tax. A taxpayer filing an amended federal tax return must also file a copy of the amended return with the commissioner of revenue within ~~90~~ 180 days after filing the amended return.

Sec. 4. Minnesota Statutes 1994, section 289A.55, subdivision 7, is amended to read:

Subd. 7. [INSTALLMENT PAYMENTS; ESTATE TAX.] Interest must be paid on unpaid installment payments of the tax authorized under section 289A.30, subdivision 2, beginning on the date the tax was due without regard to extensions allowed or extensions elected, at the rate of interest in effect under given in section 270.75, ~~nine months following the date of death.~~

Sec. 5. Minnesota Statutes 1994, section 289A.60, is amended by adding a subdivision to read:

Subd. 24. [PENALTY FOR FAILURE TO NOTIFY OF FEDERAL CHANGE.] If a person fails to report to the commissioner a change or correction of the person's federal return in the manner and time prescribed in section 289A.38, subdivision 7, there must be added to the tax an amount equal to ten percent of the amount of any underpayment of Minnesota tax attributable to the federal change.

Sec. 6. Minnesota Statutes 1994, section 290.01, subdivision 7b, is amended to read:

Subd. 7b. [RESIDENT TRUST.] Resident trust means a trust, except a grantor type trust, ~~which is administered in this state~~ either (1) was created by a will of a decedent who at his or her death was domiciled in this state or (2) is an irrevocable trust, the grantor of which was domiciled in this state at the time the trust became irrevocable. For the purpose of this subdivision, a trust is considered irrevocable to the extent the grantor is not treated as the owner thereof under sections 671 to 678 of the Internal Revenue Code. The term "grantor type trust" means a trust where the income or gains of the trust are taxable to the grantor or others treated as substantial owners under sections 671 to 678 of the Internal Revenue Code.

Sec. 7. Minnesota Statutes 1994, section 290.015, subdivision 1, is amended to read:

Subdivision 1. [GENERAL RULE.] (a) Except as provided in subdivision 3, a person that conducts a trade or business that has a place of business in this state, regularly has employees or independent contractors conducting business activities on its behalf in this state, or owns or leases

real property located in this state or tangible personal property located in this state as defined in section 290.191, subdivision 6, paragraph (e), is subject to the taxes imposed by this chapter.

(b) Except as provided in subdivision 3, a person that conducts a trade or business not described in paragraph (a) is subject to the taxes imposed by this chapter if the trade or business obtains or regularly solicits business from within this state, without regard to physical presence in this state.

(c) For purposes of paragraph (b), business from within this state includes, but is not limited to:

(1) sales of products or services of any kind or nature to customers in this state who receive the product or service in this state;

(2) sales of services which are performed from outside this state but the ~~benefits of which~~ services are consumed received in this state;

(3) transactions with customers in this state that involve intangible property and result in income flowing to the person from within this state as provided in section 290.191;

(4) leases of tangible personal property that is located in this state as defined in section 290.191, subdivision 6, paragraph (e);

(5) sales and leases of real property located in this state; and

(6) if a financial institution, deposits received from customers in this state.

(d) For purposes of paragraph (b), solicitation includes, but is not limited to:

(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 of 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 telegraph, telephone, computer database, cable, optic, microwave, or other communication system.

Sec. 8. Minnesota Statutes, 1994, section 290.067, subdivision 1, as amended by Laws 1995, chapter 1, section 4, is amended to read:

Subdivision 1. [AMOUNT OF CREDIT.] (a) A taxpayer may take as a credit against the tax due from the taxpayer and a spouse, if any, under this chapter an amount equal to the dependent care credit for which the taxpayer is eligible pursuant to the provisions of section 21 of the Internal Revenue Code subject to the limitations provided in subdivision 2 except that in determining whether the child qualified as a dependent, income received as an aid to families with dependent children grant or allowance to or on behalf of the child must not be taken into account in determining whether the child received more than half of the child's support from the taxpayer, and the provisions of section 32(b)(1)(D) of the Internal Revenue Code do not apply.

(b) If a child who ~~is six years of age or less~~ has not attained the age of six years at the close of

the taxable year is cared for at a licensed family day care home operated by the child's parent, the taxpayer is deemed to have paid employment-related expenses. If the child is 16 months old or younger at the close of the taxable year, the amount of expenses deemed to have been paid equals the maximum limit for one qualified individual under section 21(c) and (d) of the Internal Revenue Code. If the child is older than 16 months of age but ~~not older than six years of age~~ has not attained the age of six years at the close of the taxable year, the amount of expenses deemed to have been paid equals the amount the licensee would charge for the care of a child of the same age for the same number of hours of care.

(c) If a married couple:

(1) has a child who has not attained the age of one year at the close of the taxable year;

(2) files a joint tax return for the taxable year; and

(3) does not participate in a dependent care assistance program as defined in section 129 of the Internal Revenue Code, in lieu of the actual employment related expenses paid for that child under paragraph (a) or the deemed amount under paragraph (b), the lesser of (i) the combined earned income of the couple or (ii) \$2,400 will be deemed to be the employment related expense paid for that child. The earned income limitation of section 21(d) of the Internal Revenue Code shall not apply to this deemed amount. These deemed amounts apply regardless of whether any employment-related expenses have been paid.

(d) If the taxpayer is not required and does not file a federal individual income tax return for the tax year, no credit is allowed for any amount paid to any person unless:

(1) the name, address, and taxpayer identification number of the person are included on the return claiming the credit; or

(2) if the person is an organization described in section 501(c)(3) of the Internal Revenue Code and exempt from tax under section 501(a) of the Internal Revenue Code, the name and address of the person are included on the return claiming the credit.

In the case of a failure to provide the information required under the preceding sentence, the preceding sentence does not apply if it is shown that the taxpayer exercised due diligence in attempting to provide the information required.

In the case of a nonresident, part-year resident, or a person who has earned income not subject to tax under this chapter, the credit determined under section 21 of the Internal Revenue Code must be allocated based on the ratio by which the earned income of the claimant and the claimant's spouse from Minnesota sources bears to the total earned income of the claimant and the claimant's spouse.

Sec. 9. Minnesota Statutes 1994, section 290.191, subdivision 1, is amended to read:

Subdivision 1. [GENERAL RULE.] (a) Except as otherwise provided in section 290.17, subdivision 5, the net income from a trade or business carried on partly within and partly without this state must be apportioned to this state as provided in this section.

(b) For purposes of this section, "state" means a state of the United States, the District of Columbia, the commonwealth of Puerto Rico, or any territory or possession of the United States or any foreign country.

Sec. 10. Minnesota Statutes 1994, section 290.191, subdivision 5, is amended to read:

Subd. 5. [DETERMINATION OF SALES FACTOR.] For purposes of this section, the following rules apply in determining the sales factor.

(a) The sales factor includes all sales, gross earnings, or receipts received in the ordinary course of the business, except that the following types of income are not included in the sales factor:

(1) interest;

(2) dividends;

(3) sales of capital assets as defined in section 1221 of the Internal Revenue Code;

(4) sales of property used in the trade or business, except sales of leased property of a type which is regularly sold as well as leased;

(5) sales of debt instruments as defined in section 1275(a)(1) of the Internal Revenue Code or sales of stock; and

(6) royalties, fees, or other like income of a type which qualify for a subtraction from federal taxable income under section 290.01, subdivision 19(d)(11).

(b) Sales of tangible personal property are made within this state if the property is received by a purchaser at a point within this state, and the taxpayer is taxable in this state, regardless of the f.o.b. point, other conditions of the sale, or the ultimate destination of the property.

(c) Tangible personal property delivered to a common or contract carrier or foreign vessel for delivery to a purchaser in another state or nation is a sale in that state or nation, regardless of f.o.b. point or other conditions of the sale.

(d) Notwithstanding paragraphs (b) and (c), when intoxicating liquor, wine, fermented malt beverages, cigarettes, or tobacco products are sold to a purchaser who is licensed by a state or political subdivision to resell this property only within the state of ultimate destination, the sale is made in that state.

(e) Sales made by or through a corporation that is qualified as a domestic international sales corporation under section 992 of the Internal Revenue Code are not considered to have been made within this state.

(f) Sales, rents, royalties, and other income in connection with real property is attributed to the state in which the property is located.

(g) Receipts from the lease or rental of tangible personal property, including finance leases and true leases, must be attributed to this state if the property is located in this state and to other states if the property is not located in this state. Moving property including, but not limited to, motor vehicles, rolling stock, aircraft, vessels, or mobile equipment is located in this state if:

(1) the operation of the property is entirely within this state; or

(2) the operation of the property is in two or more states and the principal base of operations from which the property is sent out is in this state.

(h) Royalties and other income not described in paragraph (a), clause (6), received for the use of or for the privilege of using intangible property, including patents, know-how, formulas, designs, processes, patterns, copyrights, trade names, service names, franchises, licenses, contracts, customer lists, or similar items, must be attributed to the state in which the property is used by the purchaser. If the property is used in more than one state, the royalties or other income must be apportioned to this state pro rata according to the portion of use in this state. If the portion of use in this state cannot be determined, the royalties or other income must be excluded from both the numerator and the denominator. Intangible property is used in this state if the purchaser uses the intangible property or the rights therein in the regular course of its business operations in this state, regardless of the location of the purchaser's customers.

(i) Sales of intangible property are made within the state in which the property is used by the purchaser. If the property is used in more than one state, the sales must be apportioned to this state pro rata according to the portion of use in this state. If the portion of use in this state cannot be determined, the sale must be excluded from both the numerator and the denominator of the sales factor. Intangible property is used in this state if the purchaser used the intangible property in the regular course of its business operations in this state.

(j) Receipts from the performance of services must be attributed to the state in which the benefits of where the services are consumed received. ~~If the benefits are consumed in more than one state, the receipts from those benefits must be apportioned to this state pro rata according to the portion of the benefits consumed in this state. If the extent to which the benefits of services are~~

~~consumed in this state is not readily determinable, the benefits of the~~ For the purposes of this section, receipts from the performance of services provided to a corporation, partnership, or trust may only be attributed to a state where it has a fixed place of doing business. If the state where the services are received is not readily determinable or is a state where the corporation, partnership, or trust receiving the service does not have a fixed place of doing business, the services shall be deemed to be ~~consumed~~ received at the location of the office of the customer from which the services were ordered in the regular course of the customer's trade or business. If the ordering office cannot be determined, the ~~benefits of the services shall be deemed to be consumed~~ received at the office of the customer to which the services are billed.

Sec. 11. Minnesota Statutes 1994, section 290.191, subdivision 6, is amended to read:

Subd. 6. [DETERMINATION OF RECEIPTS FACTOR FOR FINANCIAL INSTITUTIONS.]

(a) For purposes of this section, the rules in this subdivision and ~~subdivisions 7 and subdivision 8~~ apply in determining the receipts factor for financial institutions.

(b) "Receipts" for this purpose means gross income, including net taxable gain on disposition of assets, including securities and money market instruments, when derived from transactions and activities in the regular course of the taxpayer's trade or business.

(c) "Money market instruments" means federal funds sold and securities purchased under agreements to resell, commercial paper, banker's acceptances, and purchased certificates of deposit and similar instruments to the extent that the instruments are reflected as assets under generally accepted accounting principles.

(d) "Securities" means United States Treasury securities, obligations of United States government agencies and corporations, obligations of state and political subdivisions, corporate stock, bonds, and other securities, participations in securities backed by mortgages held by United States or state government agencies, loan-backed securities and similar investments to the extent the investments are reflected as assets under generally accepted accounting principles.

(e) Receipts from the lease or rental of real or tangible personal property, including both finance leases and true leases, must be attributed to this state if the property is located in this state. Tangible personal property that is characteristically moving property, such as motor vehicles, rolling stock, aircraft, vessels, mobile equipment, and the like, is considered to be located in a state if:

(1) the operation of the property is entirely within the state; or

(2) the operation of the property is in two or more states, but the principal base of operations from which the property is sent out is in the state.

(f) Interest income and other receipts from assets in the nature of loans that are secured primarily by real estate or tangible personal property must be attributed to this state if the security property is located in this state under the principles stated in paragraph (e).

(g) Interest income and other receipts from consumer loans not secured by real or tangible personal property that are made to residents of this state, whether at a place of business, by traveling loan officer, by mail, by telephone or other electronic means, must be attributed to this state.

(h) Interest income and other receipts from commercial loans and installment obligations that are unsecured by real or tangible personal property or secured by intangible property must be attributed to this state if the proceeds of the loan are to be applied in this state. If it cannot be determined where the funds are to be applied, the income and receipts are attributed to the state in which the office of the borrower from which the application would be made in the regular course of business is located. If this cannot be determined, the transaction is disregarded in the apportionment formula.

(i) Interest income and other receipts from a participating financial institution's portion of participation and syndication loans must be attributed under paragraphs (e) to (h). A participation loan is an arrangement in which a lender makes a loan to a borrower and then sells, assigns, or otherwise transfers all or a part of the loan to a purchasing financial institution. A syndication loan

is a loan transaction involving multiple financial institutions in which all the lenders are named as parties to the loan documentation, are known to the borrower, and have privity of contract with the borrower.

(j) Interest income and other receipts including service charges from financial institution credit card and travel and entertainment credit card receivables and credit card holders' fees must be attributed to the state to which the card charges and fees are regularly billed.

(k) Merchant discount income derived from financial institution credit card holder transactions with a merchant must be attributed to the state in which the merchant is located. In the case of merchants located within and outside the state, only receipts from merchant discounts attributable to sales made from locations within the state are attributed to this state. It is presumed, subject to rebuttal, that the location of a merchant is the address shown on the invoice submitted by the merchant to the taxpayer.

(l) Receipts from the performance of fiduciary and other services must be attributed to the state in which the benefits of the services are consumed received. ~~If the benefits are consumed in more than one state, the receipts from those benefits must be apportioned to this state pro rata according to the portion of the benefits consumed in this state.~~ For the purposes of this section, services provided to a corporation, partnership, or trust must be attributed to a state where it has a fixed place of doing business. ~~If the extent to which the benefits of state where the services are consumed in this state received is not readily determinable or is a state where the corporation, partnership, or trust does not have a fixed place of doing business, the benefits of the services shall be deemed to be consumed received at the location of the office of the customer from which the services were ordered in the regular course of the customer's trade or business. If the ordering office cannot be determined, the benefits of the services shall be deemed to be consumed received at the office of the customer to which the services are billed.~~

(m) Receipts from the issuance of travelers checks and money orders must be attributed to the state in which the checks and money orders are purchased.

(n) Receipts from investments of a financial institution in securities and from money market instruments must be apportioned to this state based on the ratio that total deposits from this state, its residents, including any business with an office or other place of business in this state, its political subdivisions, agencies, and instrumentalities bear to the total deposits from all states, their residents, their political subdivisions, agencies, and instrumentalities. In the case of an unregulated financial institution subject to this section, these receipts are apportioned to this state based on the ratio that its gross business income, excluding such receipts, earned from sources within this state bears to gross business income, excluding such receipts, earned from sources within all states. For purposes of this subdivision, deposits made by this state, its residents, its political subdivisions, agencies, and instrumentalities must be attributed to this state, whether or not the deposits are accepted or maintained by the taxpayer at locations within this state.

(o) A financial institution's interest in property described in section 290.015, subdivision 3, paragraph (b), is included in the receipts factor in the same manner as assets in the nature of securities or money market instruments are included in paragraph (n).

Sec. 12. Minnesota Statutes 1994, section 290.92, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (1) [WAGES.] For purposes of this section, the term "wages" means the same as that term is defined in section 3401(a) and (f) of the Internal Revenue Code, ~~except wages shall not include agricultural labor as defined in section 3121(g) of the Internal Revenue Code.~~

(2) [PAYROLL PERIOD.] For purposes of this section the term "payroll period" means a period for which a payment of wages is ordinarily made to the employee by the employee's employer, and the term "miscellaneous payroll period" means a payroll period other than a daily, weekly, biweekly, semimonthly, monthly, quarterly, semiannual, or annual payroll period.

(3) [EMPLOYEE.] For purposes of this section the term "employee" means any resident individual performing services for an employer, either within or without, or both within and without the state of Minnesota, and every nonresident individual performing services within the

state of Minnesota, the performance of which services constitute, establish, and determine the relationship between the parties as that of employer and employee. As used in the preceding sentence, the term "employee" includes an officer of a corporation, and an officer, employee, or elected official of the United States, a state, or any political subdivision thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing.

(4) [EMPLOYER.] For purposes of this section the term "employer" means any person, including individuals, fiduciaries, estates, trusts, partnerships, limited liability companies, and corporations transacting business in or deriving any income from sources within the state of Minnesota for whom an individual performs or performed any service, of whatever nature, as the employee of such person, except that if the person for whom the individual performs or performed the services does not have legal control of the payment of the wages for such services, the term "employer," except for purposes of paragraph (1), means the person having legal control of the payment of such wages. As used in the preceding sentence, the term "employer" includes any corporation, individual, estate, trust, or organization which is exempt from taxation under section 290.05 and further includes, but is not limited to, officers of corporations who have legal control, either individually or jointly with another or others, of the payment of the wages.

(5) [NUMBER OF WITHHOLDING EXEMPTIONS CLAIMED.] For purposes of this section, the term "number of withholding exemptions claimed" means the number of withholding exemptions claimed in a withholding exemption certificate in effect under subdivision 5, except that if no such certificate is in effect, the number of withholding exemptions claimed shall be considered to be zero.

Sec. 13. Minnesota Statutes 1994, section 290.9201, subdivision 3, is amended to read:

Subd. 3. [CREDIT AGAINST TAX.] Each calendar year an entertainment entity may take a nonrefundable credit of ~~\$100~~ \$120 against the tax imposed by this section.

Sec. 14. [OMISSIONS FROM INHERITANCE OR ESTATE TAX RETURN.]

Effective for decedents dying before August 1, 1990, the provisions of Minnesota Statutes, section 289A.38, subdivision 6, apply to assets omitted from an inheritance tax return or estate tax return rather than the provisions of Minnesota Statutes 1988, section 291.11, subdivision 1, clause (2)(c).

Sec. 15. [EFFECTIVE DATE.]

Section 1 is effective for returns due after December 31, 1995. Section 2 as it relates to quarterly withholding deposits is effective for withholding done after December 31, 1995, and the remainder of section 2 is effective for payments due after December 31, 1995. Sections 3 and 5 are effective for federal determinations after December 31, 1995. Section 4 is effective for estates of decedents dying after the date of final enactment. Section 6 is effective for deaths after December 31, 1995, and trusts that become irrevocable after December 31, 1995. Sections 7 to 11 are effective for tax years beginning after December 31, 1995. Section 12 is effective for wages paid after December 31, 1995. Section 13 is effective for tax years beginning after December 31, 1994.

ARTICLE 12

DEPARTMENT PROPERTY TAX AND PROPERTY TAX REFUNDS

Section 1. Minnesota Statutes 1994, section 168.012, subdivision 9, is amended to read:

Subd. 9. [MANUFACTURED HOMES.] Manufactured homes shall not be taxed as motor vehicles using the public streets and highways and shall be exempt from the motor vehicle tax provisions of this chapter. Except as provided in section 273.125, manufactured homes shall be taxed as personal property. The provisions of Minnesota Statutes 1957, section 272.02 or any other act providing for tax exemption shall be inapplicable to manufactured homes, except such manufactured homes as are held by a licensed dealer and exempted as inventory. Travel trailers not conspicuously displaying current registration plates on the property tax assessment date shall be taxed as manufactured homes if occupied as human dwelling places. ~~Park trailers not used on the highway during any calendar year~~ must be taxed as manufactured homes if occupied as human dwelling places, and in addition, park trailers used on the highway during any calendar year must be taxed under section 168.013, subdivision 1j.

Sec. 2. Minnesota Statutes 1994, 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.

Property of a trustee, beneficiary, or grantor of a trust is not disqualified from receiving homestead benefits if the homestead requirements under this chapter are satisfied.

The assessor shall require proof, 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. Notwithstanding any other law to the contrary, the department of revenue may, upon request from an assessor, verify whether an individual who is requesting or receiving homestead classification has filed a Minnesota income tax return as a resident for the most recent taxable year for which the information is available.

When there is a name change or a transfer of homestead property, the assessor may reclassify the property in the next assessment unless a homestead application is filed to verify that the property continues to qualify for homestead classification.

(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) 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, 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 four 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, except as provided in paragraph (d).

(d) Agricultural property that is occupied and used for purposes of a homestead by a relative of the owner, is a homestead, only to the extent of the homestead treatment that would be provided if the related owner occupied the property, and only if all of the following criteria are met:

(1) the relative who is occupying the agricultural property is a son, daughter, father, or mother of the owner of the agricultural property or a son or daughter of the spouse of the owner of the agricultural property,

(2) the owner of the agricultural property must be a Minnesota resident,

(3) the owner of the agricultural property must not receive homestead treatment on any other agricultural property in Minnesota, and

(4) the owner of the agricultural property is limited to only one agricultural homestead per family under this paragraph.

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 qualifying under this paragraph. For purposes of this paragraph, "agricultural property" means the house, garage, other farm buildings and structures, and agricultural land.

Application must be made to the assessor by the owner of the agricultural property to receive homestead benefits under this paragraph. The assessor may require the necessary proof that the requirements under this paragraph have been met.

(e) In the case of property owned by a property owner who is married, the assessor must not deny homestead treatment in whole or in part if only one of the spouses occupies the property and the other spouse is absent due to: (1) marriage dissolution proceedings, (2) legal separation, (3) employment or self-employment in another location as provided under subdivision 13, or (4) residence in a nursing home or boarding care facility.

Sec. 3. Minnesota Statutes 1994, section 273.124, subdivision 3, is amended to read:

Subd. 3. [COOPERATIVES AND CHARITABLE CORPORATIONS.] When one or more dwellings, or one or more buildings which each contain several dwelling units, are owned by a corporation or association organized under chapter 308A, and each person who owns a share or shares in the corporation or association is entitled to occupy a dwelling, or dwelling unit in the building, the corporation or association may claim homestead treatment for each dwelling, or for each unit in case of a building containing several dwelling units, for the dwelling or for the part of the value of the building occupied by a shareholder. Each dwelling or unit must be designated by legal description or number, and the net tax capacity of each dwelling that qualifies for assessment under this subdivision must include not more than one-half acre of land, if platted, nor more than 80 acres if unplatted. The net tax capacity of the building or buildings containing several dwelling units is the sum of the net tax capacities of each of the respective units comprising the building. To qualify for the treatment provided by this subdivision, the corporation or association must be wholly owned by persons having a right to occupy a dwelling or dwelling unit owned by the corporation or association. A charitable corporation organized under the laws of Minnesota and not otherwise exempt thereunder with no outstanding stock qualifies for homestead treatment with respect to member residents of the dwelling units who have purchased and hold residential participation warrants entitling them to occupy the units.

When dwelling units no longer qualify under this subdivision, the current owner must notify the assessor within 60 days. Failure to notify the assessor within 60 days shall result in the loss of benefits under this subdivision for taxes payable in the year that the failure is discovered. For these purposes, "benefits under this subdivision" means the difference in the net tax capacity of the units which no longer qualify as computed under this subdivision and as computed under the otherwise applicable law, times the local tax rate applicable to the building for that taxes payable year. Upon discovery of a failure to notify, the assessor shall inform the auditor of the difference in net tax capacity for the building or buildings in which units no longer qualify, and the auditor shall calculate the benefits under this subdivision. Such amount, plus a penalty equal to 100 percent of that amount, shall then be demanded of the building's owner. The property owner may appeal the county's determination by serving copies of a petition for review with county officials as provided in section 278.01 and filing a proof of service as provided in section 278.01 with the Minnesota tax court within 60 days of the date of the notice from the county. The appeal shall be governed by the tax court procedures provided in chapter 271, for cases relating to the tax laws as defined in section 271.01, subdivision 5; disregarding sections 273.125, subdivision 5, and 278.03, but including section 278.05, subdivision 2. If the amount of the benefits under this subdivision and penalty are not paid within 60 days, and if no appeal has been filed, the county auditor shall certify the amount of the benefit and penalty to the succeeding year's tax list to be collected as part of the property taxes on the affected buildings.

Sec. 4. Minnesota Statutes 1994, section 273.124, subdivision 6, is amended to read:

Subd. 6. [LEASEHOLD COOPERATIVES.] When one or more dwellings or one or more buildings which each contain several dwelling units is owned by a nonprofit corporation subject to

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

When dwelling units no longer qualify under this subdivision, the current owner must notify the assessor within 60 days. Failure to notify the assessor within 60 days shall result in the loss of benefits under this subdivision for taxes payable in the year that the failure is discovered. For these purposes, "benefits under this subdivision" means the difference in the net tax capacity of the units which no longer qualify as computed under this subdivision and as computed under the otherwise applicable law, times the local tax rate applicable to the building for that taxes payable year. Upon discovery of a failure to notify, the assessor shall inform the auditor of the difference in net tax capacity for the building or buildings in which units no longer qualify, and the auditor shall calculate the benefits under this subdivision. Such amount, plus a penalty equal to 100 percent of that amount, shall then be demanded of the building's owner. The property owner may appeal the county's determination by serving copies of a petition for review with county officials as provided in section 278.01 and filing a proof of service as provided in section 278.01 with the Minnesota tax court within 60 days of the date of the notice from the county. The appeal shall be governed by the tax court procedures provided in chapter 271, for cases relating to the tax laws as defined in section 271.01, subdivision 5; disregarding sections 273.125, subdivision 5, and 278.03, but including section 278.05, subdivision 2. If the amount of the benefits under this subdivision and penalty are not paid within 60 days, and if no appeal has been filed, the county auditor shall certify the amount of the benefit and penalty to the succeeding year's tax list to be collected as part of the property taxes on the affected buildings.

Sec. 5. Minnesota Statutes 1994, section 273.124, subdivision 11, is amended to read:

Subd. 11. [LIMITATION ON HOMESTEAD CLASSIFICATION.] If the assessor has classified a property as both homestead and nonhomestead, the greater of the value attributable to the portion of the property classified as class 1 or class 2a or the value of the first tier of net class rates provided under section 273.13, subdivision 22, or 23, paragraph (a), is entitled to assessment as a homestead under section 273.13, subdivision 22 or 23. The limitation in this subdivision does not apply to buildings containing fewer than four residential units or to a single rented or leased dwelling unit located within or attached to a private garage or similar structure owned by the owner of a homestead and located on the premises of that homestead.

If the assessor has classified a property as both homestead and nonhomestead, ~~the homestead credit provided in section 273.13, subdivisions 22 and 23, and~~ the reductions in tax provided under sections 273.135 and 273.1391 apply to the value of both the homestead and the nonhomestead portions of the property.

Sec. 6. Minnesota Statutes 1994, section 273.124, subdivision 13, is amended to read:

Subd. 13. [HOMESTEAD APPLICATION.] (a) A person who meets the homestead requirements under subdivision 1 must file a homestead application with the county assessor to initially obtain homestead classification.

(b) 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 who occupy the property or by the qualifying relative 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.

(c) Every property owner applying for homestead classification must furnish to the county assessor the social security number of each occupant who is listed as an owner of the property on the deed of record, the name and address of each owner who does not occupy the property, and the name and social security number of each owner's spouse who occupies the property. The application must be signed by each owner who occupies the property and by each owner's spouse who occupies the property, or, in the case of property that qualifies as a homestead under subdivision 1, paragraph (c), by the qualifying relative.

If a property owner occupies a homestead, the property owner's spouse may not claim another property as a homestead unless the property owner and the property owner's spouse file with the assessor an affidavit or other proof required by the assessor stating that the property owner's spouse does not occupy the homestead because marriage dissolution proceedings are pending, the spouses are legally separated, or the spouse's employment or self-employment location requires the spouse to have a separate homestead. The assessor may require proof of employment or self-employment and employment or self-employment location, or proof of dissolution proceedings or legal separation.

If the social security number or affidavit or other proof is not provided, the county assessor shall classify the property as nonhomestead.

The social security numbers or affidavits or other proofs of the property owners and spouses 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, or, for purposes of proceeding under the revenue recapture act to recover personal property taxes owing, to the county treasurer.

(d) 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 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 who is related to an occupant 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 social security number of a relative occupying the property is private data on individuals as defined by section 13.02, subdivision 12, but may be disclosed to the commissioner of revenue.

(e) 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, or any assessment year thereafter, 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 assessor within 30 days that the property has been sold, or transferred if no certificate of real estate value is filed under section 272.115, 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.

(f) If the 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. Beginning with assessment year 1993 for all properties, 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.

(g) 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 and the property owner's spouse occupying the property, or relative of a property owner, applying for homestead classification under this subdivision. The commissioner shall use the information provided on the lists as appropriate under the law, including for the detection of improper claims by owners, or relatives of owners, under chapter 290A.

(h) 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 persons who owned the affected property at the time the application related to the improperly allowed homestead was submitted, 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 serving copies of a petition for review with county officials as provided in section 278.01 and filing a proof of service as provided in section 278.01 with the Minnesota tax court within 60 days of the date of the notice from the county. The appeal shall be governed by the tax court procedures provided in chapter 271, for cases relating to the tax laws as defined in section 271.01, subdivision 5; disregarding sections 273.125, subdivision 5, and 278.03, but including section 278.05, subdivision 2. 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. In the case of a manufactured home, the amount shall be certified to the current year's tax list for collection treasurer. The treasurer shall assess interest to the total of the homestead benefits and penalty according to the provisions of section 277.17, and shall have the powers enumerated in sections 277.20 and 277.21 to enforce payment of the benefits, penalty, interest, and costs as a delinquent personal property tax obligation of the owner of the affected property at the time the application related to the improperly allowed homestead was submitted.

(i) 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.

(j) 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.

(k) In addition to lists of homestead properties, the commissioner may ask the counties to furnish lists of all properties and the record owners.

Sec. 7. Minnesota Statutes 1994, section 274.14, is amended to read:

274.14 [LENGTH OF SESSION; RECORD.]

The county board of equalization or the special board of equalization appointed by it shall meet during ~~the last two weeks in June that contain~~ the last ten meeting days, in June. For this purpose, "meeting days" are defined as any day of the week excluding Saturday and Sunday. The board may meet on any ten consecutive meeting days in June, after the second Friday in June, if the actual meeting dates are contained on the valuation notices mailed to each property owner in the county under section 273.121. No action taken by the county board of review after June 30 is valid, except for corrections permitted in sections 273.01 and 274.01. The county auditor shall keep an accurate record of the proceedings and orders of the board. The record must be published like other proceedings of county commissioners. A copy of the published record must be sent to the commissioner of revenue, with the abstract of assessment required by section 274.16.

Sec. 8. Minnesota Statutes 1994, section 275.07, subdivision 1, is amended to read:

Subdivision 1. The taxes voted by cities, counties, school districts, and special districts shall be certified by the proper authorities to the county auditor on or before five working days after December 20 in each year. A town must certify the levy adopted by the town board to the county auditor by September 15 each year. If the town board modifies the levy at a special town meeting after September 15, the town board must recertify its levy to the county auditor on or before five working days after December 20. The taxes certified shall not be reduced by the aid received under ~~sections~~ section 273.1398, ~~subdivisions 2 and~~ subdivision 3. If a city, town, county, school district, or special district fails to certify its levy by that date, its levy shall be the amount levied by it for the preceding year.

Sec. 9. Minnesota Statutes 1994, section 275.08, subdivision 1b, is amended to read:

Subd. 1b. The amounts certified under section 275.07 ~~after adjustment under section 275.07, subdivision 3,~~ by an individual local government unit, except for any amounts certified under sections 124A.03, subdivision 2a, and 275.61, shall be divided by the total net tax capacity of all taxable properties within the local government unit's taxing jurisdiction. The resulting ratio, the local government's local tax rate, multiplied by each property's net tax capacity shall be each property's tax for that local government unit before reduction by any credits.

Any amount certified to the county auditor under section 124A.03, subdivision 2a, or 275.61, after the dates given in those sections, shall be divided by the total estimated market value of all taxable properties within the taxing district. The resulting ratio, the taxing district's new referendum tax rate, multiplied by each property's estimated market value shall be each property's new referendum tax before reduction by any credits.

Sec. 10. Minnesota Statutes 1994, section 289A.60, subdivision 12, is amended to read:

Subd. 12. [PENALTIES RELATING TO PROPERTY TAX REFUNDS.] (a) If the commissioner determines that a property tax refund claim is or was excessive and was filed with fraudulent intent, the claim must be disallowed in full. If the claim has been paid, the amount disallowed may be recovered by assessment and collection.

(b) If it is determined that a property tax refund claim is excessive and was negligently prepared, ten percent of the corrected claim must be disallowed. If the claim has been paid, the amount disallowed must be recovered by assessment and collection.

(c) An owner ~~or managing agent~~ who knowingly without reasonable cause fails to give a certificate of rent constituting property tax to a renter, as required by section 290A.19, paragraph (a), is liable to the commissioner for a penalty of \$100 for each failure.

(d) If the owner or managing agent knowingly gives rent certificates that report total rent constituting property taxes in excess of the amount of actual rent constituting property taxes paid on the rented part of a property, the owner or managing agent is liable for a penalty equal to the greater of (1) \$100 or (2) 50 percent of the excess that is reported. An overstatement of rent constituting property taxes is presumed to be knowingly made if it exceeds by ten percent or more the actual rent constituting property taxes.

(e) No claim is allowed if the initial claim is filed more than one year after the original due date for filing the claim.

Sec. 11. Minnesota Statutes 1994, section 290A.03, subdivision 6, is amended to read:

Subd. 6. [HOMESTEAD.] "Homestead" means the dwelling occupied as the claimant's principal residence and so much of the land surrounding it, not exceeding ten acres, as is reasonably necessary for use of the dwelling as a home and any other property used for purposes of a homestead as defined in section 273.13, subdivision 22, except for agricultural land assessed as part of a homestead pursuant to section 273.13, subdivision 23, "homestead" is limited to 320 acres or, where the farm homestead is rented, one acre. The homestead may be owned or rented and may be a part of a multidwelling or multipurpose building and the land on which it is built. A manufactured home, as defined in section 273.125, subdivision 8, or a park trailer taxed as a manufactured home under section 168.012, subdivision 9, assessed as personal property may be a dwelling for purposes of this subdivision.

Sec. 12. Minnesota Statutes 1994, section 290A.03, subdivision 13, is amended to read:

Subd. 13. [PROPERTY TAXES PAYABLE.] "Property taxes payable" means the property tax exclusive of special assessments, penalties, and interest payable on a claimant's homestead before reductions made under section 273.13 but after deductions made under sections 273.135, 273.1391, 273.42, subdivision 2, and any other state paid property tax credits in any calendar year. In the case of a claimant who makes ground lease payments, "property taxes payable" includes the amount of the payments directly attributable to the property taxes assessed against the parcel on which the house is located. No apportionment or reduction of the "property taxes payable" shall be required for the use of a portion of the claimant's homestead for a business purpose if the claimant does not deduct any business depreciation expenses for the use of a portion of the homestead in the determination of federal adjusted gross income. For homesteads which are manufactured homes as defined in section 274.19, subdivision 8, and for homesteads which are park trailers taxed as manufactured homes under section 168.012, subdivision 9, "property taxes payable" shall also include the amount of the gross rent paid in the preceding year for the site on which the homestead is located, which is attributable to the net tax paid on the site. The amount attributable to property taxes shall be determined by multiplying the net tax on the parcel by a fraction, the numerator of which is the gross rent paid for the calendar year for the site and the denominator of which is the gross rent paid for the calendar year for the parcel. When a homestead is owned by two or more persons as joint tenants or tenants in common, such tenants shall determine between them which tenant may claim the property taxes payable on the homestead. If they are unable to agree, the matter shall be referred to the commissioner of revenue whose decision shall be final. Property taxes are considered payable in the year prescribed by law for payment of the taxes.

In the case of a claim relating to "property taxes payable," the claimant must have owned and occupied the homestead on January 2 of the year in which the tax is payable and (i) the property must have been classified as homestead property pursuant to section 273.13, subdivision 22 or 23, on or before December 15 of the assessment year to which the "property taxes payable" relate; or (ii) the claimant must provide documentation from the local assessor that application for homestead classification has been made on or before December 15 of the year in which the "property taxes payable" were payable and that the assessor has approved the application.

Sec. 13. Minnesota Statutes 1994, section 290A.04, subdivision 3, is amended to read:

Subd. 3. The commissioner of revenue shall construct and make available to taxpayers a comprehensive table showing the property taxes to be paid and refund allowed at various levels of income and assessment. The table shall follow the schedule of income percentages, maximums and other provisions specified in subdivision 2, except that the commissioner may graduate the transition between income brackets. All refunds shall be computed in accordance with tables prepared and issued by the commissioner of revenue.

The commissioner shall include on the form an appropriate space or method for the claimant to identify if the property taxes paid are for a manufactured home, as defined in section 273.125, subdivision 8, paragraph (c), or a park trailer taxed as a manufactured home under section 168.012, subdivision 9.

Sec. 14. Minnesota Statutes 1994, section 290A.07, subdivision 2a, is amended to read:

Subd. 2a. A claimant who is a renter or a homeowner who occupies a manufactured home, as defined in section 273.125, subdivision 8, paragraph (c), or a park trailer taxed as a manufactured home under section 168.012, subdivision 9, shall receive full payment after August 1 and before August 15 or 60 days after receipt of the application, whichever is later.

Sec. 15. Minnesota Statutes 1994, 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 26 annually.

~~The commissioner may pay all or part of the payment due on December 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. 16. [EFFECTIVE DATE.]

Sections 1 and 7 are effective for taxes payable in 1997 and thereafter. Sections 3 to 6 are effective January 1, 1996, and thereafter. Section 10 is effective for certificates of rent paid required after the date of final enactment. Sections 11 to 14 are effective for refunds based on property taxes paid in 1997 and thereafter, and for rent paid in 1996 and thereafter. Section 15 is effective July 1, 1996, and thereafter.

ARTICLE 13

DEPARTMENT SALES AND SPECIAL TAXES

Section 1. Minnesota Statutes 1994, section 297.08, subdivision 1, is amended to read:

Subdivision 1. [CONTRABAND DEFINED.] The following are declared to be contraband:

(1) All packages which do not have stamps affixed to them as provided in sections 297.01 to 297.13, including but not limited to (i) packages with illegible stamps and packages with stamps that are not complete or whole even if the stamps are legible, and (ii) all devices for the vending of cigarettes in which such unstamped packages as defined in item (i) are found, including all contents contained within the devices.

(2) Any device for the vending of cigarettes and all packages of cigarettes contained therein, where the device does not afford at least partial visibility of contents. Where any package exposed to view does not carry the stamp required by sections 297.01 to 297.13, it shall be presumed that all packages contained in the device are unstamped and contraband.

(3) Any device for the vending of cigarettes to which the commissioner or authorized agents have been denied access for the inspection of contents. In lieu of seizure, the commissioner or an agent may seal the device to prevent its use until inspection of contents is permitted.

(4) Any device for the vending of cigarettes which does not carry the name and address of the owner, plainly marked and visible from the front of the machine.

(5) Any device including, but not limited to, motor vehicles, trailers, snowmobiles, airplanes, and boats used with the knowledge of the owner or of a person operating with the consent of the owner for the storage or transportation of more than 5,000 cigarettes which are contraband under this subdivision. When cigarettes are being transported in the course of interstate commerce, or are in movement from either a public warehouse to a distributor upon orders from a manufacturer or distributor, or from one distributor to another, the cigarettes are not contraband, notwithstanding the provisions of clause (1).

(6) All packages obtained in violation of section 297.11, subdivision 6.

(7) All packages offered for sale or held as inventory in violation of section 297.11, subdivision 7.

Sec. 2. Minnesota Statutes 1994, section 297.08, subdivision 3, is amended to read:

Subd. 3. [INVENTORY; JUDICIAL DETERMINATION; APPEAL; DISPOSITION OF SEIZED PROPERTY.] Within two days after the seizure of any alleged contraband, the person making the seizure shall deliver an inventory of the property seized to the person from whom the seizure was made, if known, and file a copy with the commissioner. Within ten days after the date of service of the inventory, the person from whom the property was seized or any person claiming an ownership or security interest in the property may file with the commissioner a demand for a judicial determination of the question as to whether the property was lawfully subject to seizure and forfeiture. The commissioner, within 30 days, shall institute an action in the district court of the county where the seizure was made to determine the issue of forfeiture. The only issue to be decided by the court is whether the alleged contraband is contraband, as defined in subdivision 1. The action shall be brought in the name of the state and shall be prosecuted by the county attorney or by the attorney general. The court shall hear the action without a jury and shall try and determine the issues of fact and law involved. Whenever a judgment of forfeiture is entered, the commissioner may, unless the judgment is stayed pending an appeal, either (1) deliver the forfeited property to the commissioner of human services for use by patients in state institutions; (2) cause it to be destroyed; or (3) cause it to be sold at public auction as provided by law. If a demand for judicial determination is made and no action is commenced as provided in this subdivision, the property shall be released by the commissioner and redelivered to the person entitled to it. If no demand is made, the property seized shall be deemed forfeited to the state by operation of law and may be disposed of by the commissioner as provided where there has been a judgment of forfeiture. ~~Whenever the commissioner is satisfied that any person from whom property is seized under sections 297.01 to 297.13 was acting in good faith and without intent to evade the tax imposed by sections 297.01 to 297.13, the commissioner shall release the property seized, without further legal proceedings.~~

Sec. 3. Minnesota Statutes 1994, section 297C.02, subdivision 2, is amended to read:

Subd. 2. [FERMENTED MALT BEVERAGES.] There is imposed on ~~the direct or indirect sale of fermented malt beverages~~ all fermented malt beverages that are imported, directly or indirectly sold, or possessed in this state the following excise tax:

(1) on fermented malt beverages containing not more than 3.2 percent alcohol by weight, \$2.40 per barrel of 31 gallons;

(2) on fermented malt beverages containing more than 3.2 percent alcohol by weight, \$4.60 per barrel of 31 gallons.

The tax is at a proportional rate for fractions of a barrel of 31 gallons.

Sec. 4. Minnesota Statutes 1994, section 297C.07, is amended to read:

297C.07 [EXCEPTIONS.]

The following are not subject to the excise tax:

(1) Sales by a manufacturer, brewer, or wholesaler for shipment outside the state in interstate commerce.

- (2) Sales of wine for sacramental purposes under section 340A.316.
- (3) Fruit juices naturally fermented or beer naturally brewed in the home for family use.
- (4) Malt beverages served by a brewery for on-premise consumption at no charge, or distributed to brewery employees for on-premise consumption under a labor contract.
- (5) Alcoholic beverages sold to authorized manufacturers of food products or pharmaceutical firms. The alcoholic beverage must be used exclusively in the manufacture of food products or medicines. For purposes of this part, "manufacturer" means a manufacturer of food products intended for sale to wholesalers or retailers for ultimate sale to the consumer.
- (6) Sales to common carriers engaged in interstate transportation of passengers and qualified approved military clubs, except as provided in section 297C.17.
- (7) Alcoholic beverages sold or transferred between Minnesota wholesalers.
- (8) Sales to a federal agency, that the state of Minnesota is prohibited from taxing under the constitution or laws of the United States or under the constitution of Minnesota.
- (9) Shipments of wine to Minnesota residents under section 340A.417.
- (10) One liter of intoxicating liquor or 288 ounces of malt liquor per calendar month imported or possessed by a person entering Minnesota from another state, provided the alcoholic beverages accompany the person into this state and will not be offered for sale or used for any commercial purpose.
- (11) Four liters of intoxicating liquor or ten quarts (320 ounces) of malt liquor per calendar month imported or possessed by a person entering Minnesota from a foreign country, provided the alcoholic beverages accompany the person into this state and will not be offered for sale or used for any commercial purpose.
- (12) The alcoholic beverage contained in 12 or fewer commemorative bottles per calendar month imported into this state.

Sec. 5. [REPEALER.]

Minnesota Statutes 1994, section 297A.212, is repealed.

Sec. 6. [EFFECTIVE DATE.]

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

ARTICLE 14

DEPARTMENT COLLECTIONS AND COMPLIANCE

Section 1. Minnesota Statutes 1994, section 60A.15, subdivision 12, is amended to read:

Subd. 12. [OVERPAYMENTS, CLAIMS FOR REFUND.] (1) [PROCEDURE, TIME LIMIT, APPROPRIATION.] A company who has paid, voluntarily or otherwise, or from whom there has been collected an amount of tax for any year in excess of the amount legally due for that year, may file with the commissioner of revenue a claim for a refund of the excess. Except as provided in subdivision 11, no claim or refund shall be allowed or made after ~~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 after two years from the date of overpayment, whichever period is longer, unless before the expiration of the period a claim is filed by the company~~ the period prescribed in section 289A.40, subdivision 1. For this purpose, a return or amended return claiming an overpayment constitutes a claim for refund.

Upon the filing of a claim, the commissioner shall examine it, shall make and file written findings denying or allowing the claim in whole or in part, and shall mail a notice thereof to the company at the address stated upon the return. If the claim is allowed in whole or in part, the commissioner shall issue a certificate for the refundment of the excess paid by the company, with interest at the rate specified in section 270.76 computed from the date of the payment of the tax

until the date the refund is paid or the credit is made to the company. The commissioner of finance shall pay the refund out of the proceeds of the taxes imposed by this section, as other state moneys are expended. As much of the proceeds of the taxes as necessary are appropriated for that purpose.

(2) [DENIAL OF CLAIM, COURT PROCEEDINGS.] If the claim is denied in whole or in part, the commissioner shall mail an order of denial to the company in the manner prescribed in subdivision 8. An appeal from this order may be taken to the Minnesota tax court in the manner prescribed in section 271.06, or the company may commence an action against the commissioner to recover the denied overpayment. The action may be brought in the district court of the district in the county of its principal place of business, or in the district court for Ramsey county. The action in the district court must be commenced within 18 months following the mailing of the order of denial to the company. If a claim for refund is filed by a company and no order of denial is issued within six months of the filing, the company may commence an action in the district court as in the case of a denial, but the action must be commenced within two years of the date that the claim for refund was filed.

(3) [CONSENT TO EXTEND TIME.] If the commissioner and the company have, within the periods prescribed in clause (1), consented in writing to any extension of time for the assessment of the tax, the period within which a claim for refund may be filed, or a refund may be made or allowed, if no claim is filed, shall be the period within which the commissioner and the company have consented to an extension for the assessment of the tax and six months thereafter. ~~The period within which a claim for refund may be filed shall not expire prior to two years after the tax was paid.~~

(4) [OVERPAYMENTS; REFUNDS.] If the amount determined to be an overpayment exceeds the taxes imposed by this section, the amount of excess shall be considered an overpayment. An amount paid as tax constitutes an overpayment even if in fact there was no tax liability with respect to which the amount was paid.

Notwithstanding any other provision of law to the contrary, in the case of any overpayment, the commissioner, within the applicable period of limitations, shall refund any balance of more than one dollar to the company if the company requests the refund.

Sec. 2. Minnesota Statutes 1994, section 60A.199, subdivision 8, is amended to read:

Subd. 8. [REFUND PROCEDURE; TIME LIMIT; APPROPRIATION.] A licensee which has paid, voluntarily or otherwise, or from which there was collected an amount of tax for any year in excess of the amount legally due for that year, may file with the commissioner of revenue a claim for a refund of the excess. Except as provided in subdivision 3, no claim or refund shall be allowed or made ~~after 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 after two years from the date of overpayment, whichever period is longer, unless before the expiration of the period a claim is filed by the licensee~~ the period prescribed in section 289A.40, subdivision 1. For this purpose, a return or amended return claiming an overpayment constitutes a claim for refund.

Upon the filing of a claim the commissioner shall examine it, shall make written findings thereon denying or allowing the claim in whole or in part, and shall mail a notice thereof to the licensee at the address stated upon the return. If the claim is allowed in whole or in part, the commissioner shall issue a certificate for a refund of the excess paid by the licensee, with interest at the rate specified in section 270.76 computed from the date of the payment of the tax until the date the refund is paid or credit is made to the licensee. The commissioner of finance shall cause the refund to be paid as other state moneys are expended. So much of the proceeds of the taxes as is necessary are appropriated for that purpose.

Sec. 3. Minnesota Statutes 1994, section 60A.199, subdivision 10, is amended to read:

Subd. 10. [CONSENT TO EXTEND TIME.] If the commissioner and the licensee have, within the periods prescribed by this section, consented in writing to any extension of time for the assessment of the tax, the period within which a claim for refund may be filed, or a refund may be made or allowed, if no claim is filed, is the period within which the commissioner and the licensee have consented to an extension for the assessment of the tax and six months thereafter, ~~the period within which a claim for refund may be filed shall not expire prior to two years after the tax was paid.~~

Sec. 4. [270.7002] [PERSONAL LIABILITY FOR FAILURE TO HONOR A LEVY.]

Subdivision 1. [SURRENDER OF PROPERTY SUBJECT TO LEVY.] A person who fails or refuses to surrender property or rights to property subject to a levy served on the person under section 270.70, 270.7001, or 290.92, subdivision 23, is liable in an amount equal to the value of the property or rights not surrendered, or the amount of taxes, penalties, and interest for the collection of which the levy was made, whichever is less. A financial institution need not surrender funds on deposit until ten days after service of the levy.

Subd. 2. [PENALTY.] In addition to the personal liability imposed by subdivision 1, if a person required to surrender property or rights to property fails to do so without reasonable cause, the person is liable for a penalty equal to 25 percent of the amount under subdivision 1.

Subd. 3. [PERSON DEFINED.] The term "person" as used in this section includes an officer or employee of a corporation or a member or employee of a partnership, who as such officer, employee, or member is under a duty to surrender the property or rights to property or to respond to the levy.

Subd. 4. [ORDER ASSESSING LIABILITY.] The liability imposed by this section may, after demand to honor a levy has been made, be assessed by the commissioner within 60 days after service of the demand. The assessment may be based on information available to the commissioner. The assessment is presumed to be valid, and the burden is on the person assessed to show it is incorrect or invalid. An order assessing liability for failure to honor a levy is reviewable administratively under section 289A.65, and is appealable to tax court under chapter 271. The amount assessed, plus interest at the rate specified in section 270.75, may be collected by any remedy available to the commissioner for the collection of taxes. The proceeds collected are applied first to the liability of the original taxpayer to the extent of the liability under subdivision 1 plus interest, and then to the penalty under subdivision 2.

Sec. 5. Minnesota Statutes 1994, section 270.72, subdivision 1, is amended to read:

Subdivision 1. [TAX CLEARANCE REQUIRED.] The state or a political subdivision of the state may not issue, transfer, or renew, and must revoke, a license for the conduct of a profession, occupation, trade, or business, if the commissioner notifies the licensing authority that the applicant owes the state delinquent taxes, penalties, or interest. The commissioner may not notify the licensing authority unless the applicant taxpayer owes \$500 or more in delinquent taxes or has not filed returns. If the applicant taxpayer does not owe delinquent taxes but has not filed returns, the commissioner may not notify the licensing authority unless the taxpayer has been given 90 days' written notice to file the returns or show that the returns are not required to be filed. A licensing authority that has received a notice from the commissioner may issue, transfer, or renew, or not revoke the applicant's license only if (a) the commissioner issues a tax clearance certificate and (b) the commissioner or the applicant forwards a copy of the clearance to the authority. The commissioner may issue a clearance certificate only if the applicant does not owe the state any uncontested delinquent taxes, penalties, or interest and has filed all required returns.

Sec. 6. Minnesota Statutes 1994, section 270.72, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given.

(a) "Taxes" are all taxes payable to the commissioner including penalties and interest due on the taxes.

(b) "Delinquent taxes" do not include a tax liability if (i) an administrative or court action which 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 applicant has entered into a payment agreement and is current with the payments.

(c) "Applicant" means an individual if the license is issued to or in the name of an individual or the corporation or partnership if the license is issued to or in the name of a corporation or partnership. "Applicant" also means an officer of a corporation, a member of a partnership, or an individual who is liable for delinquent taxes, either for the entity for which the license is at issue or

for another entity for which the liability was incurred, or personally as a licensee. In the case of a license transfer, "applicant" also means both the transferor and the transferee of the license. "Applicant" also means any holder of a license.

(d) "License" includes a contract for space rental at the Minnesota state fair.

(e) "Licensing authority" includes the Minnesota state fair board.

Sec. 7. Minnesota Statutes 1994, section 270.72, subdivision 3, is amended to read:

Subd. 3. [NOTICE AND HEARING.] (a) The commissioner, on notifying a licensing authority pursuant to subdivision 1 not to issue, transfer, or renew a license, must send a copy of the notice to the applicant. If the applicant requests, in writing, within 30 days of the date of the notice a hearing, a contested case hearing must be held. The hearing must be held within 45 days of the date the commissioner refers the case to the office of administrative hearings. Notwithstanding any law to the contrary, the applicant must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the applicant. The notice may be served personally or by mail.

(b) Prior to notifying a licensing authority pursuant to subdivision 1 to revoke a license, the commissioner must send a notice to the applicant of the commissioner's intent to require revocation of the license and of the applicant's right to a hearing under paragraph (a). A license is subject to revocation when 30 days have passed following the date of the notice in this paragraph without the applicant requesting a hearing, or, if a hearing is timely requested, upon final determination of the hearing under section 14.62, subdivision 1. A license shall be revoked by the licensing authority within 30 days after receiving notice from the commissioner to revoke.

(c) A hearing under this subdivision is in lieu of any other hearing or proceeding provided by law arising from any action taken under subdivision 1.

Sec. 8. [270.721] [REVOCATION OF CORPORATE CERTIFICATES OF AUTHORITY TO DO BUSINESS IN THIS STATE.]

When a foreign corporation authorized to do business in this state under chapter 303 fails to comply with any tax laws administered by the commissioner of revenue, the commissioner may serve the secretary of state with a certified copy of an order finding such failure to comply. The secretary of state, upon receipt of the order, shall revoke the certificate of authority of the corporation to do business in this state, and shall reinstate the certificate under section 303.19 only when the corporation has obtained from the commissioner an order finding that the corporation is in compliance with state tax law. An order requiring revocation of a certificate shall not be issued unless the commissioner gives the corporation 30 days' written notice of the proposed order, specifying the violations of state tax law, and affording the corporation an opportunity to request a contested case hearing under chapter 14.

Sec. 9. Minnesota Statutes 1994, section 270.79, subdivision 4, is amended to read:

Subd. 4. [REFUND PROCEDURES.] (a) If the commissioner determines that the cumulative refunds due all affected taxpayers will exceed \$50,000,000, the refund procedures in this subdivision apply.

(b) The refunds due shall be paid in five installments beginning after July 1 of . The first installment will be paid during the calendar year following the later of the filing of the refund claim or the final judicial determination and ending in the fifth calendar year or at the time that the return for that calendar year is filed subsequent installments will be paid at any time during each of the four succeeding calendar years.

(c) The refunds shall be paid in the form of refundable credits claimed on the tax return for the tax type giving rise to the refund.

(d) In the case of annual returns the credit allowable must be claimed on the annual return. When returns are filed on other than an annual basis, the allowable credit must be claimed on the first return due after July 1 of a calendar year. The commissioner shall compute the annual refund installment due under this subdivision, and notify the taxpayer of the total amount of the claim for refund which has been allowed.

~~(e)~~ (d) The ~~credit allowed for~~ installment paid each year equals 20 percent of the ~~claimed~~ refund ~~allowed~~ unless the commissioner determines that the cumulative refunds due for a particular year under this section will exceed \$150,000,000. If the refunds payable will exceed that amount, ~~the claimed refunds they~~ will be reduced pro rata with any balance remaining due payable with the final refund installment.

~~(f)~~ (e) Unless contrary to the provisions in this section, the provisions for refunds in the various tax types, including provisions related to the payment of interest, apply to the refunds subject to these provisions.

~~(g)~~ (f) The commissioner may establish a de minimis individual refund amount below which the installment provisions do not apply. The amount established under this paragraph is not subject to the provisions of chapter 14.

(g) If the commissioner of finance determines that it is in the best interest of the state, refunds payable under this section may be paid in fewer than five installments.

Sec. 10. Minnesota Statutes 1994, section 289A.25, is amended by adding a subdivision to read:

Subd. 3a. [ELECTRONIC FUNDS TRANSFER PAYMENTS.] (a) If the aggregate amount of estimated tax payments made during a calendar year is equal to or exceeds \$10,000, all estimated tax payments in the subsequent calendar year must be paid 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 estimated tax payment is due. If the date the estimated tax payment 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 estimated tax payment is due.

(b) All trust companies required to pay tax under section 295.37 who remit estimated tax payments on behalf of trusts must remit those payments by means of a funds transfer as provided in paragraph (a), regardless of the aggregate amount of estimated tax payments made during a calendar year for a trust.

Sec. 11. Minnesota Statutes 1994, section 289A.26, subdivision 2a, is amended to read:

Subd. 2a. [ELECTRONIC FUNDS TRANSFER PAYMENTS.] If the aggregate amount of estimated tax payments made during a calendar year is equal to or exceeds ~~\$80,000~~ \$20,000, all estimated tax payments in the subsequent calendar year must be paid 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 estimated tax payment is due. If the date the estimated tax payment 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 estimated tax payment is due.

Sec. 12. Minnesota Statutes 1994, section 289A.40, subdivision 1, is amended to read:

Subdivision 1. [TIME LIMIT; GENERALLY.] Unless otherwise provided in this chapter, 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~~ one year from the time date of an order assessing tax under section 289A.37, subdivision 1, upon payment in full of the tax is paid in full, penalties, and interest shown on the order, whichever period expires later. Claims for refund filed after the 3-1/2 year period but within the one-year period are limited to the amount of the tax, penalties, and interest on the order and to issues determined by the order.

Sec. 13. Minnesota Statutes 1994, section 289A.60, subdivision 2, is amended to read:

Subd. 2. [PENALTY FOR FAILURE TO MAKE AND FILE RETURN.] If a taxpayer fails to make and file a return other than an income tax return of an individual, a withholding return, or sales or use tax return, within the time prescribed or an extension, a penalty is added to the tax. The penalty is three percent of the amount of tax not paid on or before the date prescribed for payment of the tax including any extensions if the failure is for not more than 30 days, with an

additional five percent of the amount of tax remaining unpaid during each additional 30 days or fraction of 30 days, during which the failure continues, not exceeding 23 percent in the aggregate.

~~If a taxpayer fails to file a return, other than an income tax return of an individual, within 60 days of the date prescribed for filing of the return (determined with regard to any extension of time for filing), the addition to tax under this subdivision must not be less than the lesser of: (1) \$200; or (2) the greater of (a) 25 percent of the amount required to be shown as tax on the return without reduction for any payments made or refundable credits allowable against the tax, or (b) \$50.~~

If a taxpayer fails to file an individual income tax return within six months after the date prescribed for filing of the return, a penalty of ten percent of the amount of tax not paid by the end of that six-month period is added to the tax.

If a taxpayer fails to file a withholding or sales or use tax return within the time prescribed, including an extension, a penalty of five percent of the amount of tax not timely paid is added to the tax.

Sec. 14. Minnesota Statutes 1994, section 290.92, subdivision 23, is amended to read:

Subd. 23. [WITHHOLDING BY EMPLOYER OF DELINQUENT TAXES.] (1) The commissioner may, within five years after the date of assessment of the tax, or if a lien has been filed under section 270.69, within the statutory period for enforcement of the lien, give notice to any employer deriving income which has a taxable situs in this state regardless of whether the income is exempt from taxation, that an employee of that employer is delinquent in a certain amount with respect to any state taxes, including penalties, interest, and costs. The commissioner can proceed under this subdivision only if the tax is uncontested or if the time for appeal of the tax has expired. The commissioner shall not proceed under this subdivision until the expiration of 30 days after mailing to the taxpayer, at the taxpayer's last known address, a written notice of (a) the amount of taxes, interest, and penalties due from the taxpayer and demand for their payment, and (b) the commissioner's intention to require additional withholding by the taxpayer's employer pursuant to this subdivision. The effect of the notice shall expire 180 days after it has been mailed to the taxpayer provided that the notice may be renewed by mailing a new notice which is in accordance with this subdivision. The renewed notice shall have the effect of reinstating the priority of the original claim. The notice to the taxpayer shall be in substantially the same form as that provided in section 571.72. The notice shall further inform the taxpayer of the wage exemptions contained in section 550.37, subdivision 14. If no statement of exemption is received by the commissioner within 30 days from the mailing of the notice, the commissioner may proceed under this subdivision. The notice to the taxpayer's employer may be served by mail or by delivery by an employee of the department of revenue and shall be in substantially the same form as provided in section 571.75. Upon receipt of notice, the employer shall withhold from compensation due or to become due to the employee, the total amount shown by the notice, subject to the provisions of section 571.922. The employer shall continue to withhold each pay period until the notice is released by the commissioner under section 270.709. Upon receipt of notice by the employer, the claim of the state of Minnesota shall have priority over any subsequent garnishments or wage assignments. The commissioner may arrange between the employer and the employee for withholding a portion of the total amount due the employee each pay period, until the total amount shown by the notice plus accrued interest has been withheld.

The "compensation due" any employee is defined in accordance with the provisions of section 571.921. The maximum withholding allowed under this subdivision for any one pay period shall be decreased by any amounts payable pursuant to a garnishment action with respect to which the employer was served prior to being served with the notice of delinquency and any amounts covered by any irrevocable and previously effective assignment of wages; the employer shall give notice to the department of the amounts and the facts relating to such assignments within ten days after the service of the notice of delinquency on the form provided by the department of revenue as noted in this subdivision.

(2) If the employee ceases to be employed by the employer before the full amount set forth in a notice of delinquency plus accrued interest has been withheld, the employer shall immediately notify the commissioner in writing of the termination date of the employee and the total amount withheld. No employer may discharge any employee by reason of the fact that the commissioner

has proceeded under this subdivision. If an employer discharges an employee in violation of this provision, the employee shall have the same remedy as provided in section 571.927, subdivision 2.

(3) Within ten days after the expiration of such pay period, the employer shall remit to the commissioner, on a form and in the manner prescribed by the commissioner, the amount withheld during each pay period under this subdivision. ~~Should any employer, after notice, willfully fail to withhold in accordance with the notice and this subdivision, or willfully fail to remit any amount withheld as required by this subdivision, the employer shall be liable for the total amount set forth in the notice together with accrued interest which may be collected by any means provided by law relating to taxation. Any amount collected from the employer for failure to withhold or for failure to remit under this subdivision shall be credited to the employee's account in the following manner: penalties, interest, tax, and costs.~~

(4) Clauses (1), (2), and (3), except provisions imposing a liability on the employer for failure to withhold or remit, shall apply to cases in which the employer is the United States or any instrumentality thereof or this state or any municipality or other subordinate unit thereof.

(5) The commissioner shall refund to the employee excess amounts withheld from the employee under this subdivision. If any excess results from payments by the employer because of willful failure to withhold or remit as prescribed in clause (3), the excess attributable to the employer's payment shall be refunded to the employer.

(6) Employers required to withhold delinquent taxes, penalties, interest, and costs under this subdivision shall not be required to compute any additional interest, costs or other charges to be withheld.

(7) The collection remedy provided to the commissioner by this subdivision shall have the same legal effect as if it were a levy made pursuant to section 270.70.

Sec. 15. Minnesota Statutes 1994, section 294.09, subdivision 1, is amended to read:

Subdivision 1. [PROCEDURES; TIME LIMIT.] A company, joint stock association, copartnership, corporation, or individual who has paid, voluntarily or otherwise, or from whom there has been collected (other than by proceedings instituted by the attorney general under sections 294.06 and 294.08, subdivision 3) an amount of gross earnings tax for any year in excess of the amount legally due for that year, may file with the commissioner of revenue a claim for a refund of such excess. Except as provided in subdivision 4, no such claim shall be entertained unless filed within ~~two years after such tax was paid or collected, or within 3 1/2 years from the filing of the return, whichever period is the longer~~ the period prescribed in section 289A.40, subdivision 1. Upon the filing of a claim the commissioner shall examine the same and shall make and file written findings thereon denying or allowing the claim in whole or in part and shall mail a notice thereof to such company, joint stock association, copartnership, corporation, or individual at the address stated upon the return. If such claim is allowed in whole or in part, the commissioner shall credit the amount of the allowance against any tax due the state from the claimant and for the balance of said allowance, if any, the commissioner shall issue a certificate for the refundment of the excess paid. The commissioner of finance shall cause such refund to be paid out of the proceeds of the gross earnings taxes imposed by Minnesota Statutes 1967, chapters 294 and 295 as other state moneys are expended. So much of the proceeds as may be necessary are hereby appropriated for that purpose. Any allowance so made by the commissioner shall include interest at the rate specified in section 270.76 computed from the date of payment or collection of the tax until the date the refund is paid to the claimant.

Sec. 16. Minnesota Statutes 1994, section 294.09, subdivision 4, is amended to read:

Subd. 4. [CONSENT TO EXTEND TIME.] If the commissioner and the taxpayer have within the periods prescribed in subdivision 1 consented in writing to any extension of time for the assessment of the tax under the provisions of section 294.08, subdivision 4, the period within which a claim for refund may be filed, or a refund may be made or allowed, if no claim is filed, shall be the period within which the commissioner and the taxpayer have consented to an extension for the assessment of the tax and six months thereafter, ~~provided, however, that the period within which a claim for refund may be filed shall not expire prior to two years after the tax was paid.~~

Sec. 17. Minnesota Statutes 1994, section 297.35, subdivision 1, is amended to read:

Subdivision 1. On or before the 18th day of each calendar month every distributor with a place of business in this state shall file a return with the commissioner showing the quantity and wholesale sales price of each tobacco product (1) brought, or caused to be brought, into this state for sale; and (2) made, manufactured, or fabricated in this state for sale in this state, during the preceding calendar month. Every licensed distributor outside this state shall in like manner file a return showing the quantity and wholesale sales price of each tobacco product shipped or transported to retailers in this state to be sold by those retailers, during the preceding calendar month. Returns shall be made upon forms furnished and prescribed by the commissioner and shall contain such other information as the commissioner may require. Each return shall be accompanied by a remittance for the full tax liability shown therein, less 1.5 percent of such liability as compensation to reimburse the distributor for expenses incurred in the administration of sections 297.31 to 297.39. The return for the May liability and 75 percent of the estimated June liability is due on the date payment of the tax is due.

A distributor having a liability of \$120,000 or more during a calendar fiscal year ending June 30 must remit all liabilities in the subsequent fiscal calendar year ending June 30 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. 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.

Sec. 18. Minnesota Statutes 1994, section 297.43, subdivision 2, is amended to read:

Subd. 2. [PENALTY FOR FAILURE TO FILE.] If a person fails to make and file a return within the time required under sections 297.07, 297.23, and 297.35, there shall be added to the tax five percent of the amount of tax not paid on or before the date prescribed for payment of the tax. The amount so added to any tax under this subdivision and subdivision 1 shall be collected at the same time and in the same manner and as a part of the tax and shall bear interest at the rate specified in section 270.75 from the time the tax should have been paid, unless the tax has been paid before the discovery of the negligence, in which case the amount so added shall be collected in the same manner as the tax.

~~In the case of a failure to file a return within 60 days of the date prescribed for filing of the return (determined with regard to any extension of time for filing), the addition to tax under this subdivision shall not be less than the lesser of (i) \$200; or (ii) the greater of (a) 25 percent of the amount required to be shown as tax on the return without reduction for any payments made or refundable credits allowable against the tax; or (b) \$50.~~

Sec. 19. Minnesota Statutes 1994, section 297C.14, subdivision 2, is amended to read:

Subd. 2. [PENALTY FOR FAILURE TO FILE.] If a person fails to make and file a return within the time required by this chapter or an extension of time, there shall be added to the tax five percent of the amount of tax not paid on or before the date prescribed for payment of the tax. The amount so added to any tax under subdivisions 1 and 2 shall be collected at the same time and in the same manner and as a part of the tax and shall bear interest at the rate specified in section 270.75 from the time the tax should have been paid, unless the tax has been paid before the discovery of the negligence, in which case the amount so added shall be collected in the same manner as the tax.

~~In the case of a failure to file a return within 60 days of the date prescribed for filing of the return (determined with regard to any extension of time for filing), the addition to tax under this subdivision shall not be less than the lesser of (i) \$200; or (ii) the greater of (a) 25 percent of the amount required to be shown as tax on the return without reduction for any payments made or refundable credits allowable against the tax; or (b) \$50.~~

Sec. 20. Minnesota Statutes 1994, section 297E.11, subdivision 4, is amended to read:

Subd. 4. [TIME LIMIT FOR REFUNDS.] Unless otherwise provided in this chapter, a claim for a refund of an overpayment of tax must be filed within 3-1/2 years from the date prescribed for

~~filing the return, plus any extension of time granted for filing the return, but only if filed within the extended time, or two years from the time the tax is paid, whichever period expires later the period prescribed in section 289A.40, subdivision 1. Interest on refunds must be computed at the rate specified in section 270.76 from the date of payment to the date the refund is paid or credited. For purposes of this subdivision, the date of payment is the later of the date the tax was finally due or was paid.~~

Sec. 21. Minnesota Statutes 1994, section 297E.12, subdivision 2, is amended to read:

Subd. 2. [PENALTY FOR FAILURE TO MAKE AND FILE RETURN.] If a taxpayer fails to make and file a return within the time prescribed or an extension, a penalty is added to the tax. The penalty is five percent of the amount of tax not paid on or before the date prescribed for payment of the tax.

~~If a taxpayer fails to file a return within 60 days of the date prescribed for filing of the return (determined with regard to any extension of time for filing), the addition to tax under this subdivision must be at least the lesser of: (1) \$200; or (2) the greater of (i) 25 percent of the amount required to be shown as tax on the return without reduction for any payments made or refundable credits allowable against the tax, or (ii) \$50.~~

Sec. 22. Minnesota Statutes 1994, section 299F.26, subdivision 1, is amended to read:

Subdivision 1. [PROCEDURE, TIME LIMIT, APPROPRIATION.] A company which has paid, voluntarily or otherwise, or from which there was collected an amount of tax for any year in excess of the amount legally due for that year, may file with the commissioner of revenue a claim for a refund of the excess. Except as provided in subdivision 4, no claim or refund shall be allowed or made after ~~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 after two years from the date of overpayment, whichever period is longer, unless before the expiration of the period a claim is filed by the company~~ the period prescribed in section 289A.40, subdivision 1. For this purpose a return or amended return claiming an overpayment constitutes a claim for refund.

Upon the filing of a claim the commissioner shall examine the same and shall make and file written findings thereon denying or allowing the claim in whole or in part and shall mail a notice thereof to the company at the address stated upon the return. If such claim is allowed in whole or in part, the commissioner shall issue a certificate for the refundment of the excess paid by the company, with interest at the rate specified in section 270.76 computed from the date of the payment of the tax until the date the refund is paid or the credit is made to the company, and the commissioner of finance shall cause the refund to be paid as other state moneys are expended. So much of the proceeds of the taxes as is necessary are appropriated for that purpose.

Sec. 23. Minnesota Statutes 1994, section 299F.26, subdivision 4, is amended to read:

Subd. 4. [CONSENT TO EXTEND TIME.] If the commissioner and the company have within the periods prescribed in subdivision 1, consented in writing to any extension of time for the assessment of the tax, the period within a claim for refund may be filed, or a refund may be made or allowed, if no claim is filed, shall be the period within which the commissioner and the company have consented to an extension for the assessment of the tax and six months thereafter; ~~provided, however, that the period within which a claim for refund may be filed shall not expire prior to two years after the tax was paid.~~

Sec. 24. [REPEALER.]

Minnesota Statutes 1994, sections 270.70, subdivisions 8, 9, and 10; and 297A.38, are repealed.

Sec. 25. [EFFECTIVE DATE.]

Sections 1, 2, 12, 15, 20, and 22 are effective for claims for refund which have not been filed as of the day following final enactment and in which the time period for filing the claim has not expired under the provisions in effect prior to the day following final enactment. The time period for filing such claims is the time period prescribed in the enacted sections, or one year after the day following final enactment, whichever is greater.

Sections 3, 16, and 23, and the provisions in section 1 pertaining to consents to extend time, are effective for consents to extend time for filing claims for refund entered into on or after the day following final enactment.

Sections 4, 8, 13, 14, 17 to 19, 21, and 24 are effective the day following final enactment.

Sections 5 to 7 are effective July 1, 1995.

Section 9 is effective for payments of refunds resulting from final determinations made on or after April 26, 1994, including refunds resulting from appeals filed before that date but finally determined after that date.

Sections 10 and 11 are effective for payments due for tax years beginning after December 31, 1995.

ARTICLE 15

DEPARTMENT MISCELLANEOUS

Section 1. Minnesota Statutes 1994, section 289A.43, is amended to read:

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, and except for an action challenging the constitutionality of a tax statute on its face, if it is demonstrated to the court by clear and convincing evidence that under no circumstances would the commissioner ultimately prevail and that the taxpayer will suffer irreparable harm if the relief sought is not granted, no suit to restrain assessment or collection, including a declaratory judgment action, can be maintained in any court by any person.

Sec. 2. [296.041] [ELECTRONICALLY FILED RETURNS OR REPORTS; SIGNATURES.]

For purposes of this chapter, the name of the taxpayer, the name of the taxpayer's authorized agent, or the taxpayer's identification number constitutes a signature when transmitted as part of the information on returns or reports filed by electronic means by the taxpayer or at the taxpayer's direction. "Electronic means" includes, but is not limited to, the use of a touch-tone telephone to transmit return or report information in a manner prescribed by the commissioner.

Sec. 3. Minnesota Statutes 1994, section 296.12, subdivision 3, is amended to read:

Subd. 3. [TAX COLLECTION, REPORTING AND PAYMENT.] (a) For clear diesel fuel, the tax is imposed on the distributor who receives the fuel.

(b) For all other special fuels, the tax is imposed on the distributor, bulk purchaser, or special fuel dealer. The tax may be paid upon receipt or sale as follows:

(1) Distributors and special fuel dealers may, subject to the approval of the commissioner, elect to pay to the commissioner the special fuel excise tax on all special fuel delivered or sold into the supply tank of an aircraft or a licensed motor vehicle. Under this option an invoice must be issued at the time of each delivery showing the name and address of the purchaser, date of sale, number of gallons, price per gallon and total amount of sale. A separate sales ticket book shall be maintained for special fuel sales; and

(2) Bulk purchasers shall report and pay the excise tax on all special fuel purchased by them for storage, to the commissioner in the form and manner prescribed by the commissioner.

(c) Any person delivering special fuel on which the excise tax has not previously been paid, into the supply tank of an aircraft or a licensed motor vehicle shall report such delivery and pay the excise tax on the special fuel so delivered, to the commissioner.

Sec. 4. Minnesota Statutes 1994, section 296.12, subdivision 4, is amended to read:

Subd. 4. [MONTHLY REPORTS; SHRINKAGE ALLOWANCE.] On or before the 23rd day of each month, the persons subject to the provisions of this section shall file ~~in the office of the~~

commissioner at St. Paul, Minnesota, a report in the following manner form and manner prescribed by the commissioner. Reports shall contain information as follows:

(1) Distributors of clear diesel fuel must file a monthly tax return with the department listing all purchases or receipts of clear diesel fuel. Distributors may be allowed to take a credit or credits under section 296.14, subdivision 2.

(2) Distributors and dealers of special fuel other than clear diesel fuel shall report the total number of gallons delivered to them during the preceding calendar month and shall pay the special fuel excise tax due thereon to the commissioner. The invoice must show the true and correct name and address of the purchaser, and the purchaser's signature. The report shall contain such other information as the commissioner may require.

(3) Distributors and dealers of special fuel other than clear diesel fuel who have elected to pay the special fuel excise tax on all special fuel delivered into the supply tank of an aircraft or licensed motor vehicle as provided in subdivision 3, shall report the total number of gallons delivered into the supply tank of an aircraft or licensed motor vehicle during the preceding calendar month and shall pay the special fuel excise tax due thereon to the commissioner.

(4) Bulk purchasers shall report and pay the special fuel excise tax on all special fuel except clear diesel fuel purchased by them for storage, during the preceding calendar month. In such cases as the commissioner may permit, credit for the excise tax due or previously paid on special fuel not used in aircraft or licensed motor vehicles, may be allowed in computing tax liability. The report shall contain such other information as the commissioner may require.

(5) In computing the special fuel excise tax due, a deduction of one percent of the quantity of special fuel on which tax is due shall be made for evaporation and loss.

(6) Each report shall contain a confession of judgment for the amount of the tax shown due thereon to the extent not timely paid.

Sec. 5. Minnesota Statutes 1994, section 296.12, subdivision 11, is amended to read:

Subd. 11. [QUALIFIED BULK PURCHASERS.] Notwithstanding any other provision of law to the contrary, the commissioner of revenue may allow any bulk purchaser who receives special fuel other than clear diesel fuel in bulk storage for subsequent delivery into the supply tank of licensed motor vehicles or aircraft operated by the bulk purchaser to purchase bulk special fuel on a tax paid basis from any consenting supplier licensed as a distributor or special fuel dealer under this section or section 296.06. Bulk purchasers qualifying under this provision must become registered in a manner approved by the commissioner but shall be exempt from the bulk purchaser license requirements. Every licensed distributor or special fuel dealer who sells or delivers special fuel other than clear diesel fuel on a tax paid basis to persons registered under this provision must report on or before the 23rd day of each month sales made during the preceding calendar month and shall pay the special fuel excise tax due thereon to the commissioner. The report shall be in the form and manner prescribed by the commissioner, and shall contain information as the commissioner may require.

Sec. 6. Minnesota Statutes 1994, section 296.141, subdivision 1, is amended to read:

Subdivision 1. [PAYMENT OF GASOLINE TAX AND PETROLEUM TANK RELEASE CLEANUP FEE; SHRINKAGE ALLOWANCE.] On or before the 23rd day of each month, every person who is required to pay a gasoline tax shall file ~~in the office of~~ with the commissioner at ~~St. Paul, Minnesota,~~ a report, in a the form and manner approved by the commissioner, showing the number of gallons of petroleum products received by the reporter during the preceding calendar month, and other information the commissioner may require. The number of gallons of gasoline must be reported in United States standard liquid gallons (231 cubic inches), except that the commissioner may upon written application and for cause shown permit the distributor to report the number of gallons of gasoline as corrected to a 60 degree Fahrenheit temperature. If the application is granted, all gasoline covered in the application and allowed by the commissioner must continue to be reported by the distributor on the adjusted basis for a period of one year from the date of the granting of the application. The number of gallons of petroleum products other than gasoline must be reported as originally invoiced.

Each report must show separately the number of gallons of aviation gasoline received by the reporter during such calendar month.

Each report must include the amount of gasoline tax on gasoline received by the reporter during the preceding month; provided that in computing the tax a deduction of three percent of the quantity of gasoline received by a distributor shall be made for evaporation and loss; provided further that at the time of reporting, the distributor shall submit satisfactory evidence that one-third of the three percent deduction has been credited or paid to dealers on quantities sold to them. ~~The~~ A written report is deemed to have been filed as required in this subdivision if postmarked on or before the 23rd day of the month in which payable.

Sec. 7. Minnesota Statutes 1994, section 296.141, subdivision 2, is amended to read:

Subd. 2. [INSPECTION FEES.] Persons required to pay an inspection fee under section 239.101 must file a report. Each report must include the amount of inspection fees due on petroleum products. The Reports must be filed with the commissioner in the form and manner the commissioner prescribes. A written report is considered filed as required if postmarked on or before the 23rd day of the month in which payable.

Sec. 8. Minnesota Statutes 1994, section 296.141, subdivision 6, is amended to read:

Subd. 6. [ON-FARM BULK STORAGE OF GASOLINE OR SPECIAL FUEL; ETHYL ALCOHOL FOR PERSONAL USE.] Notwithstanding the provisions of this section, the producer of ethyl alcohol which is produced for personal use and not for sale in the usual course of business and a farmer who uses gasoline or any special fuel on which a tax has not been paid shall report and pay the tax on all ethyl alcohol, gasoline, or special fuel delivered into the supply tank of a licensed motor vehicle during the preceding calendar year. The tax must be reported in the form and manner prescribed by the commissioner and paid together with any refund claim filed by the taxpayer under section 296.18. If no refund claim is filed, the tax must be reported and paid annually by March 15 or more frequently, as the commissioner may prescribe. Any producer qualifying under this subdivision is exempt from the licensing requirements contained in section 296.06, subdivision 1.

Sec. 9. Minnesota Statutes 1994, section 296.17, subdivision 1, is amended to read:

Subdivision 1. [UNREPORTED FUEL.] It shall be the duty of every distributor, dealer, and person who sells or uses gasoline manufactured, produced, received, or stored by the distributor, dealer, or person, and of every person using gasoline in motor vehicles or special fuel in licensed motor vehicles, if the same has not been reported or if the tax on account thereof has not been paid to the commissioner, to report to the commissioner in the form and manner prescribed by the commissioner, the quantity of such gasoline so sold or used or such special fuel used, and such person shall become liable for the payment of the tax. All provisions of sections 296.01 to 296.421 relating to the calculation, collection and payment of the tax shall be applicable to any such person, dealer or distributor.

Sec. 10. Minnesota Statutes 1994, section 296.17, subdivision 3, is amended to read:

Subd. 3. [REFUNDS ON FUEL USED IN OTHER STATES.] Every person regularly or habitually operating motor vehicles upon the public highways of any other state or states and using in said motor vehicles gasoline or special fuel purchased or obtained in this state, shall be allowed a credit or refund equal to the tax on said gasoline or special fuel paid to this state on the gasoline or special fuel actually used in the other state or states. No credit or refund shall be allowed under this subdivision for taxes paid to any state which imposes a tax upon gasoline or special fuel purchased or obtained in this state and used on the highways of such other state, and which does not allow a similar credit or refund for the tax paid to this state on gasoline or special fuel purchased or acquired in such other state and used on the highways of this state. Every person claiming a credit or refund under this subdivision shall file a claim ~~on a~~ in the form and manner prescribed by the commissioner or take the credit on a subsequent tax return within one year of the last day of the month following the end of the quarter when the overpayment occurred.

Sec. 11. Minnesota Statutes 1994, section 296.17, subdivision 5, is amended to read:

Subd. 5. [UNREPORTED AVIATION GASOLINE.] The provisions of subdivision 1 do not apply to aviation gasoline. It shall be the duty of every distributor, dealer, and person who receives, sells, stores, or withdraws from storage in this state aviation gasoline manufactured, produced, received, or stored by the distributor, dealer, or person, if the same has not been reported or if a tax provided for in section 296.02 on account thereof, has not been paid to the commissioner, to report to the commissioner, in the form and manner prescribed by the commissioner, the quantity of such gasoline so received, sold, stored, or withdrawn from storage, and such person shall become liable for the payment of the tax.

All provisions of sections 296.01 to 296.421 relating to the calculation, collections, and payment of the tax shall be applicable to any such person, dealer, or distributor.

Sec. 12. Minnesota Statutes 1994, section 296.17, subdivision 11, is amended to read:

Subd. 11. [MOTOR CARRIER REPORTS.] Every motor carrier subject to the road tax shall, on or before the last day of April, July, October, and January, file with the commissioner ~~such~~ in the form and manner prescribed by the commissioner, reports of operations during the previous three months ~~as the commissioner may require~~, and such other reports from time to time as the commissioner may deem necessary. The commissioner by rule may exempt from the quarterly reporting requirements of this section those motor carriers whose mileage is all or substantially all and those motor carriers whose mileage is minimal within this state, or states with which Minnesota has reciprocity and require in such instances an annual report reflecting the operations of the carrier during the previous year along with payment of any taxes due.

Each report shall contain a confession of judgment for the amount of the tax shown due thereon to the extent not timely paid.

Sec. 13. Minnesota Statutes 1994, section 296.18, subdivision 1, is amended to read:

Subdivision 1. [CLAIM; FUEL USED IN OTHER VEHICLES.] Any person who shall buy and use gasoline for a qualifying purpose other than use in motor vehicles, snowmobiles except as provided in clause (2), or motorboats, or special fuel for a qualifying purpose other than use in licensed motor vehicles, and who shall have paid the Minnesota excise tax directly or indirectly through the amount of the tax being included in the price of the gasoline or special fuel, or otherwise, shall be reimbursed and repaid the amount of the tax paid upon filing with the commissioner a signed claim in writing in the form and manner prescribed by the commissioner, and containing the information the commissioner shall require ~~and accompanied by the original invoice thereof~~. By signing any such claim which is false or fraudulent, the applicant shall be subject to the penalties provided in this section for knowingly making a false claim. The claim shall set forth the total amount of the gasoline so purchased and used by the applicant other than in motor vehicles, or special fuel so purchased and used by the applicant other than in licensed motor vehicles, and shall state when and for what purpose it was used. When a claim contains an error in computation or preparation, the commissioner is authorized to adjust the claim in accordance with the evidence shown on the claim or other information available to the commissioner. The commissioner, on being satisfied that the claimant is entitled to the payments, shall approve the claim and transmit it to the commissioner of finance. No repayment shall be made unless the claim and invoice shall be filed with the commissioner within one year from the date of the purchase. The postmark on the envelope in which the a written claim is mailed shall determine ~~the its date of filing~~. The words "gasoline" or "special fuel" as used in this subdivision do not include aviation gasoline or special fuel for aircraft. Gasoline or special fuel bought and used for a "qualifying purpose" means:

(1) Gasoline or special fuel used in carrying on a trade or business, used on a farm situated in Minnesota, and used for a farming purpose. "Farm" and "farming purpose" have the meanings given them in section 6420(c)(2), (3), and (4) of the Internal Revenue Code of 1986, as amended through December 31, 1988.

(2) Gasoline or special fuel used for off-highway business use. "Off-highway business use" means any use by a person in that person's trade, business, or activity for the production of income. "Off-highway business use" includes use of a passenger snowmobile off the public highways as part of the operations of a resort as defined in section 157.01, subdivision 1. "Off-highway business use" does not include use as a fuel in a motor vehicle which, at the time of

use, is registered or is required to be registered for highway use under the laws of any state or foreign country.

(3) Gasoline or special fuel placed in the fuel tanks of new motor vehicles, manufactured in Minnesota, and shipped by interstate carrier to destinations in other states or foreign countries.

Sec. 14. Minnesota Statutes 1994, section 296.18, subdivision 2, is amended to read:

Subd. 2. [FAILURE TO USE OR SELL FOR INTENDED PURPOSE; REPORTS REQUIRED.] (1) Any person who shall buy aviation gasoline or special fuel for aircraft use and who shall have paid the excise taxes due thereon directly or indirectly through the amount of the tax being included in the price thereof, or otherwise, and shall use said gasoline or special fuel in motor vehicles or shall knowingly sell it to any person for use in motor vehicles shall, on or before the twenty-third day of the month following that in which such gasoline or special fuel was so used or sold, report the fact of such use or sale to the commissioner in such form and manner as the commissioner may prescribe.

(2) Any person who shall buy gasoline other than aviation gasoline and who shall have paid the motor vehicle gasoline excise tax directly or indirectly through the amount of the tax being included in the price of the gasoline, or otherwise, who shall knowingly sell such gasoline to any person to be used for the purpose of producing or generating power for propelling aircraft, or who shall receive, store, or withdraw from storage such gasoline to be used for that purpose, shall, on or before the 23rd day of the month following that in which such gasoline was so sold, stored, or withdrawn from storage, report the fact of such sale, storage, or withdrawal from storage to the commissioner in such form and manner as the commissioner may prescribe.

(3) Any person who shall buy aviation gasoline or special fuel for aircraft use and who shall have paid the excise taxes directly or indirectly through the amount of the tax being included in the price thereof, or otherwise, who shall not use it in motor vehicles or receive, sell, store, or withdraw it from storage for the purpose of producing or generating power for propelling aircraft, shall be reimbursed and repaid the amount of the tax paid upon filing with the commissioner a signed claim in writing in such form and ~~containing such information as the commissioner shall require and accompanied by the original invoice thereof~~ manner as the commissioner may prescribe. By signing any such filing a claim which is false or fraudulent, the applicant shall be subject to the penalties provided in section 296.25 for knowingly or willfully making a false claim. The claim shall set forth the total amount of the aviation gasoline or special fuel for aircraft use so purchased and used by the applicant, and shall state when and for what purpose it was used. When a claim contains an error in computation or preparation, the commissioner is authorized to adjust the claim in accordance with the evidence shown on the claim or other information available to the commissioner. The commissioner, on being satisfied that the claimant is entitled to payment, shall approve the claim and transmit it to the commissioner of finance. No repayment shall be made unless the claim and invoice shall be filed with the commissioner within one year from the date of the purchase. The postmark on the envelope in which the a written claim is mailed shall determine the its date of filing.

Sec. 15. Minnesota Statutes 1994, section 296.18, subdivision 5, is amended to read:

Subd. 5. [GRADUATED REDUCTION-BASIS REFUND CLAIM, REQUIREMENTS.] Any distributor or other person claiming to be entitled to any refund provided for in subdivision 4 shall receive such refund upon filing with the commissioner a verified claim in such form and manner, and, containing such information, and accompanied by such invoices or other proof as the commissioner shall require. The claim shall set forth, among other things, the total number of gallons of aviation gasoline or special fuel for aircraft use upon which the claimant has directly or indirectly paid the excise tax provided for in sections 296.02, subdivision 2, or 296.025, subdivision 2, during the calendar year, which has been received, stored, or withdrawn from storage by the claimant in this state and not sold or otherwise disposed of to others. The commissioner, on being satisfied that the claimant is entitled to the refund, shall approve the claim and transmit it to the commissioner of finance, and it shall be paid as provided for in section 296.421, subdivision 2. All claims for refunds under this subdivision shall be made on or before April 15 following the end of the calendar year for which the refund is claimed. Claims for aviation gasoline and special fuel tax refund filed within 15 days beyond the due date prescribed

by this subdivision shall be honored by the commissioner less a penalty of 25 percent of the amount of the approved claim.

Sec. 16. [EFFECTIVE DATE.]

Sections 2 to 15 are effective the day following final enactment.

Section 1 is effective for lawsuits initiated on or after the day following final enactment."

Delete the title and insert:

"A bill for an act relating to taxation; adopting federal income tax law changes; modifying certain tax rates, bases, and exemptions; modifying provisions relating to local excise taxes; restricting property tax levies; changing school district levy recognition; modifying certain duties imposed on local units of government and the department of revenue; modifying property tax exemption, valuation, and classification provisions; adjusting certain state aid distribution provisions; providing for deduction of property tax refunds from property taxes; authorizing certain exceptions to tax increment financing provisions; providing for establishment of special service districts; authorizing issuance of bonds and tax anticipation certificates; modifying certain taconite occupation and production provisions; adjusting the amount of the budget reserve; modifying the duties of the board of government innovation and cooperation; making tax policy, collection, and administrative changes; imposing penalties; appropriating money; amending Minnesota Statutes 1994, sections 6.745, subdivision 1; 16A.152, subdivision 1; 60A.15, subdivisions 1 and 12; 60A.199, subdivisions 8 and 10; 69.021, subdivision 2; 116J.556; 121.904, subdivisions 4a and 4c; 134.34, subdivision 4a; 168.012, subdivision 9; 216B.16, by adding a subdivision; 216C.01, subdivisions 1a and 1b; 246.18, subdivision 4, and by adding subdivisions; 254B.02, subdivision 3; 256H.09, subdivision 3; 270.72, subdivisions 1, 2, and 3; 270.79, subdivision 4; 270A.03, subdivision 7; 270A.08, subdivision 1; 270B.12, by adding subdivisions; 272.02, subdivision 1; 272.115, subdivision 1; 273.11, subdivisions 1a and 16; 273.124, subdivisions 1, 3, 6, 11, and 13; 273.13, subdivisions 24 and 25; 273.1399, subdivision 6, and by adding a subdivision; 273.37, by adding a subdivision; 274.01, subdivision 1; 274.14; 275.065, subdivision 3; 275.07, subdivision 1; 275.08, subdivision 1b; 276.04, subdivision 2; 276.09; 276.111; 276.131; 279.01, subdivision 1, and by adding a subdivision; 279.09; 279.10; 281.23, subdivision 3; 289A.18, subdivision 2; 289A.20, subdivision 2; 289A.25, by adding a subdivision; 289A.26, subdivision 2a; 289A.38, subdivision 7; 289A.40, subdivision 1; 289A.43; 289A.55, subdivision 7; 289A.60, subdivisions 2, 12, and by adding a subdivision; 290.01, subdivisions 7b and 19; 290.015, subdivision 1; 290.067, subdivision 1, as amended; 290.191, subdivisions 1, 5, and 6; 290.92, subdivisions 1 and 23; 290.9201, subdivision 3; 290A.03, subdivisions 6 and 13; 290A.04, subdivisions 2h and 3; 290A.07; 290A.15; 290A.18; 294.09, subdivisions 1 and 4; 296.01, subdivisions 30, 34, and by adding subdivisions; 296.02, subdivisions 1, 1a, and 1b; 296.025, subdivisions 1, 1a, and by adding a subdivision; 296.0261, by adding a subdivision; 296.12, subdivisions 3, 4, and 11; 296.141, subdivisions 1, 2, and 6; 296.17, subdivisions 1, 3, 5, and 11; 296.18, subdivisions 1, 2, and 5; 297.08, subdivisions 1 and 3; 297.35, subdivision 1; 297.43, subdivision 2; 297A.01, subdivision 3, and by adding a subdivision; 297A.135, subdivision 1; 297A.15, by adding a subdivision; 297A.25, subdivisions 9, 11, and 59; 297A.45; 297C.02, subdivision 2; 297C.07; 297C.14, subdivision 2; 297E.11, subdivision 4; 297E.12, subdivision 2; 298.01, subdivision 4; 298.227; 298.24, subdivision 1; 298.25; 298.28, subdivision 9a; 298.296, subdivision 4; 299F.26, subdivisions 1 and 4; 349A.10, subdivision 5; 375.169; 375.83; 465.798; 465.799; 465.801; 465.81, subdivision 1; 465.82, subdivision 2; 465.84; 465.85; 465.87; 469.169, subdivision 9, and by adding a subdivision; 471.6965; 477A.011, subdivision 36; 477A.015; Laws 1986, chapter 400, section 44; Laws 1991, chapter 291, article 8, section 28, subdivision 1; Laws 1992, chapter 511, article 2, sections 45, subdivision 7, and by adding a subdivision; and 46, subdivision 7, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 13; 16A; 270; 276; 290A; 296; 297A; 410; 465; 473; repealing Minnesota Statutes 1994, sections 124.01; 124.05; 124.06; 124.07; 124.76; 124.82; 124.829; 124.83; 124.84; 124.85; 124.86; 124.90; 124.91; 124.912; 124.914; 124.916; 124.918; 124.95; 124.961; 124.962; 124.97; 124A.02, subdivisions 16, 23, and 24; 124A.03, subdivisions 1b, 1c, 1d, 1e, 1f, 1g, 1h, and 1i; 124A.0311; 124A.032; 124A.04; 124A.22, subdivisions 1, 2, 3, 4, 4a, 4b, 6, 6a, 8, and 9; 124A.23; 124A.24; 124A.26, subdivisions 1, 2, and 3; 124A.27; 124A.28; 124A.29, subdivision 2; 245.48; 256H.12, subdivision 3; 270.70, subdivisions 8, 9, and 10; 273.13; 273.135; 273.136; 273.1391; 273.1399; 296.0261; 297A.136; 297A.212; 297A.38;

469.175, subdivision 7a; 473F.001; 473F.01; 473F.02; 473F.03; 473F.05; 473F.06; 473F.07; 473F.08; 473F.09; 473F.10; 473F.11; 473F.13; 477A.011; 477A.012; 477A.0121; 477A.0122; 477A.013; 477A.0132; 477A.014; 477A.015; 477A.016; 477A.017; 477A.03; 477A.11; 477A.12; 477A.13; 477A.14; 477A.15; Laws 1991, chapter 265, article 7, section 35."

The motion prevailed. So the amendment was adopted.

H.F. No. 1864 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 16, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Kroening	Morse	Reichgott Junge
Beckman	Frederickson	Laidig	Murphy	Riveness
Belanger	Hanson	Langseth	Neuville	Sams
Berg	Hottinger	Larson	Pappas	Samuelson
Bertram	Janezich	Lesewski	Pariseau	Spear
Betzold	Johnson, D.J.	Lessard	Piper	Stumpf
Chandler	Johnson, J.B.	Metzen	Pogemiller	Vickerman
Dille	Kelly	Moe, R.D.	Price	Wiener
Finn	Krentz	Mondale	Ranum	

Those who voted in the negative were:

Day	Kleis	Limmer	Oliver	Runbeck
Johnson, D.E.	Knutson	Marty	Ourada	Scheevel
Johnston	Kramer	Merriam	Robertson	Stevens
Kiscaden				

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, with the exception of the report pertaining to appointments. The motion prevailed.

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. 1089: A bill for an act relating to traffic regulations; exempting highways, freeways, and expressways from noise limits; requiring noise abatement study and measures for freeways and expressways contingent on available funding; requiring annual noise abatement report; providing for disposition of proceeds of fines collected for violation of work zone speed limits; amending Minnesota Statutes 1994, sections 116.07, subdivision 2a; 160.02, by adding a subdivision; 161.125, subdivision 1; and 169.14, subdivision 5d.

Reports the same back with the recommendation that the report from the Committee on Environment and Natural Resources, shown in the Journal for April 20, 1995, 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. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35 and Joint Rule 2.03, together with the committee report thereon,

S.F. No. 1103: A bill for an act relating to children's services; establishing the department of children, families, and learning; making related changes; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 119A; repealing Minnesota Statutes 1994, sections 121.02, subdivisions 1, 2a, and 3; 121.03; and 121.04, subdivision 2.

Reports the same back with the recommendation that the report from the Committee on Education, shown in the Journal for April 10, 1995, be amended to read:

"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. 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 waters; planning, development, review, reporting, and coordination of surface and groundwater management in the metropolitan area; amending Minnesota Statutes 1994, sections 103B.205, by adding a subdivision; 103B.211, subdivision 1; 103B.231, subdivisions 3, 4, 6, 7, 8, 9, 11, and by adding a subdivision; 103B.235, subdivision 3; 103B.241, subdivision 1; 103B.245, subdivisions 1 and 4; 103B.251, subdivisions 3 and 7; 103B.255, subdivisions 6, 7, 8, 9, 10, and 12; 103B.311, subdivisions 4 and 6; 103B.3369, subdivisions 5 and 6; and 103B.355; proposing coding for new law in Minnesota Statutes, chapter 103B; repealing Minnesota Statutes 1994, sections 103B.211, subdivision 4; 103B.227, subdivision 6; 103B.231, subdivisions 5 and 12; and 103B.3365.

Reports the same back with the recommendation that the report from the Committee on Environment and Natural Resources, shown in the Journal for April 12, 1995, 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. 885: A bill for an act relating to public nuisance; modifying the grounds and procedure for proving a nuisance; providing for a meeting to attempt resolution of the issue; amending Minnesota Statutes 1994, sections 617.80, subdivisions 2, 4, 5, and 8, and by adding a subdivision; 617.81, subdivisions 1, 2, and 3; 617.82; 617.83; 617.84; 617.85; and 617.87; proposing coding for new law in Minnesota Statutes, chapter 617; repealing Minnesota Statutes 1994, section 617.81, subdivisions 2a and 3.

Reports the same back with the recommendation that the report from the Committee on Judiciary, shown in the Journal for April 13, 1995, 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. 882: A bill for an act relating to crime; expanding the scope of the patterned sex offender sentencing law; requiring training for judges, prosecutors, peace officers, and sex offender assessors on sentencing laws applicable to repeat and patterned sex offenders; amending Minnesota Statutes 1994, sections 480.30; and 609.1352, subdivisions 1, 3, and 5; proposing coding for new law in Minnesota Statutes, chapter 388.

Reports the same back with the recommendation that the report from the Committee on Crime Prevention, shown in the Journal for April 12, 1995, 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. 166: A bill for an act relating to public administration; providing oversight of certain state and metropolitan government contracts; amending Minnesota Statutes 1994, sections 15.061; 16A.11, by adding a subdivision; 16B.17; 16B.19, subdivisions 2 and 10; and 473.129, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 16B.

Reports the same back with the recommendation that the report from the Committee on Governmental Operations and Veterans, shown in the Journal for April 12, 1995, 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. 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. 1135: A bill for an act relating to ice arenas; providing the Minnesota amateur sports commission with additional authority; authorizing use of county capital improvement bonds; exempting issuance of certain debt from the election requirements; providing a sales tax exemption; authorizing use of subdivision dedication for certain facilities; appropriating money; amending Minnesota Statutes 1994, sections 240A.09; 240A.10; 297A.25, by adding a subdivision; 373.40, subdivision 1; 462.358, subdivision 2b; 471.16, subdivision 1; and 475.58, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 373.

Reports the same back with the recommendation that the report from the Committee on Governmental Operations and Veterans, shown in the Journal for April 10, 1995, 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. 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. 1221: A bill for an act relating to veterans; appropriating money for assistance in making certain claims.

Reports the same back with the recommendation that the report from the Committee on Governmental Operations and Veterans, shown in the Journal for April 5, 1995, be adopted; that committee recommendation being:

"the bill do pass and be re-referred to the Committee on Finance". 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. 1186: A bill for an act relating to housing; changing age limitations under the family homeless prevention and assistance program; modifying the rental housing program; correcting references to municipal housing plan reporting requirements; amending Minnesota Statutes 1994, sections 462A.204, subdivision 1; 462A.205, subdivision 4; 462A.21, by adding a subdivision; and 469.0171; proposing coding for new law in Minnesota Statutes, chapter 462A; repealing Minnesota Statutes 1994, section 462A.21, subdivision 8c.

Reports the same back with the recommendation that the report from the Committee on Jobs,

Energy and Community Development, shown in the Journal for April 13, 1995, be amended to read:

"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. 273: A bill for an act relating to water; providing for the classification of water supply systems and wastewater treatment facilities and certification of operators by the department of health and the pollution control agency; appropriating money; amending Minnesota Statutes 1994, sections 115.71, subdivisions 1, 4, 8, 10, and by adding subdivisions; 115.72; 115.73; 115.75; 115.76; 115.77; and 144.99, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 115; repealing Minnesota Statutes 1994, sections 115.71, subdivisions 2, 3, and 3a; 115.74; 115.78; 115.79; 115.80; and 115.82.

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. 677: A bill for an act relating to motor vehicles; authorizing suspension of a vehicle's registration in certain circumstances; requiring a form to be provided in a vehicle's certificate of title and completed under certain circumstances; amending Minnesota Statutes 1994, sections 168.11, subdivision 3; 168.17; 168A.05, subdivision 5; and 168A.10, subdivisions 1 and 2.

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

Page 3, after line 35, insert:

"Sec. 6. [APPROPRIATION.]

\$343,000 is appropriated from the general fund to the commissioner of public safety to pay the cost of the notices required by this act, to be available until June 30, 1997."

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 re-referred

S.F. No. 399: A bill for an act relating to recreational vehicles; driving while intoxicated; providing for forfeiture of snowmobiles, all-terrain vehicles, and motorboats for designated, DWI-related offenses; extending vehicle forfeiture law by expanding the definition of prior conviction to include other types of vehicles; amending Minnesota Statutes 1994, sections 84.83, subdivision 2; 84.927, subdivision 1; and 169.1217, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 84; and 86B.

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

Page 5, line 14, delete "forwarded" and insert "deposited in the state treasury and credited"

Page 9, line 17, delete "forwarded" and insert "deposited in the state treasury and credited"

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. 1503: A bill for an act relating to public safety; requiring fireworks display operators

to be certified by state fire marshal; setting fees; appropriating money; amending Minnesota Statutes 1994, section 624.22.

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

Page 3, line 31, delete "\$....." and insert "\$100"

Page 4, line 33, delete "\$....." and insert "\$100"

Page 5, line 25, delete "\$....." and insert "\$14,000"

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. 1079: A bill for an act relating to financing of government of this state; reducing 1995 appropriations; providing supplemental 1995 appropriations for certain purposes.

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

Page 1, line 14, delete "(10,863,787)" and insert "(10,864,000)"

Page 1, delete lines 15 to 25

Page 1, line 27, delete "(152,901)" and insert "(665,000)"

Page 1, line 31, before the period, insert ", and shall be allocated by the legislative coordinating commission among the senate, the house of representatives, and the legislative commissions"

Renumber the subdivisions in sequence

Pages 4 and 5, delete section 3 and insert:

"Sec. 3. [APPROPRIATIONS SUMMARY.]

The sums set forth in columns designated "APPROPRIATIONS" are appropriated from the general fund, or any other named fund, to the agencies and for the purposes specified in the following subdivisions of this section to be available for the fiscal year ending June 30, 1995, unless otherwise indicated.

SUMMARY BY FUND

	APPROPRIATIONS
General Fund	\$ 835,000
Workers' Compensation	407,000
Subdivision 1. Peace Officers Standards and Training Board	20,000
This appropriation is added to the appropriation in Laws 1993, chapter 146, article 2, section 2, to provide for staffing and general operating costs of the board, including legal fees.	
Subd. 2. Ethical Practices Board	308,000
\$291,000 is for litigation expenses and \$17,000 is for severance costs.	
Subd. 3. Department of Labor and Industry	407,000
This appropriation is for litigation expenses and is from the special compensation fund.	
Subd. 4. Board of Architecture, Engineering,	

Land Surveying, Landscape Architecture, and
Interior Design

100,000

This appropriation is for legal fees and is
available until June 30, 1997."

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

Ms. Piper from the Committee on Family Services, to which was referred the following appointment as reported in the Journal for February 21, 1995:

DEPARTMENT OF HUMAN SERVICES
COMMISSIONER

Maria R. Gomez

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. 897, 885, 882, 273, 677, 399, 1503 and 1079 were read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Metzen moved that the name of Mr. Stevens be added as a co-author to S.F. No. 973.

Mr. Johnson, D.E. introduced--

Senate Resolution No. 58: A Senate resolution congratulating the New London-Spicer High School Girls basketball team as consolation champions in the 1995 State High School Girls Basketball Tournament.

Referred to the Committee on Rules and Administration.

Mr. Johnson, D.E. introduced--

Senate Resolution No. 59: A Senate resolution congratulating the New London-Spicer High School Boys basketball team as consolation champions in the 1995 State High School Boys Basketball Tournament.

Referred to the Committee on Rules and Administration.

Mr. Frederickson moved that the names of Messrs. Merriam and Riveness be added as co-authors to S.F. No. 1310. The motion prevailed.

Mr. Solon moved that his name be stricken as chief author, shown as a co-author and the name of Mr. Johnson, D.J. be added as chief author to S.F. No. 1681. The motion prevailed.

Mr. Finn moved that his name be stricken as chief author, and the name of Mr. Bertram be added as chief author to S.F. No. 475. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Janezich introduced--

S.F. No. 1682: A bill for an act relating to taxation; increasing income tax rates on the income of certain individuals, estates, and trusts; abolishing the tax on hospitals and health care providers; depositing the revenue from the rate increase to the health care access fund; amending Minnesota Statutes 1994, sections 60A.02, subdivision 3; 62D.02, subdivision 4; 62N.02, subdivision 4a; 62P.04, subdivision 1; 214.16, subdivision 3; 270B.01, subdivision 8; 290.06, subdivisions 2c and 2d; and 290.62; repealing Minnesota Statutes 1994, sections 144.1484, subdivision 2; 295.50; 295.51, subdivision 1; 295.52; 295.53; 295.54; 295.55; 295.57; 295.58; 295.582; and 295.59.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Murphy, Novak, Ms. Wiener, Messrs. Dille and Metzen introduced--

S.F. No. 1683: A resolution supporting comprehensive federal legislation to establish an integrated spent fuel management storage facility.

Referred to the Committee on Jobs, Energy and Community Development.

MEMBERS EXCUSED

Mr. Kelly was excused from the Session of today from 9:00 to 10:00 a.m. Mr. Hottinger was excused from the Session of today from 9:45 to 10:00 a.m. Mr. Murphy was excused from the Session of today from 9:00 to 9:50 a.m. and 11:10 to 11:45 a.m. and 2:45 to 3:15 p.m. Ms. Wiener was excused from the Session of today from 9:00 to 10:05 a.m. Ms. Ranum was excused from the Session of today from 9:55 to 10:15 a.m. and 2:00 to 2:30 p.m. and 3:00 to 3:20 p.m. Mr. Limmer was excused from the Session of today from 10:46 to 11:00 a.m. Mr. Pogemiller was excused from the Session of today from 10:30 to 11:15 a.m. Mr. Sams was excused from the Session of today from 10:45 to 11:30 a.m. Ms. Runbeck was excused from the Session of today from 10:25 to 11:35 a.m. Mr. Terwilliger was excused from the Session of today from 11:00 to 11:40 a.m. and 12:45 to 1:00 p.m. Mr. Chandler was excused from the Session of today from 11:00 a.m. to 12:00 noon and 1:15 to 1:45 p.m. Mr. Langseth was excused from the Session of today from 10:45 to 11:30 a.m. and 12:00 noon to 12:30 p.m. Mr. Johnson, D.J. was excused from the Session of today from 12:00 noon to 12:30 p.m. and 1:20 to 2:50 p.m. and 3:00 to 3:45 p.m. Mr. Moe, R.D. was excused from the Session of today from 10:15 to 11:00 a.m. and 11:30 a.m. to 12:45 p.m. and 1:35 to 2:15 p.m. Ms. Berglin was excused from the Session of today at 1:00 p.m. Ms. Olson was excused from the Session of today at 1:45 p.m. Mr. Cohen was excused from the Session of today from 2:20 to 3:20 p.m. Mr. Novak was excused from the Session of today from 12:00 noon to 12:30 and at 2:20 p.m. Ms. Reichgott Junge was excused from the Session of today from 1:00 to 2:00 p.m. Ms. Johnson, J.B. was excused from the Session of today from 10:05 to 10:13 a.m. and 12:45 to 1:15 p.m. Mr. Lessard was excused from the Session of today from 3:00 to 3:15 p.m. Mr. Johnson, D.E. was excused from the Session of today from 11:15 to 11:45 a.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Thursday, April 27, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FORTY-EIGHTH DAY

St. Paul, Minnesota, Thursday, April 27, 1995

The Senate met at 9:00 a.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Curtis H. Johnson.

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

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

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

April 26, 1995

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1995 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 1995	Date Filed 1995
	1063	90	2:12 p.m. April 25	April 25
	843	91	2:14 p.m. April 25	April 25
	344	92	2:16 p.m. April 25	April 25

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 File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 106: A bill for an act relating to the organization and operation of state government; appropriating money for environmental, natural resource, and agricultural purposes; modifying provisions relating to disposition of certain revenues from state trust lands, sales of software, agricultural and environmental loans, food handlers, ethanol and oxygenated fuels, the citizen's council on Voyageurs National Park, local recreation grants, zoo admission charges, watercraft surcharge, water information, well sealing grants, pollution control agency fees, sale of tax-forfeited lands, and payments in lieu of taxes; establishing the Passing on the Farm Center; establishing special critical habitat license plates; authorizing establishment of a shooting area in Sand Dunes State Forest; prohibiting the adoption or enforcement of water quality standards that are not necessary to comply with federal law; abolishing the harmful substance compensation board and account; extending performance reporting requirements; providing for easements across state trails in certain circumstances; amending Minnesota Statutes 1994, sections 15.91, subdivision 1; 16A.125; 16B.405, subdivision 2; 17.117, subdivisions 2, 4, 6, 7, 8, 9, 10, 11, 14, 16, and by adding subdivisions; 28A.03; 28A.08; 41A.09, by adding subdivisions; 41B.02, subdivision 20; 41B.043, subdivisions 1b, 2, and 3; 41B.045, subdivision 2; 41B.046, subdivision 1, and by adding a subdivision; 84.631; 84.943, subdivision 3; 84B.11, subdivision 1; 85.015, by adding a subdivision; 85.019; 85A.02, subdivision 17; 86.72, subdivision 1; 86B.415, subdivision 7; 92.46, subdivision 1; 93.22; 97A.531, subdivision 1; 103A.43; 103F.725, subdivision 1a; 103H.151, by adding a subdivision; 103I.331, subdivision 4; 115.03, subdivision 5; 115A.03, subdivision 29; 115A.908, subdivision 3; 115B.20, subdivision 1; 115B.25, subdivision 1a; 115B.26, subdivision 2; 115B.41, subdivision 1; 115B.42; 115C.03, subdivision 9; 116.07, subdivision 4d, and by adding a subdivision; 116.12, subdivision 1; 116.96, subdivision 5; 116C.69, subdivision 3; 116P.11; 239.791, subdivision 8; 282.01, subdivisions 2 and 3; 282.011, subdivision 1; 282.02; 282.04, subdivision 1; 296.02, by adding a subdivision; 446A.07, subdivision 8; 446A.071, subdivision 2; 473.845, subdivision 2; 477A.11, subdivision 4; 477A.12; and 477A.14; proposing coding for new law in Minnesota Statutes, chapters 17; 28A; 89; 116; and 168; repealing Minnesota Statutes 1994, sections 28A.08, subdivision 2; 41A.09, subdivisions 2, 3, and 5; 97A.531, subdivisions 2, 3, 4, 5, and 6; 115B.26, subdivision 1; 239.791, subdivisions 4, 5, 6, and 9; 282.018; 296.02, subdivision 7; 325E.0951, subdivision 5; and 446A.071, subdivision 7; Laws 1993, chapter 172, section 10.

Senate File No. 106 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 26, 1995

Mr. Morse moved that the Senate do not concur in the amendments by the House to S.F. No. 106, 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 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. 1670: A bill for an act relating to the organization and operation of state government; appropriating money for community development and certain agencies of state government, with certain conditions; establishing and modifying certain programs; providing for regulation of certain activities and practices; providing for accounts, assessments, and fees; requiring studies and reports; amending Minnesota Statutes 1994, sections 116J.873, subdivision 3, and by adding subdivisions; 116M.16, subdivision 2; 116M.18, subdivisions 4, 5, and by adding a subdivision; 116N.03, subdivision 2; 116N.08, subdivisions 5, 6, and by adding a subdivision; 124.85, by adding a subdivision; 175.171; 268A.01, subdivisions 4, 5, 6, 9, and 10; 268A.03; 268A.06, subdivision 1; 268A.07; 268A.08, subdivisions 1 and 2; 268A.13; 462A.201, subdivision 2; 462A.204, subdivision 1; and 462A.21, subdivisions 3b, 8b, 21, and by adding a subdivision; Laws 1994, chapter 643, section 19, subdivision 9; proposing coding for new law in Minnesota Statutes, chapters 178; 268A; and 462A; repealing Minnesota Statutes 1994, sections 116J.874, subdivision 6; 268A.01, subdivisions 7, 11, and 12; and 268A.09.

Senate File No. 1670 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 26, 1995

Mr. Kroening moved that the Senate do not concur in the amendments by the House to S.F. No. 1670, 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 to be appointed on the part of the House. The motion prevailed.

MOTIONS AND RESOLUTIONS

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 258 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 258: A bill for an act relating to occupations and professions; board of medical practice; providing for the registration of physician assistants by the board of medical practice; providing for rulemaking; providing penalties; amending Minnesota Statutes 1994, sections 116J.70, subdivision 2a; 136A.1356, subdivision 1; 144.335, subdivision 1; 148B.60, subdivision 3; 151.01, subdivision 23; 151.37, subdivision 2a; 214.23, subdivision 1; and 604A.01, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 147A; repealing Minnesota Statutes 1994, sections 147.34; 147.35; and 147.36; Minnesota Rules, parts 5600.2600; 5600.2605; 5600.2610; 5600.2615; 5600.2620; 5600.2625; 5600.2630; 5600.2635; 5600.2640; 5600.2645; 5600.2650; 5600.2655; 5600.2660; 5600.2665; and 5600.2670.

Ms. Piper moved to amend S.F. No. 258 as follows:

Page 8, line 29, delete "[EXEMPTION FROM REGISTRATION.]" and insert "[EXEMPTIONS.]"

(a) This chapter does not apply to, control, prevent, or restrict the practice, service, or activities of persons listed in section 147.09, clauses (1) to (6) and (8) to (13), persons regulated under section 214.01, subdivision 2, or persons defined in section 136A.1356, subdivision 1, paragraphs (a) to (d).

(b)"

Page 9, after line 24, insert:

"Nothing in this chapter authorizes physician assistants to perform duties regulated by the boards listed in section 214.01, subdivision 2, other than the board of medical practice, and except as provided in this section."

The motion prevailed. So the amendment was adopted.

S.F. No. 258 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 4, as follows:

Those who voted in the affirmative were:

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

Mses. Anderson, Berglin, Messrs. Limmer and Merriam voted in the negative.

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. 1709 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1709: A bill for an act relating to the city of Chanhassen; authorizing certain bid specifications for playground equipment on an experimental basis.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1037 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1037: A bill for an act relating to workers' compensation; repealing the sunset of the targeted industry fund for loggers.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

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. 244 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 244: A bill for an act relating to employment; establishing the governor's workforce development council to replace certain other councils; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1994, sections 126B.02; 121.703; and 268.9755.

Ms. Lesewski moved that the amendment made to H.F. No. 244 by the Committee on Rules and Administration in the report adopted April 25, 1995, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 244 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill 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 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. 990:

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

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Entenza, Dawkins and Smith have been appointed as such committee on the part of the House.

House File No. 990 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 26, 1995

Ms. Anderson moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 990, 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

Ms. Krentz moved that H.F. No. 1105 be taken from the table. The motion prevailed.

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

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

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

Page 3, after line 3, insert:

"Sec. 2. Minnesota Statutes 1994, section 257.57, subdivision 2, is amended to read:

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

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

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

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

Page 5, after line 13, insert:

"Sec. 7. [APPLICATION; TRANSITION.]

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

(b) Notwithstanding any law to the contrary, a person whose action to declare the nonexistence of the father and child relationship presumed under Minnesota Statutes, section 257.55, subdivision 1, paragraph (e), or a person whose motion to vacate a paternity adjudication because of the results of blood or genetic tests obtained after the adjudication, was barred before the effective date of section 2, has until February 1, 1996, to commence the action or bring a motion to vacate the paternity adjudication."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

CALL OF THE SENATE

Ms. Berglin imposed a call of the Senate for the balance of the proceedings on H.F. No. 1105. The Sergeant at Arms was instructed to bring in the absent members.

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

The roll was called, and there were yeas 49 and nays 15, as follows:

Those who voted in the affirmative were:

Beckman	Hanson	Krentz	Morse	Sams
Belanger	Janezich	Kroening	Murphy	Samuelson
Berg	Johnson, D.E.	Laidig	Oliver	Scheevel
Bertram	Johnson, D.J.	Langseth	Ourada	Solon
Betzold	Johnson	Larson	Pariseau	Spear
Chmielewski	Kelly	Lesewski	Pogemiller	Stevens
Day	Kiscaden	Lessard	Price	Stumpf
Dille	Kleis	Limmer	Riveness	Terwilliger
Finn	Knutson	Marty	Robertson	Vickerman
Frederickson	Kramer	Metzen	Runbeck	

Those who voted in the negative were:

Anderson	Cohen	Merriam	Neuville	Piper
Berglin	Hottinger	Moe, R.D.	Novak	Ranum
Chandler	Johnson, J.B.	Mondale	Pappas	Wiener

The motion prevailed. So the amendment was adopted.

H.F. No. 1105 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 7, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson	Hottinger	Pappas	Piper	Ranum
Berglin	Merriam			

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 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. 1399:

H.F. No. 1399: A bill for an act relating to crime; imposing penalties for assaulting a police horse while it is being used for law enforcement purposes; proposing coding for new law in Minnesota Statutes, chapter 609.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Skoglund, Farrell and Lynch have been appointed as such committee on the part of the House.

House File No. 1399 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 26, 1995

Mr. Solon moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1399, 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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1207 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1207: A bill for an act relating to traffic regulations; increasing maximum length of certain combinations of vehicles from 65 to 70 feet; amending Minnesota Statutes 1994, section 169.81, subdivision 3.

Mr. Murphy moved to amend H.F. No. 1207, as amended pursuant to Rule 49, adopted by the Senate April 18, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 571.)

Page 1, line 14, strike "65" and insert "75"

The motion prevailed. So the amendment was adopted.

Mr. Murphy moved that H.F. No. 1207 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. 365 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 365: A bill for an act relating to insurance; no-fault auto; regulating priorities of coverage for taxis; amending Minnesota Statutes 1994, section 65B.47, subdivision 1a.

Ms. Wiener moved to amend H.F. No. 365, as amended pursuant to Rule 49, adopted by the Senate March 29, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 457.)

Page 1, line 17, delete "a taxi" and insert "a passenger in a taxi other than the driver"

The motion prevailed. So the amendment was adopted.

CALL OF THE SENATE

Mr. Chandler imposed a call of the Senate for the balance of the proceedings on H.F. No. 365. The Sergeant at Arms was instructed to bring in the absent members.

H.F. No. 365 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.

Mr. Chandler moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 34 and nays 31, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Krentz	Morse	Riveness
Belanger	Hottinger	Kroening	Novak	Robertson
Berglin	Janezich	Limmer	Pappas	Solon
Betzold	Johnson, D.J.	Marty	Pogemiller	Spear
Chandler	Johnson, J.B.	Metzen	Price	Stevens
Cohen	Kelly	Moe, R.D.	Ranum	Wiener
Flynn	Knutson	Mondale	Reichgott Junge	

Those who voted in the negative were:

Beckman	Day	Johnson, D.E.	Kramer	Lesewski
Berg	Dille	Johnston	Laidig	Lessard
Bertram	Finn	Kiscaden	Langseth	Merriam
Chmielewski	Frederickson	Kleis	Larson	Murphy

Neuville
Oliver
Ourada

Pariseau
Runbeck

Sams
Samuelson

Scheevel
Stumpf

Terwilliger
Vickerman

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. 273 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 273: A bill for an act relating to water; providing for the classification of water supply systems and wastewater treatment facilities and certification of operators by the department of health and the pollution control agency; appropriating money; amending Minnesota Statutes 1994, sections 115.71, subdivisions 1, 4, 8, 10, and by adding subdivisions; 115.72; 115.73; 115.75; 115.76; 115.77; and 144.99, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 115; repealing Minnesota Statutes 1994, sections 115.71, subdivisions 2, 3, and 3a; 115.74; 115.78; 115.79; 115.80; and 115.82.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

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. 603 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 603: A bill for an act relating to taxation; making technical and administrative changes, corrections, and clarifications; amending Minnesota Statutes 1994, sections 270.47; 270.48; 270.485; 270.494; 270.50; 270.52; 270.53; 270.69, subdivision 10; 270B.03, subdivision 1; 270B.12, subdivision 2; 270B.14, subdivision 11; 272.121, subdivision 2; 273.11, subdivision 16; 273.1398, by adding a subdivision; 273.17, subdivision 2; 275.065, subdivision 6; 276.04, subdivision 2; 284.28, subdivision 2; 289A.18, subdivision 4; 289A.50, subdivision 1; 290.032, subdivisions 1 and 2; 290A.04, subdivisions 2h and 6; 295.50, subdivisions 1 and 4; 295.53, subdivisions 1 and 5; 295.55, by adding a subdivision; 295.57; 296.01, subdivision 34; 296.025, subdivision 1; 296.12, subdivisions 3 and 4; 297A.01, subdivision 3; 297E.02, subdivisions 1, 6, and 11; 297E.031, subdivision 1; 297E.13, subdivision 5; 298.75, subdivision 2; 325D.33, subdivision 4; 349.163, subdivision 5; 428A.01, subdivision 5; 428A.03, by adding a subdivision; 428A.05; 473.446, subdivision 1; and 473.711, subdivision 2; Laws 1994, chapter 587, article 1, section 27; repealing Minnesota Statutes 1994, sections 60A.15, subdivision 7; 270.49; 270.493; and 290A.04, subdivision 2; Laws 1988, chapter 698, section 5; and Laws 1989, First Special Session chapter 1, article 7, section 9.

Mr. Price moved that the amendment made to H.F. No. 603 by the Committee on Rules and Administration in the report adopted March 20, 1995, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

Mr. Moe, R.D. moved to amend H.F. No. 603 as follows:

Page 49, after line 24, insert:

"ARTICLE 6
PROPERTY TAX FREEZE

Section 1. Minnesota Statutes 1994, section 6.745, subdivision 1, is amended to read:

Subdivision 1. [CITIES.] Annually, upon adoption of the city budget, the city council of each home rule charter or statutory city shall forward summary budget information to the office of the state auditor. The summary budget information shall be provided on forms prescribed by the state auditor. The office of the state auditor shall work with representatives of city government to develop a budget reporting form that conforms with city budgeting practices and provides the necessary summary budget information to the office of the state auditor. The summary budget data shall be provided to the office of the state auditor no later than December January 31 of ~~the year~~ preceding each budget year.

Sec. 2. Minnesota Statutes 1994, section 134.34, subdivision 4a, is amended to read:

Subd. 4a. [SUPPORT GRANTS.] In state fiscal years 1993, 1994, ~~and 1995, and 1996~~, 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), or (c).

(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.

(c) In 1996, the city or county maintains the dollar amount provided by it for operating purposes of public library service at least at the same dollar amount it provided in 1995.

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. 3. Minnesota Statutes 1994, section 254B.02, subdivision 3, is amended to read:

Subd. 3. [RESERVE ACCOUNT.] The commissioner shall allocate money from the reserve account to counties that, during the current fiscal year, have met or exceeded the base level of expenditures for eligible chemical dependency services from local money. ~~The commissioner shall establish the base level for fiscal year 1988 as the amount of local money used for eligible services in calendar year 1986. In later years, the base level must be increased in the same proportion as state appropriations to implement Laws 1986, chapter 394, sections 8 to 20, are increased. The base level must be decreased if the fund balance from which allocations are made under section 254B.02, subdivision 1, is decreased in later years. The base level of expenditures for each county is defined as 15 percent of the funds allocated to the county under subdivisions 1 and 2. The local match rate for the reserve account is the same rate as applied to the initial allocation. Reserve~~

account payments must not be included when calculating the county adjustments made according to subdivision 2.

Sec. 4. Minnesota Statutes 1994, section 256H.09, subdivision 3, is amended to read:

Subd. 3. [CHILD CARE FUND PLAN.] Effective January 1, 1992, the county will include the plan required under this subdivision in its biennial community social services plan required in this section, for the group described in section 256E.03, subdivision 2, paragraph (h). For the period July 1, 1989, to December 31, 1991, the county shall submit separate child care fund plans required under this subdivision for the periods July 1, 1989, to June 30, 1990; and July 1, 1990, to December 31, 1991. The commissioner shall establish the dates by which the county must submit these plans. The county and designated administering agency shall submit to the commissioner an annual child care fund allocation plan. The plan shall include:

(1) a narrative of the total program for child care services, including all policies and procedures that affect eligible families and are used to administer the child care funds;

(2) the number of families that requested a child care subsidy in the previous year, the number of families receiving child care assistance, the number of families on a waiting list, and the number of families projected to be served during the fiscal year;

(3) the methods used by the county to inform eligible groups of the availability of child care assistance and related services;

(4) the provider rates paid for all children by provider type;

(5) the county prioritization policy for all eligible groups under the basic sliding fee program and AFDC child care program;

(6) a report of all funds available to be used for child care assistance, ~~including demonstration of compliance with the maintenance of funding effort required under section 256H.12;~~ and

(7) other information as requested by the department to ensure compliance with the child care fund statutes and rules promulgated by the commissioner.

The commissioner shall notify counties within 60 days of the date the plan is submitted whether the plan is approved or the corrections or information needed to approve the plan. The commissioner shall withhold a county's allocation until it has an approved plan. Plans not approved by the end of the second quarter after the plan is due may result in a 25 percent reduction in allocation. Plans not approved by the end of the third quarter after the plan is due may result in a 100 percent reduction in the allocation to the county. Counties are to maintain services despite any reduction in their allocation due to plans not being approved.

Sec. 5. Minnesota Statutes 1994, 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~~ 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 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. 6. Minnesota Statutes 1994, section 279.10, is amended to read:

279.10 [PUBLICATION CORRECTED.]

Immediately after preparing forms for printing such notice and list, and at least five days before the first day for the publication thereof, every such publisher shall furnish proof of the proposed publication to the county auditor for correction. When such copy has been corrected, the auditor shall return the same to the printer, who shall publish it as corrected. On the first day on which such notice and list are published, the publisher shall mail a copy of the newspaper containing the

same to the auditor. If during the publication of the notice and list, or within ten days after the last publication thereof, the auditor shall discover that such publication is invalid, the auditor shall forthwith direct the publisher to republish the same as corrected ~~for an additional period of two weeks~~. The publisher, if not neglectful, shall be entitled to the same compensation as allowed by law for the original publication, but shall receive no further compensation therefor if such republication is necessary by reason of the neglect of the publisher.

Sec. 7. Minnesota Statutes 1994, 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 two successive weeks~~, in the official newspaper of the county, the notice prescribed by subdivision 2.

Sec. 8. Minnesota Statutes 1994, section 375.169, is amended to read:

375.169 [PUBLICATION OF SUMMARY BUDGET STATEMENT.]

Annually, upon adoption of the county budget, the county board shall cause a summary budget statement to be published in one of the following:

(1) the official newspaper of the county, or if there is none, in a qualified newspaper of general circulation in the county; or

(2) for a county in the metropolitan area as defined in section 473.121, subdivision 2, a county newsletter or other county mailing sent to all households in the city, or as an insert with the truth-in-taxation notice under section 275.065.

If the summary budget statement is published in a county newsletter, it must be the lead story. If the summary budget statement is published through a county newsletter or other county mailing, a copy of the newsletter or mailing shall be sent on request to any nonresident. If the summary budget statement is published by a mailing to households other than a newsletter, the color of the paper on which the summary budget statement is printed must be distinctively different than the paper containing other printed material included in the mailing. The statement shall contain information relating to anticipated revenues and expenditures in a form prescribed by the state auditor. The form prescribed shall be designed so that comparisons can be made between the current year and the budget year. A note shall be included that the complete budget is available for public inspection at a designated location within the county.

Sec. 9. Minnesota Statutes 1994, section 471.6965, is amended to read:

471.6965 [PUBLICATION OF SUMMARY BUDGET STATEMENT.]

Annually, upon adoption of the city budget, the city council shall publish a summary budget statement in either of the following:

(1) the official newspaper of the city, or if there is none, in a qualified newspaper of general circulation in the city; or

(2) for a city in the metropolitan area as defined in section 473.121, subdivision 2, a city newsletter or other city mailing sent to all taxpayers in the city, or as an insert with the truth-in-taxation notice under section 275.065.

If the summary budget statement is published in a city newsletter, it must be the lead cover story. If the summary budget statement is published by a mailing to taxpayers other than a newsletter, the color of the paper on which the summary budget statement is printed must be distinctively different than the paper containing other printed material included in the mailing.

The statement shall contain information relating to anticipated revenues and expenditures, in a form prescribed by the state auditor. The form prescribed shall be designed so that comparisons can be made between the current year and the budget year. A note shall be included that the complete budget is available for public inspection at a designated location within the city. If the summary budget statement is published through a city newsletter or other city mailing, a copy of the statement must be posted, in a common area, by the property owner of all residential

nonhomestead property as defined in section 273.13, subdivision 25, paragraphs (a) and (b), clause (1).

Sec. 10. [EDUCATION FINANCE FOR THE 1996-1997 SCHOOL YEAR.]

Subdivision 1. [ADJUSTED TAX CAPACITY FOR SCHOOL YEAR 1996-1997.] Notwithstanding any other law to the contrary, for purposes of any levy authorized under Minnesota Statutes, chapter 124, 124A, 124B, 136C, or 136D, the adjusted net tax capacity of a school district, education district, intermediate school district, or technical college under Minnesota Statutes, section 124.2131, for the 1996-1997 school year shall equal the adjusted net tax capacity used for computation of its levy limits for the 1995-1996 school year.

Subd. 2. [LOCAL EFFORT TAX RATE AND EQUALIZING FACTOR.] Notwithstanding any other law to the contrary, the local effort tax rates computed under Minnesota Statutes, sections 124.226, subdivision 1, and 124A.23, for the 1996-1997 school year shall equal the local effort tax rates established at the time of levy limit certification for the 1995-1996 school year. Notwithstanding any other law to the contrary, the equalizing factor under Minnesota Statutes, section 124A.02, for the 1996-1997 school year shall equal the equalizing factor for the 1995-1996 school year.

Subd. 3. [COMPUTATION OF PUPIL UNITS FOR LEVY LIMITS.] Notwithstanding Minnesota Statutes, section 124.17, or any other law to the contrary, the number of pupil units and AFDC pupil units for a school district, education district, intermediate school district, or technical college for use in computing the levy limits of the district or technical college for the 1996-1997 school year shall be the pupil units and AFDC pupil units used for the levy limit computation of the school district, education district, intermediate school district, or technical college for the 1995-1996 school year. For purposes of computing the revenue entitlement of a school district under Minnesota Statutes, chapter 124, 124A, 124B, 136C, or 136D, for the 1996-1997 school year, the pupil units or AFDC pupil units shall be as otherwise provided under Minnesota Statutes, section 124.17. If any section of Minnesota Statutes, chapters 124, 124A, and 124B, provides that an aid entitlement is equal to the difference between the revenue entitlement and the authorized levy, then the aid entitlement for the 1996-1997 school year shall equal the difference between the revenue entitlement and authorized levies computed under this section and sections 11 to 71. If any section of Minnesota Statutes, chapters 124, 124A, and 124B, other than sections 124.321 and 124.912, subdivision 2, provide that the aid entitlement will be reduced if a district fails to exercise its full levy authority and the district failed to levy its full authority for the 1995-1996 school year, the commissioner shall assume that, absent the provisions of this act, the district would have elected to exercise the same portion of its levy authority for the 1996-1997 school year as it did in the prior year and determine the district's aid under the applicable section and the prior sentence.

Sec. 11. [TRANSITIONAL LEVIES.]

Notwithstanding Minnesota Statutes, sections 122.247, subdivision 3, and 122.533, a school district's levy under those sections for taxes payable in 1996 shall be no greater than it was for the prior year.

Sec. 12. [TRANSPORTATION AID.]

For purposes of computing transportation aid under Minnesota Statutes, section 124.225, subdivision 8a, for the 1996-1997 school year, levies shall be those computed under the provisions of sections 10 and 13 to 21.

Sec. 13. [TRANSPORTATION LEVY.]

Notwithstanding Minnesota Statutes, section 124.226, subdivision 2, a school district's levy for additional transportation costs as the result of leasing a school in another district shall be no greater for the 1996-1997 school year than it was for the prior year.

Sec. 14. [OFF-FORMULA ADJUSTMENT.]

Notwithstanding Minnesota Statutes, section 124.226, subdivision 3, a school district's off-formula adjustment for taxes payable in 1996 shall be no less than that computed for taxes payable in the prior year. If the resulting levy reduction is greater than that which would have

otherwise occurred under Minnesota Statutes, section 124.226, subdivision 3, the district will receive additional aid equal to the difference.

Sec. 15. [TRANSPORTATION LEVY EQUITY.]

Notwithstanding Minnesota Statutes, section 124.226, subdivision 3a, a school district's aid reduction for transportation levy equity for the 1996-1997 school year shall be based on levies computed under sections 10 and 13 to 21.

Sec. 16. [NONREGULAR TRANSPORTATION COSTS LEVY.]

Notwithstanding Minnesota Statutes, section 124.226, subdivision 4, a school district's levy for nonregular transportation costs for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 17. [EXCESS TRANSPORTATION COSTS LEVY.]

Notwithstanding Minnesota Statutes, section 124.226, subdivision 5, a school district's levy for excess transportation costs for the 1996-1997 school year shall be no greater than it was for the prior year. If the resulting levy is less than the school district would have been authorized to levy under Minnesota Statutes, section 124.226, subdivision 5, the district shall receive additional aid equal to the difference.

Sec. 18. [BUS PURCHASES; LEVY.]

Notwithstanding Minnesota Statutes, section 124.226, subdivision 6, a school district's levy to eliminate a projected deficit in its reserved fund balance for bus purchases in its transportation fund as of June 30 of the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 19. [CONTRACTED SERVICES LEVY.]

Notwithstanding Minnesota Statutes, section 124.226, subdivision 7, a school district's levy for taxes payable in 1996 under that subdivision shall be no greater than it was in the prior year. If the resulting levy is less than the school district would have been authorized to levy under that subdivision, the district will receive additional aid equal to the difference.

Sec. 20. [LEVY FOR POST-SECONDARY TRANSPORTATION.]

Notwithstanding Minnesota Statutes, section 124.226, subdivision 8, a school district levy for transportation of secondary students enrolled in courses provided in an agreement authorized by Minnesota Statutes, section 123.33, subdivision 7, for school year 1996-1997 shall be no greater than it was for the prior year.

Sec. 21. [LATE ACTIVITY BUSES LEVY.]

Notwithstanding Minnesota Statutes, section 124.226, subdivision 9, a school district's levy for late activity buses for the 1995-1996 school year shall be no greater than it was for the prior year. If the resulting levy is less than the school district would have been authorized to levy under Minnesota Statutes, section 124.226, subdivision 9, the school district shall receive additional aid equal to the difference.

Sec. 22. [BONDS.]

(a) Notwithstanding Minnesota Statutes, section 124.239, after March 30, 1995, no school district can sell bonds under that section the debt service payments of which would require a levy first becoming payable in 1996 or authorize a levy under Minnesota Statutes, section 124.239, subdivision 5, clause (b), that is not pursuant to a plan adopted prior to March 30, 1995. This restriction shall not apply to (1) refunding bonds sold to refund bonds originally sold before March 30, 1995, or (2) bonds for which the amount of the levy first becoming due in 1996 would not exceed the amount by which the school district's total levy for debt service on bonds for taxes payable in 1996 prior to issuance of those bonds is less than the municipality's total levy for debt service for bonds for taxes payable in 1995.

(b) For purposes of this section, bonds will be deemed to have been sold before March 30, 1995, if:

(1) an agreement has been entered into between the school district and a purchaser or underwriter for the sale of the bonds by that date;

(2) the issuing school district is a party to a contract or letter of understanding entered into before March 30, 1995, with the federal government that requires the school district to pay for a project, and the project will be funded with the proceeds of the bonds; or

(3) the proceeds of the bonds will be used to fund a project or acquisition with respect to which the school district has entered into a contract with a builder or supplier before March 30. Debt service payments due on bonds described in this paragraph during calendar year 1996 will be paid by the state. The amount of those payments must be repaid by the school district to the state in three equal annual installments beginning in 1997. No interest will be due on those payments if timely paid by June 15 of the year due.

Sec. 23. [CAPITAL EXPENDITURE FACILITY LEVY.]

Notwithstanding Minnesota Statutes, sections 124.243 and 124.2442, subdivision 3, a school district's capital expenditures facilities levy for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 24. [CAPITAL EXPENDITURE EQUIPMENT LEVY.]

Notwithstanding Minnesota Statutes, sections 124.244, subdivision 2, and 124.2442, a school district's capital expenditures equipment levy for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 25. [LEVY FOR ADULT BASIC EDUCATION AID.]

Notwithstanding Minnesota Statutes, section 124.2601, school districts which did not levy for adult basic education for taxes payable in 1995, may not levy for that purpose for taxes payable in 1996.

Sec. 26. [EARLY CHILDHOOD FAMILY EDUCATION AND HOME VISITATION LEVY.]

Notwithstanding Minnesota Statutes, section 124.2711, subdivisions 2a and 5, a school district's levy for early childhood family education and home visitation under Minnesota Statutes, section 124.2711, subdivision 5, for school year 1996-1997 shall be no greater than it was for the prior year.

Sec. 27. [COMMUNITY EDUCATION LEVY.]

Notwithstanding Minnesota Statutes, section 124.2713, subdivision 6, 6a, or 6b, the community education levy of a school district for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 28. [LEVY FOR ADDITIONAL COMMUNITY EDUCATION REVENUE.]

Notwithstanding Minnesota Statutes, section 124.2714, a school district's levy under that section for school year 1996-1997 shall be no greater than it was for the prior year.

Sec. 29. [PROGRAMS FOR ADULTS WITH DISABILITIES; LEVY.]

Notwithstanding Minnesota Statutes, section 124.2715, subdivision 3, a school district's levy for community education programs for adults with disabilities for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 30. [EXTENDED DAY LEVY.]

Notwithstanding Minnesota Statutes, section 124.2716, a school district's levy under that section for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 31. [COOPERATION AND COMBINATION LEVY.]

Notwithstanding Minnesota Statutes, section 124.2725, subdivisions 3 and 4, a school district's levy for cooperation and combination for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 32. [EARLY RETIREMENT AND SEVERANCE LEVY.]

Notwithstanding Minnesota Statutes, section 124.2725, subdivision 15, a school district's levy for the 1996-1997 school year for severance pay or early retirement incentives for licensed and nonlicensed staff who retire early as the result of combination or cooperation shall be no greater than it was for the prior year.

Sec. 33. [CONSOLIDATION; RETIREMENT LEVY.]

Notwithstanding Minnesota Statutes, section 124.2726, subdivision 3, a school district's levy for retirement incentives under Minnesota Statutes, section 122.23, subdivision 20, for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 34. [DISTRICT COOPERATION LEVY.]

Notwithstanding Minnesota Statutes, section 124.2727, subdivisions 6b and 9, a school district's levy for district cooperation for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 35. [SPECIAL EDUCATION EQUALIZATION LEVY.]

Notwithstanding Minnesota Statutes, section 124.321, subdivisions 3 and 5, a school district's special education equalization levy for the 1996-1997 school year shall be no greater than it was for the prior year. If the resulting levy is less than the school district would have levied under Minnesota Statutes, section 124.321, subdivisions 3 and 5, the district shall receive additional aid equal to the difference.

Sec. 36. [ALTERNATIVE DELIVERY LEVY.]

Notwithstanding Minnesota Statutes, section 124.322, subdivision 4, a school district's levy for alternative delivery of specialized instructional services for the 1996-1997 school year shall be no greater than it was for the prior year. If the resulting levy is less than the school district would have levied under Minnesota Statutes, section 124.322, subdivision 4, the district shall receive additional aid equal to the difference.

Sec. 37. [JOINT POWERS BOARD; EARLY RETIREMENT AND SEVERANCE LEVY.]

Notwithstanding Minnesota Statutes, section 124.4945, a school district's levy for the 1996-1997 school year for severance pay and early retirement incentives to a teacher as defined in Minnesota Statutes, section 125.12, subdivision 1, who is placed on unrequested leave as the result of a cooperative secondary facility agreement shall be no greater than it was for the prior year.

Sec. 38. [FACILITIES DOWN PAYMENT LEVY REFERENDUM.]

Notwithstanding Minnesota Statutes, section 124.82, subdivision 3, no facilities down payment levy referendum held after March 27, 1995, may authorize a levy first becoming payable in 1996.

Sec. 39. [HEALTH AND SAFETY LEVY.]

Notwithstanding Minnesota Statutes, section 124.83, subdivisions 4 and 7, a school district's levy for a health and safety program under Minnesota Statutes, section 124.83, for the 1996-1997 school year shall be no greater than it was for the prior year. If the resulting levy is less than the school district would have levied under Minnesota Statutes, section 124.83, subdivisions 4 and 7, the district shall receive additional aid equal to the difference.

Sec. 40. [HANDICAPPED ACCESS AND FIRE SAFETY LEVY.]

Notwithstanding Minnesota Statutes, section 124.84, subdivisions 3 and 4, a school district's levy for purposes of Minnesota Statutes, section 124.84, subdivisions 1 and 2, for the 1996-1997 school year shall be no greater than it was for the prior year. If the resulting levy is less than the

school district would have levied under Minnesota Statutes, section 124.84, subdivision 3, the district may levy the difference in the subsequent year notwithstanding the five-year limitation in section 124.84, subdivision 3.

Sec. 41. [LEVY TO RENT OR LEASE BUILDING OR LAND.]

Notwithstanding Minnesota Statutes, section 124.91, subdivision 1, after March 30, 1995, the commissioner of education shall not authorize any school district to make any additional capital expenditure levy to rent or lease a building or land for instructional purposes if the levy for that purpose first becomes due and payable in 1996 unless the district's capital expenditure levy for taxes payable in 1996, including the levy for the new obligation, would not exceed its levy for that purpose for taxes payable in 1995.

Sec. 42. [LEVY FOR LEASE PURCHASE OR INSTALLMENT BUYS.]

(a) Except as provided in paragraphs (b) and (c), notwithstanding Minnesota Statutes, section 124.91, subdivision 3, after March 30, 1995, no school district may enter into an installment contract or a lease purchase agreement the levy for which would first become payable in 1996 unless the district's total levy for installment contracts and lease purchase agreements for taxes payable in 1996, including the levy for the new obligation, would not exceed its levy for that purpose for taxes payable in 1995.

(b) The limitation in paragraph (a) does not apply to an installment contract entered into before July 1, 1995, if it:

(1) relates to a high school construction project that was approved by the commissioner of education under Minnesota Statutes, section 121.15, before July 1, 1994; and

(2) relates at least in part to bids awarded between September 8, 1994, and February 21, 1995.

Payments due on installment contracts described in this paragraph during calendar year 1996 will be paid by the state. The amount of those payments will be repaid by the school district to the state in three equal annual installments beginning in 1997. No interest will be due on those payments if timely paid by June 15 of the year due.

(c) For purposes of this section, installment contracts or lease purchase agreements will be deemed to have been entered into before March 30, 1995, if:

(1) an agreement has been entered into between the school district and a lessor or seller by that date;

(2) the school district is a party to contract or letter of understanding entered into before March 30, 1995, with the federal government that requires the school district to pay for a project, and the project will be funded with the proceeds of the installment contracts or lease purchase agreements; or

(3) the installment contracts or lease purchase agreements will be used to fund a project or acquisition with respect to which the school district has entered into a contract with a builder or supplier before March 30. Payments due on installment contracts or lease purchase agreements described in this paragraph during calendar year 1996 will be paid by the state. The amount of those payments must be repaid by the school district to the state in three equal annual installments beginning in 1997. No interest will be due on those payments if timely paid by June 15 of the year due.

Sec. 43. [COOPERATING DISTRICTS; CAPITAL LEVY.]

Notwithstanding Minnesota Statutes, section 124.91, subdivision 4, a school district's levy under that subdivision for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 44. [LEVY FOR INTERACTIVE TELEVISION.]

Notwithstanding Minnesota Statutes, section 124.91, subdivision 5, a school district's levy for

interactive television for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 45. [ENERGY CONSERVATION LEVY.]

Notwithstanding Minnesota Statutes, section 124.91, subdivision 6, a school district may not enter into a loan under Minnesota Statutes, sections 216C.37 or 298.292 to 298.298 after March 27, 1995, if the levy for repayment of the loan would first become payable in 1996.

Sec. 46. [LEVY FOR STATUTORY OBLIGATIONS.]

Notwithstanding Minnesota Statutes, section 124.912, subdivision 1, a school district's levy as otherwise authorized under that subdivision for the 1996-1997 school year shall be no greater than it was for the prior year. To the extent that the portion of the resulting levy for the school district's obligation under Minnesota Statutes, section 268.06, subdivision 25, and section 268.08, is less than the school district would have been otherwise authorized to levy under Minnesota Statutes, section 124.912, subdivision 1, the school district shall receive additional aid equal to the difference. To the extent that the portion of the resulting levy for judgments under Minnesota Statutes, section 127.05, is less than the school district would have been authorized to levy under Minnesota Statutes, section 124.912, subdivision 1, for this purpose, the school district may levy the difference in the subsequent year.

Sec. 47. [DESEGREGATION LEVY.]

Notwithstanding Minnesota Statutes, section 124.912, subdivision 2, a school district's levy as otherwise authorized under that subdivision for the 1995-1996 school year shall be no greater than it was for the prior year. If the resulting levy is less than the school district would have levied under that subdivision, the school district shall receive additional aid equal to the difference.

Sec. 48. [RULE COMPLIANCE LEVY.]

Notwithstanding Minnesota Statutes, section 124.912, subdivision 3, a school district's levy as otherwise authorized under that subdivision for the 1995-1996 school year shall be no greater than it was for the prior year. If the resulting levy is less than the school district would have levied under that subdivision, the school district shall receive additional aid equal to the difference.

Sec. 49. [LEVY FOR CRIME RELATED COSTS.]

Notwithstanding Minnesota Statutes, section 124.912, subdivision 6, a school district's levy as otherwise authorized under that subdivision for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 50. [ICE ARENA LEVY.]

Notwithstanding Minnesota Statutes, section 124.912, subdivision 7, a school district's levy as otherwise authorized under that subdivision for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 51. [OUTPLACEMENT LEVY.]

Notwithstanding Minnesota Statutes, section 124.912, subdivision 8, the levy as otherwise authorized under that subdivision for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 52. [ABATEMENT LEVY.]

Notwithstanding Minnesota Statutes, section 124.912, subdivision 9, a school district's levy as otherwise authorized under that subdivision for the 1996-1997 school year shall be no greater than it was for the prior year. To the extent the portion of the resulting levy otherwise authorized under Minnesota Statutes, section 124.912, subdivision 9, paragraph (a), clause (1), is less than the school district would have been authorized to levy under that clause, the district shall receive additional aid equal to the difference. The remaining portion of the resulting levy that is less than the school district would have been authorized to levy under the remainder of Minnesota Statutes,

section 124.912, subdivision 9, may be levied over a four-year period notwithstanding the three-year limitation of Minnesota Statutes, section 124.912, subdivision 9, paragraph (b).

Sec. 53. [OPERATING DEBT LEVIES.]

Notwithstanding Minnesota Statutes, section 122.531, subdivision 4a; 124.914; or Laws 1992, chapter 499, article 7, sections 25 and 26, a school district's levy as otherwise authorized under those sections for the 1996-1997 school year shall be no greater than it was for the prior year. To the extent this prevents a district from amortizing its reorganization operating debt as defined in Minnesota Statutes, section 121.915, clause (1), in five years, the district shall be permitted to levy the remainder in a subsequent year.

Sec. 54. [HEALTH INSURANCE BENEFITS LEVY.]

Notwithstanding Minnesota Statutes, section 124.916, subdivision 1, or Laws 1993, chapter 224, article 8, section 18, a school district's levy for retired employees health insurance as otherwise authorized under those provisions of law for the taxes payable in 1996 shall be no greater than it was for the prior year.

Sec. 55. [RETIREMENT LEVY.]

Notwithstanding Minnesota Statutes, section 124.916, subdivision 3, a school district's levy as otherwise authorized under that subdivision for taxes payable in 1996 shall be no greater than it was for the prior year. If the resulting levy is less than the school district would have been authorized to levy under that subdivision, the school district shall receive additional aid equal to the difference.

Sec. 56. [MINNEAPOLIS HEALTH INSURANCE SUBSIDY.]

Notwithstanding Minnesota Statutes, section 124.916, subdivision 4, a school district's levy as otherwise authorized under that section for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 57. [LEVY FOR TACONITE PAYMENT.]

Notwithstanding Minnesota Statutes, section 124.918, subdivision 8, a school district's levy reduction as otherwise authorized under that subdivision for the 1996-1997 school year shall be no less than it was for the prior year. General education aid reduction for the 1996-1997 school year shall be governed by Minnesota Statutes, section 124A.035, subdivision 5, and the levy reduction as dictated by this section.

Sec. 58. [EQUALIZED DEBT SERVICE LEVY.]

Notwithstanding Minnesota Statutes, section 124.95, subdivision 4, a school district's levy as otherwise authorized under that subdivision for the 1996-1997 school year taxes payable in 1996 shall be based on the actual pupil units in the district for the 1992-1993 school year and the 1993 adjusted net tax of the district.

Sec. 59. [UNEQUALIZED REFERENDUM LEVY.]

Notwithstanding Minnesota Statutes, section 124A.03, subdivision 1i, a school district's unequalized referendum levy for the 1996-1997 school year shall be no greater than it was for the prior year. If the resulting levy is less than the school district would have levied under that subdivision, the school district shall receive additional aid equal to the difference.

Sec. 60. [REFERENDUM LEVY.]

(a) Except as provided in paragraph (b) or (c), notwithstanding Minnesota Statutes, section 124A.03, subdivision 2 or 2b, or 124B.03, subdivision 2, no referendum conducted after March 30, 1995, under those sections may authorize a levy first becoming payable in 1996.

(b) A referendum may authorize such a levy if the referendum provides for continuation of a referendum levy that terminates beginning with taxes payable in 1996. If the terminated levy had been based on net tax capacity, the referendum relating to taxes payable in 1996 must be based on

net tax capacity and the ballot shall state the estimated referendum tax rate based on net tax capacity for taxes levied in 1996, notwithstanding Minnesota Statutes, section 124A.03, subdivisions 2 and 2a. To the extent the referendum relates to taxes payable in 1997 and subsequent years, the levies for those years are subject to Minnesota Statutes, sections 124A.03, subdivision 2a, and 124A.0311, subdivision 3, and the ballot shall also state the estimated referendum tax rate as a percentage of market value for taxes levied in 1997.

(c) A referendum may authorize such a levy if the levy required under the referendum would not result in an increase for taxes payable in 1996 in the total levy for all purposes imposed by the school district over the total levy imposed by the district for taxes payable in 1995.

Sec. 61. [REFERENDUM AUTHORITY; CONVERSION.]

Notwithstanding Minnesota Statutes, section 124A.0311, subdivisions 2 and 3, no school district may convert its referendum authority currently authorized to be levied against net tax capacity to referendum authority authorized to be levied against referendum market value effective for taxes payable in 1996.

Sec. 62. [TRAINING AND EXPERIENCE LEVY.]

Notwithstanding Minnesota Statutes, section 124A.22, subdivision 4a, a school district's training and experience levy for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 63. [SUPPLEMENTAL LEVY.]

Notwithstanding Minnesota Statutes, section 124A.22, subdivision 8a, a school district's supplemental levy for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 64. [GENERAL EDUCATION LEVY; OFF-FORMULA DISTRICTS.]

Notwithstanding Minnesota Statutes, section 124A.23, subdivision 3, an off-formula school district's levy for general education for the 1996-1997 school year shall be no greater than it was for the prior year. An off-formula school district's aid reduction for general education levy equity under Minnesota Statutes, section 124A.24, shall be computed using the levy computed under this section. If an off-formula district payments pursuant to Minnesota Statutes, section 124A.035, subdivision 4, are reduced from that received in the prior school year, the district shall receive additional aid equal to the difference.

Sec. 65. [LEVY REDUCTION.]

Notwithstanding Minnesota Statutes, section 124A.26, subdivision 2, a district's levy reduction for the 1996-1997 school year under that subdivision shall be no less than it was in the prior year. To the extent that the resulting reduction is greater than the school district would have otherwise received under that subdivision, the school district shall receive additional aid equal to the difference.

Sec. 66. [STAFF DEVELOPMENT LEVY.]

Notwithstanding Minnesota Statutes, section 124A.292, subdivision 3, a school district's levy for staff development for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 67. [SCHOOL RESTRUCTURING LEVIES.]

Notwithstanding Minnesota Statutes, section 126.019, a school district's levy under that section for taxes payable in 1996 shall be no greater than it was in the prior year. To the extent the resulting levy is less than the district would have otherwise been authorized to levy under that section, the district shall receive additional aid equal to the difference.

Sec. 68. [LEVY FOR LOCAL SHARE OF TECHNICAL COLLEGE CONSTRUCTION.]

Notwithstanding Minnesota Statutes, section 136C.411, the levy as otherwise authorized under that section for the 1996-1997 school year shall be no greater than it was for the prior year. If the

resulting levy is less than is necessary for the district to pay its local share of the costs of construction in that year, the joint vocational technical district shall receive additional aid equal to the difference.

Sec. 69. [JOINT VOCATIONAL TECHNICAL DISTRICT TAX LEVY.]

Notwithstanding Minnesota Statutes, section 136C.67, a joint vocational technical district's levy under that subdivision for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 70. [LEVY ADJUSTMENT.]

Notwithstanding any other law to the contrary, any adjustment of a school district's levy authority other than for debt redemption fund excesses under Minnesota Statutes, section 475.61, for taxes payable in 1996 shall not result in a levy that is greater than it was in 1995. If the resulting levy adjustments reduce the district's revenues below that which the district would have otherwise received in the absence of this section, the district will receive additional aid equal to the difference.

Sec. 71. [OTHER LEVY AUTHORITY.]

A school district's levy under any special law or any authority other than that contained in Minnesota Statutes, chapters 124, 124A, and 136C, shall not be greater for taxes payable in 1996 than it was for taxes payable in 1995 except for any debt service on obligations, certificates of indebtedness, capital notes, or other debt instruments issued prior to March 30, 1995, or to make payments on installment purchase contracts or lease purchase agreements entered into prior to March 30, 1995.

Sec. 72. [BENEFIT RATIO FOR RURAL SERVICE DISTRICTS.]

Notwithstanding Minnesota Statutes, section 272.67, subdivision 6, the benefit ratio used for apportioning levies to a rural service district for taxes payable in 1996 shall not be greater than that in effect for taxes payable in 1995.

Sec. 73. [PROHIBITION AGAINST INCURRING NEW DEBT.]

Subdivision 1. [GENERALLY.] (a) After March 30, 1995, no municipality as defined in Minnesota Statutes, section 475.51, or any special taxing district as defined under Minnesota Statutes, section 275.066, may sell obligations, certificates of indebtedness, or capital notes under Minnesota Statutes, chapter 475, section 412.301, or any other law authorizing obligations, certificates of indebtedness, capital notes, or other debt instruments or enter into installment purchase contracts or lease purchase agreements under Minnesota Statutes, section 465.71, or any other law authorizing installment purchase contracts or lease purchase agreements if issuing those debt instruments or entering into those contracts would require a levy first becoming due in 1996. This restriction does not apply to (1) refunding bonds sold to refund bonds originally sold before March 30, 1995, or (2) obligations for which the amount of the levy first becoming due in 1996 would not exceed the amount by which the municipality's total debt service levy for taxes payable in 1996 prior to issuance of those obligations is less than the municipality's total debt service levy for taxes payable in 1995. As used in clause (2), "obligations" includes certificates of indebtedness, capital notes, or other debt instruments or installment purchase contracts or lease purchase agreements.

(b) For purposes of this section, bonds will be deemed to have been sold before March 30, 1995, if:

(1) an agreement has been entered into between the municipality and a purchaser or underwriter for the sale of the bonds by that date;

(2) the issuing municipality is a party to contract or letter of understanding entered into before March 30, 1995, with the federal government or the state government that requires the municipality to pay for a project, and the project will be funded with the proceeds of the bonds; or

(3) the proceeds of the bonds will be used to fund a project or acquisition with respect to which

the municipality has entered into a contract with a builder or supplier before March 30. Debt service payments due on bonds described in this paragraph during calendar year 1996 will be paid by the state. The amount of those payments must be repaid by the municipality to the state in three equal annual installments beginning in 1997. No interest will be due on those payments if timely paid by June 15 of the year due.

Subd. 2. [EXCEPTION.] Notwithstanding subdivision 1, certificates of indebtedness, capital notes, installment purchase contracts, lease purchase agreements or any other debt instruments, and the debt service levies for the obligations shall, for purposes of this act, be treated as if sold prior to March 30, 1995, if:

(a) The municipality or other governmental authority has satisfied any one of the following conditions prior to March 30, 1995:

(1) it has adopted a resolution or ordinance authorizing the issuance of the obligations;

(2) it has declared official intent to issue the obligations under federal tax laws and regulations;

or

(3) it has entered into a binding agreement to design or construct a project or acquire property to be financed with the obligations; and

(b) The municipality makes a finding at the time of the sale of the bonds that no levy will be required for taxes payable in 1996 to pay the debt service on the obligations because sufficient funds are available from nonproperty tax sources to pay the debt service.

Sec. 74. [ASSESSMENT LIMITATIONS.]

Subdivision 1. [1995 ASSESSMENT.] Notwithstanding Minnesota Statutes, section 273.11, or any other law to the contrary, the value of property for the 1995 assessment shall not exceed the lesser of its limited market value determined for the 1994 assessment pursuant to Minnesota Statutes, section 273.11, subdivision 1a, or its market value as otherwise determined for the 1994 assessment provided that any value attributable to new construction or improvements to the extent it does not qualify for deferral under Minnesota Statutes, section 273.11, subdivision 16, shall be added to the prior year's value used to determine its tax capacity. It is further provided that previously tax exempt property that loses its tax exempt status pursuant to Minnesota Statutes, section 272.02, subdivision 4, shall not have its assessment limited in any way under this subdivision.

Subd. 2. [1996 ASSESSMENT.] The provisions of Minnesota Statutes, section 273.11, subdivision 1a, shall govern in determining the value of property classified as agricultural homestead or nonhomestead, residential homestead or nonhomestead, or noncommercial seasonal residential for the 1996 assessment provided that "five percent" shall be substituted for "ten percent" in that section.

Sec. 75. [LEVY LIMITATION TAXES PAYABLE IN 1996.]

Subdivision 1. [TAXES PAYABLE IN 1996 PROPOSED LEVY.] Notwithstanding any other law to the contrary, for purposes of the certification required by Minnesota Statutes, section 275.065, subdivision 1, in 1995, no taxing authority other than a school district shall certify to the county auditor a proposed property tax levy or in the case of a township, a final property tax levy, greater than the amount certified to the county auditor pursuant to Minnesota Statutes, section 275.07, subdivision 1, in the prior year except as provided in subdivisions 3, 4, and 5.

Subd. 2. [TAXES PAYABLE IN 1996 FINAL LEVY.] Notwithstanding any other law to the contrary, for purposes of the certification required by Minnesota Statutes, section 275.07, subdivision 1, in 1995, no taxing authority other than a school district shall certify to the county auditor a property tax levy greater than the amount certified to the county auditor pursuant to Minnesota Statutes, section 275.07, subdivision 1, in the prior year except as provided in subdivisions 4 to 6.

Subd. 3. [SCHOOL DISTRICTS.] School district levies shall be governed by sections 10 to 71.

Subd. 4. [DEBT SERVICE EXCEPTION.] If a payable 1996 levy for debt service on obligations, certificates of indebtedness, capital notes, or other debt instruments sold prior to March 30, 1995, or to make payments on installment purchase contracts or lease purchase agreements entered into prior to March 30, 1995, exceeds the levy a taxing authority certified pursuant to Minnesota Statutes, section 275.07, subdivision 1, for taxes payable in 1995 for the same purpose, the excess may be levied notwithstanding the limitations of subdivisions 1 and 2.

Subd. 5. [ANNEXATION EXCEPTION.] The city tax rate for taxes payable in 1996 on any property annexed under chapter 414 may not be increased over the city or township tax rate in effect on the property in 1995, notwithstanding any law, municipal board order, or ordinance to the contrary. The limit on the annexing city's levy under subdivisions 1 and 2 may be increased in excess of that limit by an amount equal to the net tax capacity of the property annexed times the city or township tax rate in effect on that property for taxes payable in 1995. The levy limit of the city or township from which the property was annexed shall be reduced by the same amount.

Subd. 6. [INCREASE AUTHORIZED.] Notwithstanding the limitation of subdivision 1, a taxing authority other than a school district may increase its levy for taxes payable in 1996 over that certified to the county pursuant to Minnesota Statutes, section 275.07, subdivision 1, in the prior year by an amount equal to the taxing authority's net tax capacity pursuant to section 74, subdivision 1, times its tax rate for taxes payable in 1995 less the taxing authority's levy under subdivision 1.

Sec. 76. [FREEZE ON LOCAL MATCH REQUIREMENTS.]

Notwithstanding any other law to the contrary, the local funding or local match required from any city, town, or county for any state grant or program shall not be increased for calendar year 1996 above the dollar amount of the local funding or local match required for the same grant or program in 1995, regardless of the level of state funding provided; and any new local match or local funding requirements for new or amended state grants or programs shall not be effective until calendar year 1997. Nothing in this section shall affect the eligibility of a city, town, or county, for the receipt of state grants or program funds in 1996 or reduce the amount of state funding a city, town, or county would otherwise receive in 1996 if the local match requirements of the state grant or program were met in 1996.

Sec. 77. [SUSPENSION OF SALARY AND BUDGET APPEAL AUTHORIZATION.]

After April 11, 1995, no county sheriff may exercise the authority granted under Minnesota Statutes, section 387.20, subdivision 7, and no county attorney may exercise the authority granted under Minnesota Statutes, section 388.18, subdivision 6, to the extent that the salary or budget increase sought in the appeal would result in an increase in county expenditures in calendar year 1996.

Sec. 78. [SUSPENSION OF PUBLICATION AND HEARING REQUIREMENTS.]

A local taxing authority is not required to comply with the public advertisement notice of Minnesota Statutes, section 275.065, subdivision 5a, or the public hearing requirement of Minnesota Statutes, section 275.065, subdivision 6, with respect to taxes levied in 1995, payable in 1996, only.

Sec. 79. [LEVY LIMITATION TAXES PAYABLE IN 1997.]

Subdivision 1. [DEFINITION.] The "percentage increase in the implicit price deflator" means the percentage change in the implicit price deflator for state and local governments purchases of goods and services as calculated in Minnesota Statutes, section 477A.03, subdivision 3, provided that the 2.5 percent and five percent limits do not apply and that the increase can not be less than zero percent.

Subd. 2. [TAXES PAYABLE IN 1997 PROPOSED LEVY.] Notwithstanding any other law to the contrary, for purposes of the certification required by Minnesota Statutes, section 275.065, subdivision 1, in 1996, no taxing authority other than a school district or a joint vocational technical district shall certify to the county auditor a proposed property tax levy or in the case of a township, a final property tax levy, that is greater than the product of:

(1) the sum of one plus the lesser of (i) three percent, or (ii) the percentage increase in the implicit price deflator; and

(2) the amount certified to the county auditor pursuant to Minnesota Statutes, section 275.07, subdivision 1, in the prior year, except as provided in subdivisions 4 and 5.

Subd. 3. [TAXES PAYABLE IN 1997 FINAL LEVY.] Notwithstanding any other law to the contrary, for purposes of the certification required by Minnesota Statutes, section 275.07, subdivision 1, in 1996, no taxing authority other than a school district or a joint vocational technical district shall certify to the county auditor a property tax levy that is greater than the product of:

(1) the sum of one plus the lesser of (i) three percent, or (ii) the percentage increase in the implicit price deflator; and

(2) the amount certified to the county auditor pursuant to Minnesota Statutes, section 275.07, subdivision 1, in the prior year, except as provided in subdivisions 4, 5, and 6.

Subd. 4. [REFERENDA.] (a) A taxing authority other than a school district or an education district may increase its levy above the limits provided in subdivisions 2 and 3, by the amount approved by the voters residing in the jurisdiction of the authority at a referendum called for the purpose. The referendum may be called by the governing body or shall be called by the governing body upon written petition of qualified voters of the jurisdiction. 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. 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 levy and the estimated referendum tax rate as a percentage of taxable net tax capacity in the year it is to be levied. 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 levy proposed by (petition to) the governing body of, be approved?"

(b) The governing body 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 a notice of the referendum and the proposed levy increase. The governing body need not mail more than once notice to any taxpayer. 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 jurisdiction of the taxing authority.

The notice must include the following statement: "Passage of this referendum will result in an increase in your property taxes."

(c) A petition authorized by paragraph (a) shall be effective if signed by a number of qualified voters in excess of 15 percent of the registered voters of the jurisdiction of the taxing authority on the day the petition is filed with the governing body. A referendum invoked by petition shall be held on the date specified in paragraph (a).

(d) The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this subdivision.

(e) A bond authorization under Minnesota Statutes, section 475.59, shall be deemed to meet the requirements of this subdivision provided the ballot includes the information required in paragraph (a) and the notice required in paragraph (b) is distributed.

Subd. 5. [DEBT SERVICE EXCEPTION.] If a payable 1997 levy for debt service on obligations, certificates of indebtedness, capital notes, or other debt instruments sold prior to

March 30, 1995, or to make payments on installment purchase contracts or lease purchase agreements entered into prior to March 30, 1995, exceeds the levy a taxing authority certified pursuant to Minnesota Statutes, section 275.07, subdivision 1, for taxes payable in 1996 for the same purpose, or a payable 1997 levy for general obligations exceeds any payable 1997 levy required as a condition for the issuance of such general obligations, the excess may be levied notwithstanding the limitations of subdivisions 2 and 3.

Subd. 6. [LEVY OF TOWN BEING MERGED INTO CITY.] If a town has entered into an agreement to merge with a home rule charter or statutory city, and the merger has been approved by a referendum, the town's levy for taxes payable in 1997 shall not exceed the greater of (1) the amount determined under subdivisions 1 to 5, or (2) the amount established as a term of the merger agreement with the city.

Sec. 80. [FISCAL DISPARITIES FREEZE.]

Notwithstanding Minnesota Statutes, section 473F.08, subdivision 2, clause (a), the amount to be deducted from a governmental unit's net tax capacity for taxes payable in 1996 under that clause shall equal the amount deducted for taxes payable in 1995. Notwithstanding Minnesota Statutes, section 473F.08, subdivision 2, clause (b), the amount to be added to a governmental unit's net tax capacity for taxes payable in 1996 under that clause shall equal the same amount added for taxes payable in 1995. Notwithstanding Minnesota Statutes, section 473F.08, subdivision 3, the areawide portion of the levy for each governmental unit shall be determined using the local tax rate for the 1993 levy year. Notwithstanding Minnesota Statutes, section 473F.08, subdivision 6, the portion of commercial-industrial property within a municipality subject to the areawide tax rate shall be computed using the amount determined under Minnesota Statutes, sections 473F.06 and 473F.07, for taxes payable in 1995.

Sec. 81. [TAX RATE FREEZE.]

Subdivision 1. [REDUCTION OF LEVY; PAYMENT.] If in the course of determining local tax rates for taxes payable in 1996 after reductions for disparity reduction aid under Minnesota Statutes, section 275.08, subdivisions 1c and 1d, the county auditor finds the local tax rate exceeds that in effect for taxes payable in 1995, the county auditor shall reduce the local government's levy so the local tax rate does not exceed that in effect for taxes payable in 1995. The difference between the levy as originally certified by the local government and the reduced levy shall be certified to the commissioner of revenue at the time the abstracts are submitted under Minnesota Statutes, section 275.29. That amount shall be paid to the local government on or before August 31.

Subd. 2. [APPROPRIATION.] An amount sufficient to pay the aid provided for under this section is appropriated from the general fund to the commissioner of revenue for payment to counties, cities, townships, and special taxing districts. An amount sufficient to pay the aid provided for under this section is appropriated from the general fund to the commissioner of education for payment to school districts.

Sec. 82. [PENSION LIABILITIES.]

Notwithstanding any other law or charter provision to the contrary, no levy for taxes payable in 1996 for a local police and fire relief association for the purpose of amortizing an unfunded pension liability may exceed the levy for that purpose for taxes payable in 1995.

Sec. 83. [DUTIES OF TOWNSHIP BOARD OF SUPERVISORS.]

Notwithstanding Minnesota Statutes, section 365.10, in 1995 the township board of supervisors shall adjust the levy and in 1996 the township board of supervisors may adjust the expenditures of a township below the level authorized by the electors to adjust for any reduction in the previously authorized levy of the township pursuant to section 75.

Sec. 84. [PROPERTY TAX AND EDUCATION AIDS REFORM.]

Subdivision 1. [RECOMMENDED PROGRAM.] The legislative commission on planning and fiscal policy shall prepare and recommend to the legislature a property tax reform and education aids reform program that includes:

- (1) a property tax classification and class rate system;
- (2) elementary and secondary education aids and levies; and
- (3) aids to local government.

Subd. 2. [STANDARDS.] (a) The recommended program must provide for accountability, equity, revenue adequacy, and efficiency as provided in paragraphs (b) to (e).

(b) The recommended program must provide accountability by being understandable to the taxpayer, by linking the costs of services to the taxes paid for those services, and by correlating the responsibility for raising revenues with the ability to make spending decisions.

(c) The recommended program must provide equity by minimizing large, short-term shifts in tax burdens, and by ensuring that tax burdens and aids are progressive and related to the ability to pay or raise revenue.

(d) The recommended program must provide for adequate revenue by controlling costs and the need for increased revenue, minimizing reductions or shifts in revenues available to local governments to provide needed services, and directing aids to meet needs and fund services based on established funding priorities.

(e) The program must promote efficiency by providing stable predictable property taxes and local government revenues that are competitive with those of other states and areas so that property taxes and aids have minimal impact on the economic decisions of taxpayers.

Subd. 3. [TASK FORCE.] The commission may designate a task force to advise the commission in carrying out its duties under this section. The task force may include legislators, agency and legislative staff, state and local governmental officials, educators, and taxpayers and members of the public. The task force expires on January 1, 1997.

Subd. 4. [SERVICES.] The commission may enter into contracts for the professional and other services necessary to carry out its duties under this section.

Subd. 5. [REPORT.] The commission shall report its recommendations to the legislature on or before January 1, 1997. The report shall include proposed legislation to implement the recommendations of the commission.

Sec. 85. [UNFUNDED MANDATE PROHIBITION.]

Subdivision 1. [DEFINITION.] As used in this section, "state mandates" has the meaning given in Minnesota Statutes, section 3.881.

Subd. 2. [FUNDING OF THE COST OF MANDATES.] If the fiscal note prepared by the commissioner of finance under Minnesota Statutes, section 3.982, indicates that a new or expanded mandate on a political subdivision in a bill introduced in the legislature will impose a statewide cost on counties in excess of \$500,000 or a statewide cost on cities or townships in excess of \$250,000, the political subdivisions are not required to implement the mandate unless the legislature, by appropriation enacted before the mandate is required to be implemented, provides reimbursement to the political subdivisions for the costs incurred.

Sec. 86. [SAVINGS CLAUSE.]

Notwithstanding the repealers in section 88 or any other provision in this act to the contrary, nothing in this act constitutes an impairment of any obligations, certificates of indebtedness, capital notes, or other debt instruments, including installment purchase contracts or lease purchase agreements, issued before the date of final enactment of this act, by a municipality as defined in Minnesota Statutes, section 469.174, subdivision 6, or a special taxing district as defined in Minnesota Statutes, section 275.066.

Sec. 87. [PIPESTONE COUNTY.]

Subdivision 1. [BOND AUTHORIZATION.] The county of Pipestone may issue its general obligation bonds in a principal amount of not to exceed \$598,000 to defray the expense of repair

and renovation of the county courthouse and courthouse annex. The bonds shall be issued in accordance with Minnesota Statutes, chapter 475. No further election proceedings are required and Minnesota Statutes, section 275.61, shall not apply.

Subd. 2. [EFFECTIVE DATE.] This section takes effect the day after the county board of Pipestone county complies with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 88. [REPEALER.]

Subdivision 1. Minnesota Statutes 1994, sections 124.01; 124.05; 124.06; 124.07; 124.76; 124.82; 124.829; 124.83; 124.84; 124.85; 124.86; 124.90; 124.91; 124.912; 124.914; 124.916; 124.918; 124.95; 124.961; 124.962; 124.97; 124A.02, subdivisions 16, 23, and 24; 124A.03, subdivisions 1b, 1c, 1d, 1e, 1f, 1g, 1h, and 1i; 124A.0311; 124A.032; 124A.04; 124A.22, subdivisions 1, 2, 3, 4, 4a, 4b, 6, 6a, 8, and 9; 124A.23; 124A.24; 124A.26, subdivisions 1, 2, and 3; 124A.27; 124A.28; and 124A.29, subdivision 2, are repealed. Laws 1991, chapter 265, article 7, section 35, is repealed.

Subd. 2. Minnesota Statutes 1994, sections 273.13; 273.135; 273.136; 273.1391; 473F.001; 473F.01; 473F.02; 473F.03; 473F.05; 473F.06; 473F.07; 473F.08; 473F.09; 473F.10; 473F.11; 473F.13; 477A.011; 477A.012; 477A.0121; 477A.0122; 477A.013; 477A.0132; 477A.014; 477A.015; 477A.016; 477A.017; 477A.03; 477A.11; 477A.12; 477A.13; 477A.14; and 477A.15, are repealed.

Subd. 3. [REPEALER.] Minnesota Statutes 1994, sections 245.48; and 256H.12, subdivision 3, are repealed.

Sec. 89. [EFFECTIVE DATE.]

Sections 2 to 5 and 85, subdivision 3, are effective July 1, 1995. Section 88, subdivision 2, is effective for taxes payable in 1998, and section 88, subdivision 1, is effective for the 1998-1999 school year, provided that if the legislature does not pass and the governor does not approve legislation by the conclusion of the 1997 session that states in its body that it is replacing the provisions of the repealed chapters and sections in section 88, the repealed chapters and sections are reenacted.

Sections 10 to 71, and section 75, subdivision 3, will not become effective if a bill styled as S.F. No. 944 is enacted during the 1995 session of the legislature and that bill provides for the imposition of levies by school districts for taxes payable in 1996."

Amend the title accordingly

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the balance of the proceedings on H.F. No. 603. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Moe, R.D. amendment.

The roll was called, and there were yeas 36 and nays 28, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Langseth	Piper	Solon
Beckman	Hanson	Lessard	Pogemiller	Stumpf
Berglin	Hottinger	Metzen	Price	Vickerman
Bertram	Janezich	Moe, R.D.	Ranum	Wiener
Betzold	Johnson, D.J.	Morse	Reichgott Junge	
Chandler	Johnson, J.B.	Murphy	Riveness	
Cohen	Krentz	Novak	Sams	
Finn	Kroening	Pappas	Samuelson	

Those who voted in the negative were:

Belanger	Johnston	Laidig	Neuville	Scheevel
Berg	Kelly	Larson	Oliver	Spear
Day	Kiscaden	Lesewski	Ourada	Stevens
Dille	Kleis	Limmer	Pariseau	Terwilliger
Frederickson	Knutson	Marty	Robertson	
Johnson, D.E.	Kramer	Merriam	Runbeck	

The motion prevailed. So the amendment was adopted.

H.F. No. 603 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 37 and nays 28, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Belanger	Johnston	Laidig	Neuville	Scheevel
Berg	Kelly	Larson	Oliver	Spear
Day	Kiscaden	Lesewski	Ourada	Stevens
Dille	Kleis	Limmer	Pariseau	Terwilliger
Frederickson	Knutson	Marty	Robertson	
Johnson, D.E.	Kramer	Merriam	Runbeck	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Belanger moved that his name be stricken as a co-author to S.F. No. 514. The motion prevailed.

Mr. Bertram moved that S.F. No. 475 be withdrawn from the Committee on Judiciary and re-referred to the Committee on Agriculture and Rural Development. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 1:30 p.m. The motion prevailed.

The hour of 1:30 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Mr. Betzold 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 Orders of Business of Reports of Committees and Second Reading of House Bills.

REPORTS OF COMMITTEES

Ms. Flynn 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. 1238 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.
1238	897				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1238 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1238 and insert the language after the enacting clause of S.F. No. 897, the first engrossment; further, delete the title of H.F. No. 1238 and insert the title of S.F. No. 897, the first engrossment.

And when so amended H.F. No. 1238 will be identical to S.F. No. 897, and further recommends that H.F. No. 1238 be given its second reading and substituted for S.F. No. 897, 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. 1238 was read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Berg moved that S.F. No. 1180 be taken from the table. The motion prevailed.

S.F. No. 1180: A bill for an act relating to natural resources; off-highway motorcycles; all-terrain vehicles; reciprocal agreements; migratory game birds; fish house identification; fish taken in Canada; exotic species; powers of enforcement officers; collector snowmobiles; disabled hunters; providing penalties; amending Minnesota Statutes 1994, sections 18.317; 84.796; 84.81, by adding a subdivision; 84.82, by adding a subdivision; 84.92, subdivision 8; 84.968, subdivision 1; 84.9691; 84.9692, subdivisions 1, 2, and by adding a subdivision; 86B.401, subdivision 11; 97A.045, by adding a subdivision; 97A.205; 97A.215, subdivision 1; 97A.401, subdivision 3; 97A.531, subdivision 1; 97B.055, subdivision 3; 97B.731, subdivision 1; 97C.355, subdivision 2; and Laws 1994, chapter 623, article 1, section 45; proposing coding for new law in Minnesota Statutes, chapter 18; repealing Minnesota Statutes 1994, sections 97A.531, subdivisions 2, 3, 4, 5, and 6; and 97C.505, subdivision 4.

Mr. Vickerman withdrew his amendment.

Mr. Vickerman then moved to amend S.F. No. 1180 as follows:

Page 8, after line 26, insert:

"Sec. 13. [87A.01] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 87A.01 to 87A.03.

Subd. 2. [PERSON.] "Person" means an individual, proprietorship, partnership, corporation, club, or other legal entity.

Subd. 3. [SHOOTING RANGE OR RANGE.] "Shooting range" or "range" means an outdoor area or facility designed and operated for the use of firearms or archery.

Subd. 4. [GENERALLY ACCEPTED OPERATION PRACTICES.] "Generally accepted operation practices" means those guidelines adopted by the commissioner of natural resources for shooting ranges. In developing the practices, the commissioner shall consider all information reasonably available regarding the safe operation of shooting ranges, including practices established by a nationally recognized nonprofit membership organization that provides voluntary firearm safety programs that include training individuals in the safe handling and use of firearms, which practices are developed with consideration of all information reasonably available regarding the safe operation of shooting ranges. The generally accepted operation practices shall be reviewed at least every five years by the commissioner of natural resources and revised as the commissioner considers necessary. The commissioner shall adopt the guidelines required under this section by January 1, 1996.

Subd. 5. [UNIT OF GOVERNMENT.] "Unit of government" means a home rule charter or statutory city, county, town, municipal corporation, or other political subdivision, or any of their instrumentalities.

Sec. 14. [87A.02] [LOCAL ORDINANCE PROTECTION; EXISTING OPERATIONS.]

(a) A shooting range that is in operation and not in violation of existing law at the time of the enactment of an ordinance must be permitted to continue in operation even if the operation of the shooting range at a later date does not conform to the new ordinance or an amendment to an existing ordinance.

(b) A shooting range that operates in compliance with generally accepted operation practices, even if not in compliance with an ordinance of a local unit of government, must be permitted to do all of the following within its preexisting geographic boundaries if done in compliance with generally accepted operation practices:

(1) repair, remodel, or reinforce any conforming or nonconforming building or structure as may be necessary in the interest of public safety or to secure the continued use of the building or structure;

(2) reconstruct, repair, restore, remodel, or resume the use of a nonconforming building damaged by fire, collapse, explosion, act of God, or act of war occurring after the effective date of this section; and

(3) do anything authorized under generally accepted operation practices, including:

(i) expand or increase its membership or opportunities for public participation;

(ii) expand or increase events, facilities, and activities, within the preexisting geographic boundaries of the range, and in conformance with local codes and ordinances; and

(iii) make those structural repairs or improvements necessary to comply with generally accepted operation practices.

Sec. 15. [87A.03] [LIMITS ON CLOSING SHOOTING RANGES; PAYMENT OF CERTAIN COSTS.]

(a) Except as provided in section 87A.03, a shooting range may not be prevented from operating by any state agency or unit of government unless because of new development of adjacent land: (1) the range becomes a clear and proven safety hazard to the adjacent population; or (2) the range becomes unable to meet the minimum range safety standards contained in generally accepted operation practices adopted by the commissioner.

(b)(1) If the requirements of paragraph (a), clause (1), are met, a shooting range may be relocated by a state agency or a unit of government if the following conditions are met:

(i) the clear and proven safety hazard is documented through a hearing, testimony, and a clear and precise statement of the hazard by the agency or unit of government; and

(ii) the agency or unit of government obtaining the closure pays the fair market value of the range business as a going concern to the operators and the fair market value of the land including improvements, to the owner of the land; and

(2) upon final full payment, the range operator and landowners shall relinquish their interest in the property to the agency or unit of government obtaining the closure.

(c) If the requirements of paragraph (a), clause (2), are met, the shooting range operations may be suspended if:

(1) the range operators are given reasonable notice and opportunity to respond; and

(2) the range operators are given a reasonable opportunity to correct safety defects and meet the minimum range safety standards contained in generally accepted operation practices.

(d) If a shooting range is suspended from operation because the requirements of paragraph (a), clause (2), are met and if the shooting range operators are able to obtain a current certificate of reasonable shooting range safety compliance from an organization establishing range safety standards, any order of a state agency, or unit of government to suspend the shooting range operation must, upon application by the operators, be vacated."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

CALL OF THE SENATE

Ms. Krentz imposed a call of the Senate for the balance of the proceedings on S.F. No. 1180. The Sergeant at Arms was instructed to bring in the absent members.

Ms. Anderson moved to amend the Vickerman amendment to S.F. No. 1180 as follows:

Page 3, delete lines 19 to 26

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

The question was taken on the Vickerman amendment, as amended.

The roll was called, and there were yeas 35 and nays 24, as follows:

Those who voted in the affirmative were:

Beckman	Dille	Kleis	Merriam	Robertson
Belanger	Frederickson	Kramer	Metzen	Sams
Berg	Hanson	Kroening	Mondale	Samuelson
Bertram	Janezich	Langseth	Murphy	Scheevel
Chandler	Johnson, D.E.	Larson	Neuville	Solon
Chmielewski	Johnson, D.J.	Lesewski	Ourada	Stevens
Day	Johnston	Lessard	Pariseau	Vickerman

Those who voted in the negative were:

Anderson	Hottinger	Laidig	Piper	Runbeck
Betzold	Johnson, J.B.	Marty	Pogemiller	Spear
Cohen	Kelly	Morse	Price	Stumpf
Finn	Knutson	Novak	Ranum	Wiener
Flynn	Krentz	Pappas	Reichgott Junge	

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

Mr. Laidig moved to amend S.F. No. 1180 as follows:

Page 11, after line 3, insert:

"Sec. 18. Minnesota Statutes 1994, section 97A.531, is amended by adding a subdivision to read:

Subd. 7. [FISH TAKEN BY GILLNET IN BORDER WATERS.] A person may not import or sell game fish taken by gillnet in Minnesota-Ontario border waters."

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

S.F. No. 1180 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.

Mr. Moe, R.D. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 50 and nays 14, as follows:

Those who voted in the affirmative were:

Beckman	Frederickson	Kleis	Moe, R.D.	Runbeck
Belanger	Hanson	Kramer	Mondale	Sams
Berg	Hottinger	Kroening	Morse	Samuelson
Bertram	Janezich	Langseth	Murphy	Scheevel
Chandler	Johnson, D.E.	Larson	Oliver	Solon
Chmielewski	Johnson, D.J.	Lesewski	Ourada	Stevens
Day	Johnson, J.B.	Lessard	Pariseau	Stumpf
Dille	Johnston	Limmer	Pogemiller	Terwilliger
Finn	Kelly	Merriam	Riveness	Vickerman
Flynn	Kiscaden	Metzen	Robertson	Wiener

Those who voted in the negative were:

Anderson	Cohen	Laidig	Piper	Reichgott Junge
Berglin	Knutson	Marty	Price	Spear
Betzold	Krentz	Pappas	Ranum	

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 Report at the Desk be now adopted. The motion prevailed.

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

S.F. No. 1543: A bill for an act relating to public finance; changing procedures for allocating bonding authority; amending Minnesota Statutes 1994, sections 474A.03, subdivisions 1 and 4; 474A.061, subdivisions 2a, 2c, 4, and 6; 474A.091, subdivisions 3 and 5; and 474A.131, subdivision 2.

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

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1994, section 462C.01, is amended to read:

462C.01 [AUTHORIZATION.]

A city may develop and administer programs of (1) making or purchasing mortgage or rehabilitation loans pursuant to section 462C.03 to finance the acquisition or rehabilitation of

single family housing by low and moderate income persons and families anywhere within its boundaries, or (2) making or purchasing loans pursuant to section 462C.05 to finance multifamily housing developments or the rehabilitation of multifamily housing developments ~~upon the following conditions:~~

~~(a) The city develops a housing plan as required by section 462C.03;~~

~~(b) A public hearing is held thereon after one publication of notice in a newspaper circulating generally in the city, at least 30 days before the hearing, after which the plan may be adopted by resolution of the governing body with or without amendment;~~

~~(c) The plan is submitted for review pursuant to section 462C.04, subdivision 1; and~~

~~(d) Each if the program provided for in the plan is submitted for review pursuant to section 462C.04, subdivision 2.~~

Sec. 2. Minnesota Statutes 1994, section 462C.02, subdivision 3, is amended to read:

Subd. 3. "Program" means an individual component of ~~the~~ a city's overall program for housing plan for which one or more issues of revenue bonds or obligations is proposed.

Sec. 3. Minnesota Statutes 1994, section 462C.04, subdivision 2, is amended to read:

Subd. 2. [PROGRAM REVIEW.] A public hearing shall be held on each program after one publication of notice in a newspaper circulating generally in the city, at least 15 days before the hearing. On or before the day on which notice of the public hearing is published, the city shall submit the program to the metropolitan council, if the city is located in the metropolitan area as defined in section 473.121, subdivision 2, or to the regional development commission for the area in which the city is located, if any, for review and comment. The appropriate reviewing agency shall comment on:

~~(a) whether the program is consistent with the housing plan of the city; and~~

~~(b) whether the program furthers local and regional housing policies and is consistent with the metropolitan development guide, if the city is located in the metropolitan area, or adopted policies of the regional development commission; and~~

(b) the compatibility of the program with the housing portion of the comprehensive plan of the city, if any.

Review of the program may be conducted either by the board of the reviewing agency or by the staff of the agency. Any comment submitted by the reviewing agency to the city must be presented to the body considering the proposed program at the public hearing held on the program.

A member or employee of the reviewing agency shall be permitted to present the comments of the reviewing agency at the public hearing. After conducting the public hearing, the program may be adopted with or without amendment, provided that any amendments must not be inconsistent with the comments, if any, of the reviewing agency and must not contain any material changes from the program submitted to the reviewing agency other than changes in the financial aspects of any proposed issue of bonds or obligations. If any material change other than a change in the financial aspects of a proposed issue of bonds or obligations, or any change which is inconsistent with the comments of the reviewing agency is adopted, the amended program shall be resubmitted to the appropriate reviewing agency for review and comment, and a public hearing shall be held on the amended program after one publication of notice in a newspaper circulating generally in the city at least 15 days before the hearing. The amended program shall be considered after the public hearing in the same manner as consideration of the initial program.

Sec. 4. Minnesota Statutes 1994, section 462C.04, subdivision 3, is amended to read:

Subd. 3. [CITY REPORT.] Within 30 days after the bonds are issued for a housing program, the city shall submit a report to the Minnesota housing finance agency, the metropolitan council if the city is located within the metropolitan area as defined in section 473.121, subdivision 2, or the appropriate regional development commission. The report must include a program description, the amount of bonds issued, the income limits, and the rent levels.

Sec. 5. Minnesota Statutes 1994, section 462C.071, subdivision 2, is amended to read:

Subd. 2. [LIMITATION; ORIGINATION PERIOD.] During the first ten months of an origination period, a city 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;

(3) the new housing is located on a parcel purchased by the city or conveyed to the city under section 282.01, subdivision 1; or

(4) 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

(5) the new housing is located in a city that has entered into a housing affordability agreement with the metropolitan council.

Upon expiration of the first ten-month period, a city may make loans financed with the proceeds of mortgage bonds for the purchase of new and existing housing."

Page 1, line 16, delete "\$57,000,000" and insert "\$55,000,000"

Page 1, line 17, delete "\$54,000,000" and insert "\$56,000,000"

Page 1, line 18, delete "\$35,000,000" and insert "\$37,000,000"

Page 2, line 25, after "age" insert "or older"

Page 2, line 26, after the period, insert "If an issuer that receives an allocation under this paragraph does not issue obligations equal to all or a portion of the allocation received within 120 days of the allocation or returns the allocation to the commissioner, the amount of the allocation is canceled and returned for reallocation through the housing pool."

(b)"

Page 3, after line 17, insert:

"Applications by a consortium shall include the name of each member of the consortium and the amount of allocation requested by each member."

Page 3, line 19, strike "July 1" and insert "June 15" and strike "July 15" and insert "June 30"

Page 3, line 22, strike everything after the period

Page 3, strike lines 23 and 24

Page 3, line 25, strike "applicants." and strike "agreement" and insert "agency"

Page 3, line 26, strike "among the applicants"

Page 3, line 27, after "means" insert "a" and after "county" insert "or a consortium of local government units that agree through a joint powers agreement to apply together for single-family housing programs,"

Page 3, line 28, strike ", and" and insert a period

Page 3, strike lines 30 to 32

Page 3, line 33, strike everything before "The" and insert:

"(c) The total amount of allocation for mortgage bonds for one city is limited to the lesser of: (i) the amount requested, or (ii) the product of the total amount available for mortgage bonds from the housing pool, multiplied by the ratio of each applicant's population as determined by the most recent estimate of the city's population released by the state demographer's office to the total of all the applicants' population, except that each applicant shall be allocated a minimum of \$100,000 regardless of the amount requested or the amount determined under the formula in clause (ii). If a city applying for an allocation is located within a county that has also applied for an allocation, the city's population will be deducted from the county's population in calculating the amount of allocations under this paragraph.

Upon determining the amount of each applicant's allocation, the agency shall forward a list specifying the amounts allotted to each application and application deposit checks to the commissioner.

(d)"

Page 4, line 9, strike "(c)" and insert "(e)"

Page 4, line 18, strike "agreement" and insert "list" and strike "(b)" and insert "(c)"

Page 4, line 25, strike "(d)"

Page 4, line 26, strike "(c)" and insert "(d)"

Page 4, strike lines 35 and 36

Page 5, strike lines 1 to 3

Page 5, line 4, delete "February" and strike the period

Page 5, line 9, strike everything after "by"

Page 5, strike line 10

Page 5, line 11, strike everything before "may" and insert "the date applications are due for the first allocation that is made from the housing pool for single-family housing programs in the immediately succeeding calendar year"

Page 5, line 13, strike "under" and insert "from"

Page 5, line 14, strike "agreement" and after the period, insert "Each local government unit in a consortium must meet the requirements of this paragraph."

Page 10, line 36, delete "On July 3, 1995,"

Page 11, line 1, before the comma, insert "on the effective date of this section"

Page 11, line 6, delete "15" and insert "7"

Page 11, after line 6, insert:

"Sec. 16. [REPEALER.]

Minnesota Statutes 1994, sections 462C.02, subdivision 2; 462C.03, subdivisions 1 and 5; and 462C.04, subdivision 1, are repealed."

Page 11, delete line 8 and insert:

"Sections 8 and 15 are effective the day following final enactment, provided that section 8, paragraph (g), applies to allocations made on or after the day following final enactment. Section 12 is effective January 1, 1996."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "changing provisions relating to housing programs and plans;"

Page 1, line 4, after "sections" insert "462C.01; 462C.02, subdivision 3; 462C.04, subdivisions 2 and 3; 462C.071, subdivision 2;"

Page 1, line 6, before the period, insert "; repealing Minnesota Statutes 1994, sections 462C.02, subdivision 2; 462C.03, subdivisions 1 and 5; and 462C.04, subdivision 1"

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

SECOND READING OF SENATE BILLS

S.F. No. 1543 was read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

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.

Ms. Reichgott Junge and Mr. Johnson, D.J. introduced--

S.F. No. 1684: A bill for an act relating to taxation; proposing an amendment to the Minnesota Constitution by amending article XIII, section 1; requiring state funding of certain costs of education; reserving certain budget surplus to fund education costs; providing for establishment of aid distribution councils; establishing task forces to study local government and education finance; providing for payments of certain aids and imposition of levies; appropriating money; amending Minnesota Statutes 1994, sections 16A.152, subdivision 2; and 465.795, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 465; repealing Minnesota Statutes 1994, sections 124A.02, subdivisions 16 and 24; 124A.03, subdivisions 1b, 1c, 1d, 1e, 1f, 1g, 1h, 1i, and 3b; 124A.034; 124A.035; 124A.036; 124A.04; 124A.22, subdivisions 2, 3, 4, 4a, 4b, 8, and 9; 124A.225; 124A.23; 124A.24; 124A.26; 124A.28; 124A.29, subdivision 1; 273.138; 273.1398; 273.1399; 273.166; 477A.011; 477A.012; 477A.0121; 477A.0122; 477A.013; 477A.0132; 477A.014; 477A.015; and 477A.03.

Referred to the Committee on Taxes and Tax Laws.

Ms. Runbeck introduced--

S.F. No. 1685: A bill for an act relating to retirement; limiting the definition of salary for calculating service pensions and other retirement benefits for members of police and salaried firefighters relief associations; amending Minnesota Statutes 1994, section 423A.01, subdivision 2.

Referred to the Committee on Governmental Operations and Veterans.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe. R.D. moved that Senate Resolution No. 54 be taken from the table. The motion prevailed.

Senate Resolution No. 54: A Senate resolution adopting permanent rules of the Senate.

Mr. Knutson moved to amend Senate Resolution No. 54 as follows:

Page 18, lines 13 to 16, delete the new language

CALL OF THE SENATE

Ms. Reichgott Junge imposed a call of the Senate for the balance of the proceedings on the adoption of Senate rules. The Sergeant at Arms was instructed to bring in the absent members.

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

The roll was called, and there were yeas 25 and nays 36, as follows:

Those who voted in the affirmative were:

Belanger	Frederickson	Knutson	Limmer	Robertson
Berg	Johnson, D.E.	Kramer	Neuville	Runbeck
Chmielewski	Johnston	Laidig	Oliver	Scheevel
Day	Kiscaden	Larson	Ourada	Stevens
Dille	Kleis	Lesewski	Pariseau	Terwilliger

Those who voted in the negative were:

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

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

Mr. Johnson, D.E. moved to amend Senate Resolution No. 54 as follows:

Page 17, line 21, delete "eightieth" and insert "seventy-sixth"

Ms. Reichgott Junge moved to amend the Johnson, D.E. amendment to Senate Resolution No. 54 as follows:

Page 1, line 4, delete "seventy-sixth" and insert "seventy-eighth"

The question was taken on the adoption of the Reichgott Junge amendment to the Johnson, D.E. amendment.

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

Those who voted in the affirmative were:

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

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

The question was taken on the Johnson, D.E. amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Ms. Berglin moved to amend Senate Resolution No. 54 as follows:

Page 9, line 27, after the period, insert "Upon its introduction, the first author of the bill shall deliver a copy of the fiscal note on the bill to the chair of the standing committee to which the bill has been referred."

The motion prevailed. So the amendment was adopted.

Ms. Runbeck moved to amend Senate Resolution No. 54 as follows:

Page 18, line 27, after the period, insert "The majority and minority shall each be represented on all conference committees of the Senate substantially in proportion to their numbers in the Senate, provided that the members of the minority group appointed to a conference committee must be in accord with the position of the Senate."

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

Ms. Robertson moved to amend Senate Resolution No. 54 as follows:

Page 18, line 15, after "may" insert "temporarily"

Page 18, line 16, after "committees" insert "during the interim"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 39, as follows:

Those who voted in the affirmative were:

Belanger	Johnson, D.E.	Kramer	Neuville	Robertson
Chmielewski	Johnston	Laidig	Oliver	Runbeck
Day	Kiscaden	Larson	Olson	Scheevel
Dille	Kleis	Lesewski	Ourada	Stevens
Frederickson	Knutson	Limmer	Pariseau	Terwilliger

Those who voted in the negative were:

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

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

Mr. Terwilliger moved to amend Senate Resolution No. 54 as follows:

Page 29, after line 14, insert:

"VOTE ON TAX BILLS

78. An action relating to a bill, amendment, committee report or conference committee report that provides for an increase in the rate of an income tax or a sales tax is agreed to by the Senate only if three-fifths of the members who vote on the action vote in favor of it."

Mr. Spear raised a point of order that the amendment was out of order.

The President ruled that the amendment was out of order.

Mr. Terwilliger 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 40 and nays 20, as follows:

Those who voted in the affirmative were:

Anderson	Cohen	Kelly	Moe, R.D.	Ranum
Beckman	Finn	Krentz	Mondale	Reichgott Junge
Berg	Flynn	Kroening	Morse	Sams
Berglin	Frederickson	Langseth	Murphy	Samuelson
Bertram	Hottinger	Lessard	Pappas	Spear
Betzold	Janezich	Marty	Piper	Stumpf
Chandler	Johnson, D.J.	Merriam	Pogemiller	Vickerman
Chmielewski	Johnson, J.B.	Metzen	Price	Wiener

Those who voted in the negative were:

Belanger	Johnston	Laidig	Oliver	Runbeck
Day	Kiscaden	Lesewski	Olson	Scheevel
Dille	Kleis	Limmer	Ourada	Stevens
Johnson, D.E.	Knutson	Neuville	Pariseau	Terwilliger

The decision of the President was sustained.

Mr. Berg moved to amend Senate Resolution No. 54 as follows:

Page 28, line 33, delete "a violation of"

Page 28, line 34, delete "this rule" and insert "improper conduct" and after the period, insert "Improper conduct includes conduct that violated a rule or administrative policy of the Senate, that violated accepted norms of Senate behavior, that betrayed the public trust, or that tended to bring the Senate into dishonor or disrepute."

The motion prevailed. So the amendment was adopted.

Mr. Limmer moved to amend Senate Resolution No. 54 as follows:

Page 20, line 36, after the period, insert "Members of the minority caucus are entitled to the same number of personal, committee, and caucus employees per member as are members of the majority caucus."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 41, as follows:

Those who voted in the affirmative were:

Belanger	Johnston	Kroening	Olson	Scheevel
Day	Kiscaden	Larson	Ourada	Stevens
Dille	Kleis	Lesewski	Pariseau	Terwilliger
Frederickson	Knutson	Limmer	Robertson	
Johnson, D.E.	Kramer	Oliver	Runbeck	

Those who voted in the negative were:

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

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

Mr. Limmer then moved to amend Senate Resolution No. 54 as follows:

Page 17, line 19, after the period, insert "A member prohibited by this rule from continuing to serve as chair of a particular committee may not serve as chair of any other standing committee or division until the member has served an additional Senate term as not a chair of any standing committee or division."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 16 and nays 43, as follows:

Those who voted in the affirmative were:

Belanger	Kleis	Lesewski	Ourada	Scheevel
Day	Knutson	Limmer	Pariseau	Stevens
Johnston	Kramer	Oliver	Runbeck	Terwilliger
Kiscaden				

Those who voted in the negative were:

Anderson	Dille	Kelly	Morse	Robertson
Beckman	Finn	Krentz	Murphy	Sams
Berg	Flynn	Kroening	Novak	Samuelson
Berglin	Hanson	Langseth	Piper	Spear
Bertram	Hottinger	Marty	Pogemiller	Stumpf
Betzold	Janezich	Merriam	Price	Vickerman
Chandler	Johnson, D.E.	Metzen	Ranum	Wiener
Chmielewski	Johnson, D.J.	Moe, R.D.	Reichgott Junge	
Cohen	Johnson, J.B.	Mondale	Riveness	

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

Mrs. Pariseau moved to amend Senate Resolution No. 54 as follows:

Page 9, line 13, after the second period, insert "A member may not be listed as first author on more than ten bills each year, other than omnibus appropriation or tax bills."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 37, as follows:

Those who voted in the affirmative were:

Belanger	Johnston	Kroening	Limmer	Robertson
Bertram	Kiscaden	Laidig	Neuville	Scheevel
Day	Kleis	Larson	Oliver	Stevens
Dille	Knutson	Lesewski	Ourada	Terwilliger
Johnson, D.E.	Kramer	Lessard	Pariseau	

Those who voted in the negative were:

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

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

Mrs. Pariseau then moved to amend Senate Resolution No. 54 as follows:

Page 9, line 13, strike "shall not exceed five" and insert "is not limited"

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	Kleis	Larson	Pariseau	Terwilliger
Johnson, D.E.	Knutson	Limmer	Robertson	
Johnston	Kramer	Neuville	Scheevel	
Kiscaden	Laidig	Oliver	Stevens	

Those who voted in the negative were:

Anderson	Cohen	Krentz	Murphy	Riveness
Beckman	Day	Lessard	Novak	Sams
Berg	Dille	Marty	Pappas	Samuelson
Berglin	Finn	Merriam	Piper	Spear
Bertram	Flynn	Metzen	Pogemiller	Stumpf
Betzold	Hottinger	Moe, R.D.	Price	Vickerman
Chandler	Janezich	Mondale	Ranum	Wiener
Chmielewski	Johnson, J.B.	Morse	Reichgott Junge	

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

Ms. Kiscaden moved to amend Senate Resolution No. 54 as follows:

Page 18, line 14, before the comma, insert "and with the consent of the affected members"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 21 and nays 38, as follows:

Those who voted in the affirmative were:

Belanger	Kiscaden	Lesewski	Ourada	Terwilliger
Day	Kleis	Limmer	Pariseau	
Dille	Knutson	Neuville	Robertson	
Johnson, D.E.	Kramer	Oliver	Scheevel	
Johnston	Laidig	Olson	Stevens	

Those who voted in the negative were:

Anderson	Finn	Kroening	Novak	Sams
Beckman	Flynn	Lessard	Pappas	Samuelson
Berg	Hottinger	Merriam	Piper	Spear
Berglin	Janezich	Metzen	Pogemiller	Stumpf
Bertram	Johnson, D.J.	Moe, R.D.	Price	Vickerman
Betzold	Johnson, J.B.	Mondale	Ranum	Wiener
Chandler	Kelly	Morse	Reichgott Junge	
Cohen	Krentz	Murphy	Riveness	

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

Mr. Dille moved to amend Senate Resolution No. 54 as follows:

Page 2, line 11, after the period, insert "All remarks during debate shall be addressed to the presiding officer; however, a member may turn toward other members when speaking, rather than facing the presiding officer."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 57 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Chandler voted in the negative.

The motion prevailed. So the amendment was adopted.

Mr. Dille then moved to amend Senate Resolution No. 54 as follows:

Page 6, line 6, after the period, insert "A member may refer to the actions of the Governor or of the House of Representatives."

Mr. Neuville moved to amend the second Dille amendment to Senate Resolution No. 54 as follows:

Page 1, line 3, after "may" insert "respectfully"

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

Mr. Kramer moved to amend the second Dille amendment to Senate Resolution No. 54 as follows:

Page 1, line 5, after "Representatives" insert "except that it may not be done to influence the vote of other members"

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

The question was taken on the second Dille amendment, as amended.

The roll was called, and there were yeas 21 and nays 43, as follows:

Those who voted in the affirmative were:

Berg	Kelly	Larson	Neuville	Stevens
Chmielewski	Kiscaden	Lesewski	Oliver	
Day	Kleis	Lessard	Pariseau	
Dille	Knutson	Limmer	Robertson	
Johnson, D.E.	Kramer	Marty	Scheevel	

Those who voted in the negative were:

Anderson	Flynn	Laidig	Olson	Sams
Beckman	Frederickson	Langseth	Ourada	Samuelson
Belanger	Hottinger	Merriam	Pappas	Spear
Berglin	Janezich	Metzen	Piper	Stumpf
Bertram	Johnson, D.J.	Moe, R.D.	Pogemiller	Terwilliger
Betzold	Johnson, J.B.	Mondale	Price	Vickerman
Chandler	Johnston	Morse	Ranum	Wiener
Cohen	Krentz	Murphy	Reichgott Junge	
Finn	Kroening	Novak	Riveness	

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

Mr. Stevens moved to amend Senate Resolution No. 54 as follows:

Page 18, line 9, after the period, insert "After January 1, 1997, each standing committee must include at least one member from each congressional district."

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

Mr. Dille moved to amend Senate Resolution No. 54 as follows:

Page 2, line 11, after the period, insert "An employee of the Senate may walk and stand erect when distributing printed material, delivering messages, or speaking to a member at the member's desk in the Chamber."

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:

Belanger	Johnston	Laidig	Neuville	Stevens
Chmielewski	Kelly	Langseth	Oliver	Terwilliger
Day	Kiscaden	Larson	Olson	
Dille	Kleis	Lesewski	Ourada	
Frederickson	Knutson	Lessard	Robertson	
Johnson, D.E.	Kramer	Limmer	Scheevel	

Those who voted in the negative were:

Beckman	Finn	Merriam	Piper	Spear
Berg	Flynn	Metzen	Pogemiller	Stumpf
Berglin	Hottinger	Moe, R.D.	Price	Vickerman
Bertram	Janezich	Mondale	Ranum	Wiener
Betzold	Johnson, D.J.	Morse	Reichgott Junge	
Chandler	Johnson, J.B.	Novak	Riveness	
Cohen	Krentz	Pappas	Samuelson	

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

Mr. Moe, R.D. moved the adoption of the foregoing resolution, as amended.

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

The roll was called, and there were yeas 52 and nays 9, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Laidig	Novak	Robertson
Beckman	Frederickson	Langseth	Olson	Samuelson
Belanger	Hanson	Larson	Ourada	Spear
Berg	Hottinger	Lesewski	Pappas	Stevens
Berglin	Janezich	Marty	Pariseau	Stumpf
Bertram	Johnson, D.E.	Merriam	Piper	Terwilliger
Betzold	Johnson, D.J.	Metzen	Pogemiller	Vickerman
Chandler	Johnson, J.B.	Moe, R.D.	Price	Wiener
Cohen	Johnston	Mondale	Ranum	
Day	Kelly	Morse	Reichgott Junge	
Finn	Krentz	Neuville	Riveness	

Those who voted in the negative were:

Dille	Kleis	Kramer	Murphy	Scheevel
Kiscaden	Knutson	Limmer	Oliver	

The motion prevailed. So the resolution, as amended, 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.

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. 413: Mr. Samuelson, Ms. Johnston and Mr. Chmielewski.

H.F. No. 323: Meses. Johnson, J.B.; Anderson and Kiscaden.

H.F. No. 853: Messrs. Betzold, Kelly and Limmer.

H.F. No. 990: Meses. Anderson, Flynn and Mr. Kleis.

S.F. No. 106: Messrs. Morse, Lessard, Finn, Ms. Olson and Mr. Laidig.

H.F. No. 1399: Mr. Solon, Ms. Ranum and Mr. Knutson.

S.F. No. 1670: Messrs. Kroening, Novak, Chandler, Ms. Johnson, J.B. and Mr. Dille.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Lessard moved that the name of Mr. Morse be added as a co-author to S.F. No. 1362. The motion prevailed.

MEMBERS EXCUSED

Mr. Hottinger was excused from the Session of today from 9:00 to 10:00 a.m. Mr. Janezich was excused from the Session of today from 9:00 to 10:40 a.m. Mr. Kramer was excused from the Session of today from 11:15 to 11:25 a.m. Ms. Piper was excused from the Session of today from 11:00 to 11:30 a.m. Ms. Berglin, Mr. Oliver and Ms. Kiscaden were excused from the Session of today from 2:30 to 3:15 p.m. Ms. Olson was excused from the Session of today from 9:00 a.m. to 4:00 p.m. Ms. Robertson was excused from the Session of today from 4:15 to 4:45 p.m. Ms. Runbeck was excused from the Session of today at 4:50 p.m. Mr. Solon was excused from the Session of today at 3:30 p.m. Mr. Lessard was excused from the Session of today from 4:45 to 5:00 p.m. Ms. Hanson was excused from the Session of today from 5:00 to 5:25 p.m. Ms. Johnson, J.B. was excused from the Session of today from 10:45 to 11:00 a.m. Mr. Sams was excused from the Session of today from 5:30 to 5:45 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 1:00 p.m., Friday, April 28, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FORTY-NINTH DAY

St. Paul, Minnesota, Friday, April 28, 1995

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Joanne Perrin.

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

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

The President declared a quorum present.

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

REPORTS FILED WITH THE SECRETARY OF THE SENATE

The following reports were received and filed by the Secretary of the Senate: Office of the Ramsey County Attorney, Pre-trial Diversion Report, 1995; Department of Administration, Rent Report, 1995; Minnesota State Lottery, Annual Report, 1994; Department of Economic Security, Community Based Services, Transitional Housing Program, 1995; Department of Commerce, Concept of Reserve Corridor for Indemnity Insurers, 1995; Department of Human Services, Minnesota's Adoption Laws: Protecting the Child, Birth Parents and Adoptive Parents; Kandiyohi County Attorney, Diversion Report, 1995; Department of Public Safety, DWI Tracking System Feasibility Study, Final Report, 1995; Department of Health, Analysis of the Financial Condition of Licensed Ambulance Services in Minnesota, 1995; Department of Administration, Information Policy Office Annual Report: Progress Toward Implementing Information Standards and Guidelines, 1995; Minnesota Racing Commission, Annual Report, 1994; Office of the Olmsted County Attorney, Diversion Report, 1995; Interagency Long-Term Care Planning Committee (INTERCOM), Biennial Report, 1993-94; Department of Revenue, Tax Expenditure Budget, Fiscal Years 1995-97; Minnesota Criminal and Juvenile Justice Information Policy Group and Task Force, Recommendations and Progress Report on Criminal Justice Information, 1995;

Department of Human Services, State Coordinating Council, Local Children's Mental Health Collaboratives, 1994; Minnesota Housing Finance Agency, Assessment Report and Biennial Report, 1993-94; Department of Corrections, Intensive Community Supervision/Intensive Supervised Release Program, 1995; Department of Human Services, Family Preservation: The Promise of the Nineties, 1995; Department of Public Safety, Office of Crime Victim's Ombudsman, Biennial Report, 1993-94; Department of Human Services, State Operated Adult Mental Health Programs, 1995; Legislative Commission to Review Administrative Rules, Biennial Report, 1993-94; Board of Invention, 1994; Department of Human Services, Advisory Committee on Organ and Tissue Transplants, Annual Report, 1995; Department of Human Services, Quarterly Report, Medical Care Surcharge Fund, 1995; Minnesota Planning, Annexation Criteria, 1995; Minnesota Department of Health, Maternal and Child Health Services Block Grant, 1995; Office of Polk County Attorney, Operaton of Polk County Pretrial Diversion Program, 1994; Office of the Hennepin County Attorney, Pre-Trial Diversion Programs, 1995; Department of Health, Medical Education and Research Costs (MERC) in Minnesota's Reformed Health Care System, 1995; Department of Transportation, Final Environmental Impact Statement and Section 4(f) Evaluation for the New St. Croix River Crossing; Department of Agriculture, Minnesota Agricultural Land Preservation Program, Status Report, 1993-94; Office of the Fillmore County Attorney, Diversion Program, 1994; Department of Human Services, New Chance Program, 1995; Department of Human Services, Services to Minnesotans with Developmental Disabilities, 1996-97; Department of Health, Community Health Services in Minnesota, 1995.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

April 26, 1995

The Honorable Allan H. Spear
President of the Senate

Dear President Spear:

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. 1144, 839 and 893.

Warmest regards,
Arne H. Carlson, Governor

April 27, 1995

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1995 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 1995	Date Filed 1995
	1457	93	1:55 p.m. April 26	April 26
1144		94	1:58 p.m. April 26	April 26
839		95	2:10 p.m. April 26	April 26
893		96	2:05 p.m. April 26	April 26

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 File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1678: A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative and administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; amending Minnesota Statutes 1994, sections 3.9741, subdivision 2; 5.14; 15.50, subdivision 2; 15.91, subdivision 2; 16B.39, by adding a subdivision; 16B.42, subdivision 3; 16B.88, subdivisions 1, 2, 3, and 4; 126A.01; 126A.02; 126A.04; 197.05; 240A.08; 309.501, by adding a subdivision; and 349A.08, subdivision 5; Laws 1993, chapter 224, article 12, section 33; proposing coding for new law in Minnesota Statutes, chapters 16B; and 43A.

Senate File No. 1678 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 27, 1995

Mr. Merriam moved that the Senate do not concur in the amendments by the House to S.F. No. 1678, 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 to be appointed on the part of the House. The motion prevailed.

MOTIONS AND RESOLUTIONS

Ms. Olson introduced--

Senate Resolution No. 60: A Senate resolution congratulating the Zachary Lane Elementary School chess teams on participation in the 1995 Minnesota State Chess Tournament.

Referred to the Committee on Rules and Administration.

Mr. Merriam introduced--

Senate Resolution No. 61: A Senate resolution commending the generosity of Minnesota marrow donor volunteers and encouraging more Minnesotans to be marrow donors.

Referred to the Committee on Rules and Administration.

Mr. Hottinger moved that the name of Mr. Price be added as a co-author to S.F. No. 1556. The motion prevailed.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 440 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 440: A bill for an act relating to insurance; regulating coverages, notice provisions, enforcement provisions, fees, licensees; making technical changes; amending Minnesota Statutes 1994, sections 60A.06, subdivision 3; 60A.085; 60A.111, subdivision 2; 60A.124; 60A.23, subdivision 8; 60A.26; 60A.951, subdivisions 2 and 5; 60A.954, subdivision 1; 60K.03, subdivision 7; 60K.14, subdivision 1; 61A.03, subdivision 1; 61A.071; 61A.092, subdivisions 3 and 6; 61B.28, subdivisions 8 and 9; 62A.042; 62A.135; 62A.136; 62A.14; 62A.141; 62A.146;

62A.148; 62A.17, subdivision 1; 62A.20, subdivision 1; 62A.21, subdivision 2a; 62A.31, subdivisions 1h and 1i; 62A.46, subdivision 2, and by adding a subdivision; 62A.48, subdivisions 1 and 2; 62A.50, subdivision 3; 62C.14, subdivisions 5 and 14; 62C.142, subdivision 2a; 62D.101, subdivision 2a; 62E.02, subdivision 7; 62F.02, subdivision 2; 62I.09, subdivision 2; 62L.02, subdivision 16; 62L.03, subdivision 5; 65A.01, by adding a subdivision; 65B.06, subdivision 3; 65B.08, subdivision 1; 65B.09, subdivision 1; 65B.10, subdivision 3; 65B.61, subdivision 1; 72A.20, by adding a subdivision; 72B.05; 79.251, subdivision 5, and by adding a subdivision; 79.34, subdivision 2; 79.35; 79A.01, by adding a subdivision; 79A.02, subdivision 4; 79A.03, by adding a subdivision; 176.181, subdivision 2; 299F.053, subdivision 2; and 515A.3-112; proposing coding for new law in Minnesota Statutes, chapter 62A; repealing Minnesota Statutes 1994, section 65B.07, subdivision 5.

Mr. Hottinger moved to amend S.F. No. 440 as follows:

Page 57, delete lines 9 and 10 and insert:

"Sections 1 to 4, 6 to 10, 13 to 15, 17, 19 to 21, 24 to 29, 31 to 35, 37 to 42, 44, 45, 51, 52, 54, 57 to 61, and 63 are effective the"

The motion prevailed. So the amendment was adopted.

Mr. Hottinger then moved to amend S.F. No. 440 as follows:

Pages 24 to 28, delete sections 24 to 28

Pages 34 to 36, delete sections 38 and 39

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, delete line 12

Page 1, line 13, delete everything before "62A.31"

Page 1, delete line 17

The motion prevailed. So the amendment was adopted.

Mr. Hottinger then moved to amend S.F. No. 440 as follows:

Page 50, line 13, delete "shall" and insert "may be required to"

The motion prevailed. So the amendment was adopted.

Mr. Hottinger then moved to amend S.F. No. 440 as follows:

Page 4, line 4, strike "or"

Page 4, line 8, before the period, insert "; or (f) to an entity which administers a self-insurance or insurance plan if a licensed Minnesota insurer is providing insurance to the plan and if the licensed insurer has appointed the entity administering the plan as one of its licensed agents within this state"

The motion prevailed. So the amendment was adopted.

Mr. Hottinger then moved to amend S.F. No. 440 as follows:

Page 6, after line 9, insert:

"Sec. 6. [60A.235] [STANDARDS FOR DETERMINING WHETHER CONTRACTS ARE HEALTH PLAN CONTRACTS OR STOP LOSS CONTRACTS.]

Subdivision 1. [FINDINGS AND PURPOSE.] The purpose of this section is to establish a standard for the determination of whether an insurance policy or other evidence or coverage

should be treated as a policy of accident and sickness insurance or a stop loss policy for the purpose of the regulation of the business of insurance. The laws regulating the business of insurance in Minnesota impose distinctly different requirements upon accident and sickness insurance policies and stop loss policies. In particular, the regulation of accident and sickness insurance in Minnesota includes measures designed to reform the health insurance market, to minimize or prohibit selective rating or rejection of employee groups or individual group members based upon health conditions, and to provide access to affordable health insurance coverage regardless of preexisting health conditions. The health care reform provisions enacted in Minnesota will only be effective if they are applied to all insurers and health carriers who in substance, regardless of purported form, engage in the business of issuing health insurance coverage to employees of an employee group. This section applies to insurance companies and health carriers and the policies or other evidence of coverage that they issue. This section does not apply to employers or the benefit plans they establish for their employees.

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

(a) "Attachment point" means the claims amount beyond which the insurance company or health carrier incurs a liability for payment.

(b) "Direct coverage" means coverage under which an insurance company or health carrier assumes a direct obligation to an individual, under the policy or evidence of coverage, with respect to health care expenses incurred by the individual or a member of the individual's family.

(c) "Expected claims" means the amount of claims that, in the absence of a stop loss policy or other insurance or evidence of coverage, are projected to be incurred under an employer-sponsored plan covering health care expenses.

(d) "Expected plan claims" means the expected claims less the projected claims in excess of the specific attachment point, adjusted to be consistent with the employer's aggregate contract period.

(e) "Health plan" means a health plan as defined in section 62A.011 and includes group coverage regardless of the size of the group.

(f) "Health carrier" means a health carrier as defined in section 62A.011.

Subd. 3. [HEALTH PLAN POLICIES ISSUED AS STOP LOSS COVERAGE.] (a) An insurance company or health carrier issuing or renewing an insurance policy or other evidence of coverage, that provides coverage to an employer for health care expenses incurred under an employer-sponsored plan provided to the employer's employees, retired employees, or their dependents, shall issue the policy or evidence of coverage as a health plan if the policy or evidence of coverage:

(1) has a specific attachment point for claims incurred per individual that is lower than \$10,000;
or

(2) has an aggregate attachment point that is lower than the sum of:

(i) 150 percent of the first \$50,000 of expected plan claims;

(ii) 120 percent of the next \$450,000 of expected plan claims; and

(iii) 110 percent of the remaining expected plan claims.

(b) Where the insurance policy or evidence of coverage applies to a contract period of more than one year, the dollar amounts set forth in paragraph (a), clauses (1) and (2), must be multiplied by the length of the contract period expressed in years.

(c) The commissioner may adjust the constant dollar amounts provided in paragraph (a), clauses (1) and (2), on January 1 of any year, based upon changes in the medical component of the Consumer Price Index (CPI). Adjustments must be in increments of \$100 and must not be made unless at least that amount of adjustment is required. The commissioner shall publish any change in these dollar amounts at least three months before their effective date.

(d) A policy or evidence of coverage issued by an insurance company or health carrier that provides direct coverage of health care expenses of an individual including a policy or evidence of coverage administered on a group basis is a health plan regardless of whether the policy or evidence of coverage is denominated as stop loss coverage.

Subd. 4. [COMPLIANCE.] (a) An insurance company or health carrier that is required to issue a policy or evidence of coverage as a health plan under this section shall, even if the policy or evidence of coverage is denominated as stop loss coverage, comply with all the laws of this state that apply to the health plan, including, but not limited to, chapters 62A, 62C, 62D, 62E, 62L, and 62Q.

(b) With respect to an employer who had been issued a policy or evidence of coverage denominated as stop loss coverage before the effective date of this section, compliance with this section is required as of the first renewal date occurring on or after the effective date of this section.

Sec. 7. [60A.236] [STOP LOSS REGULATION.]

A contract providing stop loss coverage, issued or renewed to a small employer, as defined in section 62L.02, subdivision 26, or to a plan sponsored by a small employer, must include a claim settlement period no less favorable to the small employer or plan than coverage of all claims incurred during the contract period regardless of when the claims are paid."

Page 57, line 9, delete everything after the first "to"

Page 57, delete lines 10 to 14 and insert "12, 15 to 17, 19, 21 to 23, 26 to 37, 39, 41 to 44, 46 to 48, 51, 53 to 56, 59 to 63, and 65 are effective the day following final enactment."

Section 45 is effective January 1, 1995.

Sections 13, 57, and 58 are effective January 1, 1996.

Sections 24, 25, and 38 are effective January 1, 1996, and"

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 29, delete "chapter" and insert "chapters 60A; and"

The motion prevailed. So the amendment was adopted.

Mr. Belanger moved to amend S.F. No. 440 as follows:

Page 41, after line 25, insert:

"Sec. 51. Minnesota Statutes 1994, section 72A.20, subdivision 13, is amended to read:

Subd. 13. [REFUSAL TO RENEW.] Refusing to renew, declining to offer or write, or charging differential rates for an equivalent amount of homeowner's insurance coverage, as defined by section 65A.27, for property located in a town or statutory or home rule charter city, in which the insurer offers to sell or writes homeowner's insurance, solely because:

(a) of the geographic area in which the property is located;

(b) of the age of the primary structure sought to be insured;

(c) the insured or prospective insured was denied coverage of the property by another insurer, whether by cancellation, nonrenewal or declination to offer coverage, for a reason other than those specified in section 65A.01, subdivision 3a, clauses (a) to (e); or

(d) the property of the insured or prospective insured has been insured under the Minnesota FAIR plan act, shall constitute an unfair method of competition and an unfair and deceptive act or practice.

This subdivision prohibits an insurer from filing or charging different rates for different zip code areas within the same town or statutory or home rule charter city.

This subdivision shall not prohibit the insurer from applying underwriting or rating standards which the insurer applies generally in all other locations in the state and which are not specifically prohibited by clauses (a) to (d). Such underwriting or rating standards shall specifically include but not be limited to standards based upon the proximity of the insured property to an extraordinary hazard or based upon the quality or availability of fire protection services or based upon the density or concentration of the insurer's risks. Clause (b) shall not prohibit the use of rating standards based upon the age of the insured structure's plumbing, electrical, heating or cooling system or other part of the structure, the age of which affects the risk of loss. Any insurer's failure to comply with section 65A.29, subdivisions 2 to 4, either (1) by failing to give an insured or applicant the required notice or statement or (2) by failing to state specifically a bona fide underwriting or other reason for the refusal to write shall create a presumption that the insurer has violated this subdivision.

Sec. 52. Minnesota Statutes 1994, 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.

(d) No insurer that offers an automobile insurance policy in this state shall use an applicant's prior claims for benefits paid under section 65B.44 as an underwriting standard or guideline if the applicant was 50 percent or less negligent in the accident or accidents causing the claims.

(e) No insurer that offers an automobile insurance policy in this state shall file or charge different rates for different zip code areas within the same town or statutory or home rule charter city."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Larson moved to amend S.F. No. 440 as follows:

Page 57, line 6, delete "section" and insert "sections 61A.072, subdivision 3; and" and delete "is" and insert "are"

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Piper moved to amend S.F. No. 440 as follows:

Page 28, after line 25, insert:

"Sec. 29. [62A.307] [BREAST CANCER COVERAGE.]

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 must provide to each covered person who is a resident of Minnesota coverage for the treatment of breast cancer by high-dose chemotherapy with autologous bone marrow transplantation and for expenses arising from the treatment.

Subd. 3. [GREATER COINSURANCE OR COPAYMENT PROHIBITED.] Coverage under this section shall not be subject to any greater coinsurance or copayment than that applicable to any other coverage provided by the health plan.

Subd. 4. [GREATER DEDUCTIBLE PROHIBITED.] Coverage under this section shall not be subject to any greater deductible than that applicable to any other coverage provided by the health plan."

Page 57, after line 15, insert:

"Section 29 is effective the day following final enactment and applies to health plans offered, issued, sold, or renewed to provide coverage to a Minnesota resident on or after that date."

Re-number the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "providing for certain breast cancer coverage;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 54 and nays 11, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Kramer	Mondale	Reichgott Junge
Beckman	Frederickson	Krentz	Morse	Riveness
Belanger	Hanson	Kroening	Murphy	Sams
Berg	Hottinger	Laidig	Novak	Samuelson
Berglin	Janezich	Langseth	Ourada	Solon
Bertram	Johnson, D.E.	Lessard	Pappas	Spear
Betzold	Johnson, D.J.	Limmer	Pariseau	Stumpf
Chandler	Johnson, J.B.	Marty	Piper	Terwilliger
Cohen	Johnston	Merriam	Pogemiller	Vickerman
Day	Kelly	Metzen	Price	Wiener
Finn	Knutson	Moe, R.D.	Ranum	

Those who voted in the negative were:

Chmielewski	Kleis	Lesewski	Oliver	Scheevel
Dille	Larson	Neuville	Robertson	Stevens
Kiscaden				

The motion prevailed. So the amendment was adopted.

Mr. Murphy moved to amend S.F. No. 440 as follows:

Page 36, after line 18, insert:

"Sec. 41. Minnesota Statutes 1994, 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~~ \$1,500,000, and an extended basic plan and a basic Medicare plan as described in sections 62A.31 to 62A.44 and 62E.07. 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."

Page 57, after line 15, insert:

"Section 41 is effective July 1, 1995, and applies to coverage issued or renewed on or after that date."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "the comprehensive health association; increasing the lifetime benefit limit;"

Page 1, line 18, after the first semicolon, insert "62E.12;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 38 and nays 24, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Berg	Johnston	Laidig	Oliver	Scheevel
Bertram	Kelly	Larson	Olson	Solon
Day	Kiscaden	Lesewski	Ourada	Stevens
Frederickson	Klejs	Merriam	Pariseau	Terwilliger
Johnson, D.E.	Knutson	Neuville	Robertson	

The motion prevailed. So the amendment was adopted.

Pursuant to rule 22, Ms. Olson moved to be excused from voting on S.F. No. 440. The motion prevailed.

S.F. No. 440 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 0, as follows:

Those who voted in the affirmative were:

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

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. 787 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 787: A bill for an act relating to water; wetland protection and management; amending Minnesota Statutes 1994, sections 103F.612, subdivisions 2, 3, 5, 6, and 7; 103G.127; 103G.222; 103G.2241; 103G.2242, subdivisions 1, 6, 7, 9, and 12; 103G.237, subdivision 4; 103G.2372, subdivision 1; and 103G.2373; repealing Minnesota Statutes 1994, section 103G.2242, subdivision 13.

Mr. Stumpf moved to amend H.F. No. 787, as amended pursuant to Rule 49, adopted by the Senate April 21, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 483.)

Page 1, delete sections 1 and 2 and insert:

"Section 1. Minnesota Statutes 1994, section 103G.005, is amended by adding a subdivision to read:

Subd. 2a. [AGRICULTURAL LAND.] "Agricultural land" means:

(1) land used for horticultural, row, close grown, pasture, and hayland crops; growing nursery stocks; and animal feedlots; and

(2) associated contiguous land and buildings under the same ownership, including farmyards."

Page 3, lines 27 and 28, strike "or in counties or watersheds" and insert ", affected by a public transportation project, or located in a county or watershed"

Page 4, line 28, delete "2,000 square feet" and insert "1/20 acre" and delete everything after "wetlands"

Page 4, line 29, delete "of shoreland areas" and insert "within 300 feet of the ordinary high water level of public waters"

Page 4, line 30, delete "10,000 square feet" and insert "one-fourth acre"

Page 4, line 32, delete "20,000 square feet" and insert "one-half acre"

Page 5, line 30, after "existing" insert ":

(i)"

Page 5, line 31, after "public" insert "drainage systems that have not been abandoned under chapter 103E;" and after "or" insert:

"(ii)" and reinstate the stricken language

Page 5, line 32, reinstate the stricken language

Page 6, line 14, strike the comma

Page 6, line 16, after "edition)" insert a comma and after "for" insert "a" and strike "wetlands" and insert "wetland, that is located on agricultural land or outside of shoreland as defined in section 103F.205"

Page 7, line 27, strike "up to one-half acre"

Page 7, line 28, strike "a previously"

Page 7, line 29, strike "authorized, currently serviceable" and insert "an" and after the comma, insert "or updating of an existing public road as necessary to comply with requirements under state or federal law,"

Page 7, line 30, strike everything after "that"

Page 7, strike lines 31 to 35

Page 7, line 36, strike "minimized" and insert "this exemption applies only within the existing road right-of-way"

Page 9, line 12, after "wetlands" insert ", other than types 4 and 5 wetlands,"

Page 9, line 15, delete "1,000" and strike "square feet" and insert "1/40 acre" and delete everything after "wetlands"

Page 9, line 16, delete "of shoreland areas" and insert "within 300 feet of the ordinary high water level of public waters"

Page 9, line 17, delete "5,000 square feet" and insert "one-eighth acre"

Page 9, line 18, after "percent" insert "or less"

Page 9, line 19, delete "10,000 square feet" and insert "one-fourth acre"

Page 9, line 28, after the semicolon, insert "and"

Page 9, delete lines 29 and 30

Page 9, line 31, delete "(28)" and insert "(27)" and after "landowner" insert "that are necessary"

Page 9, line 32, after "property" insert "provided that the draining or filling of wetlands is minimized"

Page 10, after line 27, insert:

"(f) The exemption in paragraph (a), clause (25), no longer applies to a wetland when the cumulative area drained or filled since January 1, 1992, is the greater of:

- (1) the applicable area listed in paragraph (a), clause (24), items (i) to (iii); or
- (2) five percent of the total area of the wetland."

Page 12, lines 4 and 5, delete "as part of the local government's official controls" and insert "by ordinance in accordance with the process required for adoption of comprehensive plans under chapter 394 and the following additional requirements:

(i) not less than 30 days before the public hearing required by section 375.51, subdivision 1, the local government unit shall provide written notice of the hearing to the executive director of the board and the commissioners of natural resources and the pollution control agency;

(ii) the local government unit shall prepare and make available to the public a written report addressing the issues raised in comments received on the proposed plan;

(iii) at the time publication is made of the adopted plan under section 375.51, subdivision 3, a copy of the plan must also be mailed to the executive director of the board and the commissioners of natural resources and the pollution control agency; and

(iv) notice of the availability of the report required in clause (2) must be included in the publication under section 375.51, subdivision 3, and mailed with the plan under clause (3)"

Page 12, line 25, after "land" insert ", provided there is no net loss of wetland values, based on the classification"

Page 12, after line 33, insert:

"(d) The board may develop guidelines to assist local government units in developing plans under this paragraph. Any guidelines developed by the board are not binding on local government units."

Page 12, line 36, delete the new language

Page 13, delete lines 17 to 21

Page 20, line 6, delete "involve" and insert "involves"

Page 20, line 10, delete "are" and insert "wetland is"

Page 20, after line 11, insert:

"Sec. 17. Minnesota Statutes 1994, section 115.03, is amended by adding a subdivision to read:

Subd. 4a. [SECTION 401 CERTIFICATIONS.] (a) The following definitions apply to this subdivision:

(1) "section 401 certification" means a water quality certification required under section 401 of the federal Clean Water Act, United States Code, title 33, section 1341; and

(2) "nationwide permit" means a nationwide general permit issued by the United States Army Corps of Engineers and listed in Code of Federal Regulations, title 40, part 330, appendix A.

(b) The agency is responsible for providing section 401 certifications for nationwide permits.

(c) Before making a final decision on a section 401 certification for a nationwide permit, the agency shall hold at least one public meeting outside the seven-county metropolitan area.

(d) In addition to other notice required by law, the agency shall provide written notice of a meeting at which the agency will be considering a section 401 certification for a nationwide permit at least 21 days before the date of the meeting to the members of the senate and house of representatives environment and natural resources committees, the senate agriculture and rural development committee, and the house of representatives agriculture committee."

Pages 20 and 21, delete section 20

Page 21, after line 25, insert:

"Sec. 22. [EFFECTIVE DATE.]

Sections 17 and 18 are effective the day following final enactment."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Stumpf moved that H.F. No. 787 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 S.F. No. 1052 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1052: A bill for an act relating to abuse; conforming domestic abuse definitions; including persons with certain significant relationships; allowing certain minors to petition on their own behalf for orders for protection; modifying petition requirements; providing for subsequent petitions; modifying requirements for alternate service; extending time period for certain domestic abuse arrests; recodifying and clarifying portions of the assault in the fifth degree statute which concern domestic assault; amending Minnesota Statutes 1994, sections 518B.01, subdivisions 2, 4, 8, 14, and by adding a subdivision; 609.224, subdivisions 2 and 3; 611A.31, subdivision 2; 629.341, subdivision 1; and 629.72, subdivisions 1, 2, and 6; proposing coding for new law in Minnesota Statutes, chapter 609.

Ms. Reichgott Junge moved to amend S.F. No. 1052 as follows:

Page 12, line 25, strike "has assaulted, threatened with a dangerous weapon, or"

Page 12, strike lines 26 to 29

Page 12, line 30, strike "have been married or have lived together at any time" and insert "has committed domestic abuse, as defined in section 518B.01, subdivision 2"

The motion prevailed. So the amendment was adopted.

Ms. Reichgott Junge then moved to amend S.F. No. 1052 as follows:

Page 2, line 32, after the second "or" insert "by a family or household member, guardian, or other representative"

Page 2, lines 33 and 34, delete the new language and insert "A minor age 16 or older may make a petition on the minor's own behalf against a spouse or former spouse, a person with whom the minor has a child in common, a man if the minor is pregnant and the man is alleged to be the father, or a person with whom the minor is or has been involved in a significant romantic or sexual relationship."

Mr. Price moved to amend the second Reichgott Junge amendment to S.F. No. 1052 as follows:

Page 1, line 7, delete "a man if the minor is pregnant and"

Page 1, line 8, delete "the man is alleged to be the father."

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

CALL OF THE SENATE

Ms. Reichgott Junge imposed a call of the Senate for the balance of the proceedings on S.F. No. 1052. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the second Reichgott Junge amendment, as amended.

Mr. Neville moved that those not voting be excused from voting. The motion did not prevail.

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

Those who voted in the affirmative were:

Anderson	Cohen	Johnson, D.J.	Merriam	Murphy
Beckman	Finn	Johnson, J.B.	Metzen	Novak
Berglin	Flynn	Kelly	Moe, R.D.	Pappas
Betzold	Hottinger	Krentz	Mondale	Piper
Chandler	Janezich	Marty	Morse	Pogemiller

Price Ranum	Reichgott Junge Riveness	Robertson Solon	Spear	Wiener
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Those who voted in the negative were:

Belanger	Hanson	Kroening	Neuville	Scheevel
Berg	Johnson, D.E.	Laidig	Oliver	Stevens
Bertram	Johnston	Langseth	Olson	Stumpf
Chmielewski	Kiscaden	Larson	Ourada	Terwilliger
Day	Kleis	Lesewski	Pariseau	Vickerman
Dille	Knutson	Lessard	Sams	
Frederickson	Kramer	Limmer	Samuelson	

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

Ms. Reichgott Junge moved that S.F. No. 1052 be laid on the table. The motion prevailed.

Mr. Stumpf moved that H.F. No. 787 be taken from the table. The motion prevailed.

H.F. No. 787: A bill for an act relating to water; wetland protection and management; amending Minnesota Statutes 1994, sections 103F.612, subdivisions 2, 3, 5, 6, and 7; 103G.127; 103G.222; 103G.2241; 103G.2242, subdivisions 1, 6, 7, 9, and 12; 103G.237, subdivision 4; 103G.2372, subdivision 1; and 103G.2373; repealing Minnesota Statutes 1994, section 103G.2242, subdivision 13.

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

Mr. Merriam moved to amend H.F. No. 787, as amended pursuant to Rule 49, adopted by the Senate April 21, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 483.)

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 103G.222, is amended to read:

103G.222 [REPLACEMENT OF WETLANDS.]

(a) After the effective date of the rules adopted under section 103B.3355 or 103G.2242, whichever is later, wetlands must not be drained or filled, wholly or partially, unless replaced by restoring or creating wetland areas of at least equal public value under a replacement plan approved as provided in section 103G.2242, a replacement plan under a local governmental unit's comprehensive wetland protection and management plan approved by the board adopted under section 103G.2242, subdivision 1, paragraph (e) 1a, or, if a permit to mine is required under section 93.481, under a mining reclamation plan approved by the commissioner under the permit to mine. Mining reclamation plans shall apply the same principles and standards for replacing wetlands by restoration or creation of wetland areas that are applicable to mitigation plans approved as provided in section 103G.2242.

(b) Except as provided in paragraph (l), replacement must be guided by the following principles in descending order of priority:

(1) avoiding the direct or indirect impact of the activity that may destroy or diminish the wetland;

(2) minimizing the impact by limiting the degree or magnitude of the wetland activity and its implementation;

(3) rectifying the impact by repairing, rehabilitating, or restoring the affected wetland environment;

(4) reducing or eliminating the impact over time by preservation and maintenance operations during the life of the activity; and

(5) compensating for the impact by replacing or providing substitute wetland resources or environments.

(c) If a wetland is located in a cultivated field, then replacement must be accomplished through restoration only without regard to the priority order in paragraph (b), provided that a deed restriction is placed on the altered wetland prohibiting nonagricultural use for at least ten years.

(d) Restoration and replacement of wetlands must be accomplished in accordance with the ecology of the landscape area affected.

(e) Replacement shall be within the same watershed or county as the impacted wetlands, as based on the wetland evaluation in section 103G.2242, subdivision 2, except that counties or watersheds in which 80 percent or more of the presettlement wetland acreage is intact may accomplish replacement in counties or watersheds in which 50 percent or more of the presettlement wetland acreage has been filled, drained, or otherwise degraded. Wetlands impacted by public transportation projects may be replaced statewide, provided they are approved by the commissioner under an established wetland banking system, or under the rules for wetland banking as provided for under section 103G.2242.

(f) Except as provided in paragraph (g), for a wetland located on nonagricultural land, replacement must be in the ratio of two acres of replaced wetland for each acre of drained or filled wetland.

(g) For a wetland located on agricultural land or in counties or watersheds in which 80 percent or more of the presettlement wetland acreage exists, replacement must be in the ratio of one acre of replaced wetland for each acre of drained or filled wetland.

(h) Wetlands that are restored or created as a result of an approved replacement plan are subject to the provisions of this section for any subsequent drainage or filling.

(i) Except in counties or watersheds where 80 percent or more of the presettlement wetlands are intact, only wetlands that have been restored from previously drained or filled wetlands, wetlands created by excavation in nonwetlands, wetlands created by dikes or dams along public or private drainage ditches, or wetlands created by dikes or dams associated with the restoration of previously drained or filled wetlands may be used in a statewide banking program established in rules adopted under section 103G.2242, subdivision 1. Modification or conversion of nondegraded naturally occurring wetlands from one type to another are not eligible for enrollment in a statewide wetlands bank.

(j) The technical evaluation panel established under section 103G.2242, subdivision 2, shall ensure that sufficient time has occurred for the wetland to develop wetland characteristics of soils, vegetation, and hydrology before recommending that the wetland be deposited in the statewide wetland bank. If the technical evaluation panel has reason to believe that the wetland characteristics may change substantially, the panel shall postpone its recommendation until the wetland has stabilized.

(k) This section and sections 103G.223 to 103G.2242, 103G.2364, and 103G.2365 apply to the state and its departments and agencies.

(l) A local government unit may make a sequencing determination and, after consideration, deviate from the provisions of paragraph (b), without a written alternatives analysis from the applicant, for projects involving the draining or filling of less than:

(1) 2,000 square feet of wetlands in the building setback of shoreland areas in all counties;

(2) 10,000 square feet of wetlands in counties with 80 percent or less of their presettlement wetlands remaining; and

(3) 20,000 square feet of wetlands in counties with more than 80 percent of their presettlement wetlands remaining.

(m) For projects involving draining or filling of wetlands outside of the building setback of shoreland areas, a person may satisfy replacement requirements under this section by paying an

amount equal to the fair market value of the upland created by the draining or filling activity, as determined by a licensed appraiser. The payment must be made to the board or to the local government unit if it has established a wetland bank that is approved by the board. The board or local government unit shall use any money received under this paragraph for making withdrawals from the wetland bank administered by the board or local government unit for the purpose of replacing lost wetland values. Payments received by the board under this paragraph must be deposited in the state treasury and credited to the general fund and are appropriated to the board for the purposes of this paragraph.

Sec. 2. Minnesota Statutes 1994, section 103G.2241, is amended to read:

103G.2241 [EXEMPTIONS.]

(a) Subject to the conditions in paragraph ~~(b)~~ (c), a replacement plan for wetlands is not required for:

(1) activities in a wetland that was planted with annually seeded crops, was in a crop rotation seeding of pasture grasses or legumes, or was required to be set aside to receive price support or other payments under United States Code, title 7, sections 1421 to 1469, in six of the last ten years prior to January 1, 1991;

(2) activities in a wetland that is or has been enrolled in the federal conservation reserve program under United States Code, title 16, section 3831, that:

(i) was planted with annually seeded crops, was in a crop rotation seeding, or was required to be set aside to receive price support or payment under United States Code, title 7, sections 1421 to 1469, in six of the last ten years prior to being enrolled in the program; and

(ii) has not been restored with assistance from a public or private wetland restoration program;

(3) activities necessary to repair and maintain existing public or private drainage systems as long as type 3, 4, or 5 wetlands that have been in existence for more than 20 years are not drained;

(4) activities in a wetland that has received a commenced drainage determination provided for by the federal Food Security Act of 1985, that was made to the county agricultural stabilization and conservation service office prior to September 19, 1988, and a ruling and any subsequent appeals or reviews have determined that drainage of the wetland had been commenced prior to December 23, 1985;

(5) activities exempted from federal regulation under United States Code, title 33, section 1344(f);

(6) activities authorized under, and conducted in accordance with, an applicable individual or general permit issued by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344, except the nationwide permit in Code of Federal Regulations, title 33, section 330.5, paragraph (a), clause (14), limited to when a new road crosses a wetland, and all of clause (26);

(7) activities in a type 1 wetland on agricultural land, as defined in United States Fish and Wildlife Circular No. 39 (1971 edition) except for bottomland hardwood type 1 wetlands;

(8) activities in a type 2 wetland that is two acres in size or less located on agricultural land;

(9) activities in a wetland restored for conservation purposes under a contract or easement providing the landowner with the right to drain the restored wetland;

(10) activities in a wetland created solely as a result of:

(i) beaver dam construction;

(ii) blockage of culverts through roadways maintained by a public or private entity;

(iii) actions ~~by public entities~~ that were taken for a purpose other than creating the wetland; or

(iv) any combination of (i) to (iii);

(11) placement, maintenance, repair, enhancement, or replacement of utility or utility-type service, including the transmission, distribution, or furnishing, at wholesale or retail, of natural or manufactured gas, electricity, telephone, or radio service or communications if:

(i) the impacts of the proposed project on the hydrologic and biological characteristics of the wetland have been avoided and minimized to the extent possible; and

(ii) the proposed project significantly modifies or alters less than one-half acre of wetlands;

(12) activities associated with routine maintenance of utility and pipeline rights-of-way, provided the activities do not result in additional intrusion into the wetland;

(13) alteration of a wetland associated with the operation, maintenance, or repair of an interstate pipeline;

(14) temporarily crossing or entering a wetland to perform silvicultural activities, including timber harvest as part of a forest management activity, so long as the activity limits the impact on the hydrologic and biologic characteristics of the wetland; the activities do not result in the construction of dikes, drainage ditches, tile lines, or buildings; and the timber harvesting and other silvicultural practices do not result in the drainage of the wetland or public waters;

(15) permanent access for forest roads across wetlands so long as the activity limits the impact on the hydrologic and biologic characteristics of the wetland; the construction activities do not result in the access becoming a dike, drainage ditch or tile line; with filling avoided wherever possible; and there is no drainage of the wetland or public waters;

(16) draining or filling up to one-half acre of wetlands for the repair, rehabilitation, or replacement of a previously authorized, currently serviceable existing public road, provided that minor deviations in the public road's configuration or filled area, including those due to changes in materials, construction techniques, or current construction codes or safety standards, that are necessary to make repairs, rehabilitation, or replacement are allowed if the wetland draining or filling resulting from the repair, rehabilitation, or replacement is minimized;

(17) ~~emergency repair and normal maintenance and repair of existing public works, provided the activity does not result in additional intrusion of the public works into the wetland and do not result in the draining or filling, wholly or partially, of a wetland or private infrastructure, and updating of public or private infrastructure as necessary to comply with requirements under state or federal law;~~

(18) ~~normal maintenance and minor repair of structures causing no, including private crossings, provided the activity does not result in additional intrusion of an existing structure into the wetland, and maintenance and repair of private crossings that do not result in the draining or filling, wholly or partially, of a wetland;~~

(19) duck blinds;

(20) aquaculture activities, including pond excavation and construction and maintenance of associated access roads and dikes authorized under, and conducted in accordance with, a permit issued by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344, but not including construction or expansion of buildings;

(21) wild rice production activities, including necessary diking and other activities authorized under a permit issued by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344;

(22) normal agricultural practices to control pests or weeds, defined by rule as either noxious or secondary weeds, in accordance with applicable requirements under state and federal law, including established best management practices;

(23) activities in a wetland that is on agricultural land annually enrolled in the federal Food,

Agricultural, Conservation, and Trade Act of 1990, United States Code, title 16, section 3821, subsection (a), clauses (1) to (3), as amended, and is subject to sections 1421 to 1424 of the federal act in effect on January 1, 1991, except that land enrolled in a federal farm program is eligible for easement participation for those acres not already compensated under a federal program;

(24) development projects and ditch improvement projects in the state that have received preliminary or final plat approval, or infrastructure that has been installed, or having local site plan approval, conditional use permits, or similar official approval by a governing body or government agency, within five years before July 1, 1991. In the seven-county metropolitan area and in cities of the first and second class, plat approval must be preliminary as approved by the appropriate governing body; and

(25) activities projects that result in the draining or filling of less than:

(i) 400 square feet of wetlands in counties or watersheds with less than 50 percent of their presettlement wetlands remaining;

(ii) 400 square feet of wetlands in shoreland areas, as defined in section 103F.205, subdivision 4, in all counties;

(iii) 1,000 square feet of wetlands in nonshoreland areas of counties or watersheds with 50 to 80 percent of their presettlement wetlands remaining; or

(iv) 10,000 square feet of wetlands in nonshoreland areas of counties or watersheds with more than 80 percent of their presettlement wetlands remaining; and

(26) deposition of spoil resulting from excavation within a wetland for wildlife habitat purposes, if:

(i) the area of deposition does not exceed five percent of the wetland area; and

(ii) the project does not have an adverse impact on any species designated as threatened or endangered under state or federal law.

(b) For the purpose of paragraph (a), clause (16), "currently serviceable" means usable as is or with some maintenance, but not so degraded as to essentially require reconstruction. Paragraph (a), clause (16), authorizes the repair, rehabilitation, or replacement of public roads destroyed by storms, floods, fire, or other discrete events, provided the repair, rehabilitation, or replacement is commenced or under contract to commence within two years of the occurrence of the destruction or damage.

(c) In applying the exemption in paragraph (a), clause (25), the local government unit shall determine the scope of the project and the wetlands to be replaced. In making this determination, the local government unit may request assistance from the technical evaluation panel established under section 103G.2242, subdivision 2.

(d) A person conducting an activity in a wetland under an exemption in paragraph (a) shall ensure that:

(1) appropriate erosion control measures are taken to prevent sedimentation of the water;

(2) the activity does not block fish passage in a watercourse; and

(3) the activity is conducted in compliance with all other applicable federal, state, and local requirements, including best management practices and water resource protection requirements established under chapter 103H.

Sec. 3. Minnesota Statutes 1994, section 103G.2242, subdivision 1, is amended to read:

Subdivision 1. [RULES.] (a) By July 1, 1993, the board, in consultation with the commissioner, shall adopt rules governing the approval of wetland value replacement plans under this section. These rules must address the criteria, procedure, timing, and location of acceptable replacement of wetland values; may address the state establishment and administration of a wetland banking program for public and private projects, which may include provisions allowing monetary

payment to the wetland banking program for alteration of wetlands on agricultural land; the methodology to be used in identifying and evaluating wetland functions; the administrative, monitoring, and enforcement procedures to be used; and a procedure for the review and appeal of decisions under this section. In the case of peatlands, the replacement plan rules must consider the impact on carbon balance described in the report required by Laws 1990, chapter 587, and include the planting of trees or shrubs.

(b) After the adoption of the rules, a replacement plan must be approved by a resolution of the governing body of the local government unit, consistent with the provisions of the rules.

~~(c) The board may approve~~ As an alternative to the rules adopted under this subdivision, a local government unit may develop and implement a comprehensive wetland protection and management plan developed by a local government unit, provided that the plan:

~~(1) incorporates sections 103A.201, subdivision 2, and 103G.222;~~

~~(2) is adopted as part of an approved local water plan under sections 103B.231 and 103B.311; and~~

~~(3) is adopted as part of the local government's official controls in accordance with subdivision 1a.~~

(d) If the local government unit fails to apply the rules, or fails to implement a local program comprehensive wetland protection and management plan under ~~paragraph (e)~~ subdivision 1a, the government unit is subject to penalty as determined by the board.

Sec. 4. Minnesota Statutes 1994, section 103G.2242, is amended by adding a subdivision to read:

Subd. 1a. [COMPREHENSIVE WETLAND PROTECTION AND MANAGEMENT PLANS.] (a) The board may approve as an alternative to the rules adopted under this section a comprehensive wetland protection and management plan developed by a local government unit, provided that the plan:

(1) incorporates sections 103A.201, subdivision 2, and 103G.222;

(2) is adopted as part of an approved local water plan under sections 103B.231 and 103B.311; and

(3) is adopted as part of the local government's official controls.

(b) A comprehensive wetland protection and management plan may:

(1) according to a procedure approved by the board, classify wetlands based on an assessment of:

(i) wetland functions, including floodwater retention, nutrient assimilation, sediment entrapment, groundwater recharge, low flow augmentation, aesthetics and recreation, commercial uses, wildlife and fisheries habitat, and education; and

(ii) the resulting public values;

(2) vary application of the sequencing standards of section 103G.222, paragraph (b), based on the classification; and

(3) in counties or watersheds having more than 80 percent of their presettlement wetland acreage, vary the replacement standards of section 103G.222, paragraphs (f) and (g), for specific wetland impacts provided there is no net loss of wetland function and public values and biological diversity.

(c) Upon approval of a comprehensive wetland protection and management plan by the board, the local government unit shall make replacement decisions based on the approved plan.

Sec. 5. Minnesota Statutes 1994, section 103G.2242, subdivision 2, is amended to read:

Subd. 2. [EVALUATION.] Questions concerning the public value, location, size, or type of a wetland shall be submitted to and determined by a technical evaluation panel after an on-site inspection. The technical evaluation panel shall be composed of a technical professional employee of the board, a technical professional employee of the local soil and water conservation district or districts, and a technical professional with expertise in water resources management appointed by the local government unit. The panel shall use the "Federal Manual for Identifying and Delineating Jurisdictional Wetlands" (January 1989) "U.S. Army Corps of Engineers Wetland Delineation Manual" (January 1987). The panel shall provide the wetland determination to the local government unit that must approve a replacement plan under this section, and may recommend approval or denial of the plan. The authority must consider and include the decision of the technical evaluation panel in their approval or denial of a plan.

Sec. 6. Minnesota Statutes 1994, section 103G.2242, subdivision 6, is amended to read:

Subd. 6. [NOTICE OF APPLICATION.] (a) Except as provided in paragraph (b), within ten days of receiving an application for approval of a replacement plan under this section, a ~~copy~~ summary of the application must be submitted ~~to the board~~ for publication in the Environmental Quality Board Monitor and separate copies of the complete application mailed to the members of the technical evaluation panel, individual members of the public who request a copy, ~~the board of supervisors of the soil and water conservation district, the managers of the watershed district if one exists, the board of county commissioners, and the commissioner of agriculture, and the mayors of the cities within the area watershed.~~ At the same time, the local government unit must give general notice to the public in a general circulation newspaper within the area affected natural resources.

(b) Within ten days of receiving an application for approval of a replacement plan under this section for an activity affecting less than 10,000 square feet of wetland, a summary of the application must be ~~submitted for publication in the Environmental Quality Board Monitor and separate copies~~ mailed to the members of the technical evaluation panel, individual members of the public who request a copy, and the managers of the watershed district, if applicable. ~~At the same time, the local government unit must give general notice to the public in a general circulation newspaper within the area affected~~ commissioner of natural resources.

(c) For the purpose of this subdivision, "application" includes a revised application for replacement plan approval and an application for a revision to an approved replacement plan if:

(1) the wetland area to be drained or filled under the revised replacement plan is at least ten percent larger than the area to be drained or filled under the original replacement plan; or

(2) the wetland area to be drained or filled under the revised replacement is located more than 500 feet from the area to be drained or filled under the original replacement plan.

Sec. 7. Minnesota Statutes 1994, section 103G.2242, subdivision 7, is amended to read:

Subd. 7. [NOTICE OF DECISION.] (a) ~~Except as provided in paragraph (b),~~ At least 30 ten days prior to the effective date of the approval or denial of a replacement plan under this section, a ~~copy~~ summary of the approval or denial must be submitted for publication in the Environmental Quality Board Monitor and separate copies mailed to the applicant, the ~~board~~ members of the technical evaluation panel, individual members of the public who request a copy, ~~the board of supervisors of the soil and water conservation district, the managers of the watershed district if one exists, the board of county commissioners, and the commissioner of agriculture, and the mayors of the cities within the area watershed~~ natural resources. Notice in the Environmental Quality Board Monitor is not required for projects involving the draining or filling of less than 10,000 square feet of wetlands.

(b) ~~Within ten days of the decision approving or denying a replacement plan under this section for an activity affecting less than 10,000 square feet of wetland, a summary of the approval or denial must be submitted for publication in the Environmental Quality Board Monitor and separate copies mailed to the applicant, individual members of the public who request a copy, the members of the technical evaluation panel, and the managers of the watershed district, if applicable. At the same time, the local government unit must give general notice to the public in a general circulation newspaper within the area affected.~~

Sec. 8. Minnesota Statutes 1994, section 103G.2242, subdivision 9, is amended to read:

Subd. 9. [APPEAL.] Appeal of ~~the~~ a replacement plan, exemption, or no-loss decision may be obtained by mailing a ~~notice of appeal~~ petition to the board within ~~30~~ 15 days after the postmarked date of the mailing specified in subdivision 7. The local government unit may require the petitioner to post a bond in an amount not to exceed \$500. If appeal is not sought within 30 15 days, the decision becomes final. Appeal may be made by the wetland owner, by any of those to whom notice is required to be mailed under subdivision 7, or by 100 residents of the county in which a majority of the wetland is located. Within 30 days after receiving a petition, the board shall decide whether to grant the petition and hear the appeal. The board shall grant the petition unless the board finds that the appeal is meritless, trivial, or brought solely for the purposes of delay; that the petitioner has not exhausted all local administrative remedies; or that the petitioner has not posted a bond if required by the local government unit. In determining whether to grant the appeal, the board shall also consider the size of the wetland, other factors in controversy, any patterns of similar acts by the local government unit or petitioner, and the consequences of the delay resulting from the appeal. All appeals must be heard by the committee for dispute resolution of the board, and a decision made within 60 days of the appeal. The decision must be served by mail on the parties to the appeal, and is not subject to the provisions of chapter 14. ~~The~~ A decision whether to grant a petition for appeal and a decision on the merits of an appeal must be considered the decision of an agency in a contested case for purposes of judicial review under sections 14.63 to 14.69.

Sec. 9. Minnesota Statutes 1994, section 103G.2242, subdivision 12, is amended to read:

Subd. 12. [REPLACEMENT CREDITS.] (a) Except as provided in paragraphs (b) and (c) or in a comprehensive wetland protection and management plan adopted under section 103G.2242, subdivision 1a, no public or private wetland restoration, enhancement, or construction may be allowed for replacement unless specifically designated for replacement and paid for by the individual or organization performing the wetland restoration, enhancement, or construction, and is completed prior to any draining or filling of the wetland.

~~This subdivision~~ (b) Paragraph (a) does not apply to a wetland whose owner has paid back with interest the individual or organization restoring, enhancing, or constructing the wetland.

(c) A wetland covered by section 103G.2241, paragraph (a), clause (9), may be used for replacement statewide.

(d) Notwithstanding section 103G.222, paragraph (i), the following areas are eligible for replacement credit as determined by the local government unit, including enrollment in a statewide wetlands bank:

(1) an area of permanent vegetative cover reestablished on a wetland that was planted with annually seeded crops, was in a crop rotation seeding of pasture grasses or legumes, or was required to be set aside to receive price supports or other payments under United States Code, title 7, sections 1421 to 1469, in six of the last ten years prior to January 1, 1991;

(2) a buffer area of permanent vegetative cover established on upland adjacent to a wetland, if the upland buffer area was established at the time of wetland replacement; and

(3) a water quality treatment pond constructed to pretreat stormwater runoff prior to discharge to a wetland, if the water quality treatment pond was constructed at the time of wetland replacement.

Replacement credit under clause (1) may not exceed 50 percent of the total area of reestablished vegetative cover. Replacement credits under clauses (2) and (3) may be used only for replacement above a one-to-one ratio.

Sec. 10. Minnesota Statutes 1994, section 103G.237, subdivision 4, is amended to read:

Subd. 4. [COMPENSATION.] (a) The board shall award compensation in an amount equal to the greater of:

(1) 50 percent of the value of the wetland, calculated by multiplying the acreage of the wetland by the greater of:

(1) (i) the average equalized estimated market value of agricultural property in the township as established by the commissioner of revenue at the time application for compensation is made; or

(2) (ii) the assessed value per acre of the parcel containing the wetland, based on the assessed value of the parcel as stated on the most recent tax statement; or

(2) \$200 per acre of wetland subject to the replacement plan, increased or decreased by the percentage change of the assessed valuation of land in the township where the wetland is located from the 1995 valuation.

(b) A person who receives compensation under paragraph (a) shall convey to the board a permanent conservation easement as described in section 103F.515, subdivision 4. An easement conveyed under this paragraph is subject to correction and enforcement under section 103F.515, subdivisions 8 and 9.

Sec. 11. Minnesota Statutes 1994, section 103G.237, is amended by adding a subdivision to read:

Subd. 5. [COMPENSATION CLAIMS AGAINST LOCAL GOVERNMENT UNITS.] (a) At the request of a local government unit against which a compensation action is brought based at least in part on the local government unit's application of section 103G.222, 103G.2241, 103G.2242, 103G.237, or 103G.2372, or rules adopted by the board to implement these sections, the state, through the attorney general, shall intervene in the action on behalf of the local government unit and shall thereafter be considered a defendant in the action. A local government unit making a request under this paragraph shall provide the attorney general with a copy of the complaint as soon as possible after being served. If requested by the attorney general, the court shall grant additional time to file an answer equal to the time between service of the complaint on the local government unit and receipt of the complaint by the attorney general.

(b) The state is liable for costs, damages, fees, and compensation awarded in the action based on the local government's adoption or implementation of requirements that are required by state law.

(c) For the purposes of this subdivision, "compensation action" means an action in which the plaintiff seeks compensation for a taking of private property under the state or federal constitution or a similar action under a state or federal statute.

Sec. 12. Minnesota Statutes 1994, section 103G.2372, subdivision 1, is amended to read:

Subdivision 1. [~~COMMISSIONER OF NATURAL RESOURCES ENFORCEMENT.~~] (a) The commissioner of natural resources, conservation officers, and peace officers shall enforce laws preserving and protecting wetlands. Sheriffs shall enforce ordinances implementing comprehensive wetland protection and management plans adopted under section 103G.2242, subdivision 1a. The commissioner of natural resources, a conservation officer, or a peace officer, or for an ordinance violation the sheriff, may issue a cease and desist order to stop any illegal activity adversely affecting draining or filling of a wetland. In the order, or by separate order, the commissioner, conservation officer, or peace officer may require restoration or replacement of the wetland, as determined by the local soil and water conservation district or as otherwise provided by a comprehensive wetland protection and management plan. The soil and water conservation district shall make its determination within 30 days after the cease and desist order or separate restoration order is issued.

(b) An order issued under this subdivision may be enforced under section 103G.141, subdivision 2.

Sec. 13. [USE OF BLOCK GRANTS FOR WETLAND PLANS.]

Natural resource block grants made under Laws 1993, chapter 172, section 6, may be used for development and implementation of comprehensive wetland protection and management plans under Minnesota Statutes, section 103G.2242, subdivision 1a.

Sec. 14. [STUDY OF WETLAND BANKING ALTERNATIVES; REPORT.]

The wetland heritage committee, under the auspices of the state comprehensive wetlands planning project, investigates alternative procedures and policies for improving the current wetland banking system in the state. The study must address ecological, hydrological, and economic aspects of wetland banking. The study and any recommendations must be reported to the appropriate policy committees of the legislature by January 1, 1997.

Sec. 15. [REPEALER.]

Minnesota Statutes 1994, sections 103G.2242, subdivision 13; and 103G.2372, subdivisions 2 and 3, are repealed."

Delete the title and insert:

"A bill for an act relating to natural resources; modifying provisions relating to wetlands; amending Minnesota Statutes 1994, sections 103G.222; 103G.2241; 103G.2242, subdivisions 1, 2, 6, 7, 9, 12, and by adding a subdivision; 103G.237, subdivision 4, and by adding a subdivision; and 103G.2372, subdivision 1; repealing Minnesota Statutes 1994, sections 103G.2242, subdivision 13; and 103G.2372, subdivisions 2 and 3."

CALL OF THE SENATE

Mr. Merriam imposed a call of the Senate for the balance of the proceedings on H.F. No. 787. The Sergeant at Arms was instructed to bring in the absent members.

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

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

Those who voted in the affirmative were:

Anderson	Frederickson	Krentz	Oliver	Riveness
Berglin	Hottinger	Laidig	Pappas	Robertson
Betzold	Johnson, J.B.	Marty	Piper	Spear
Chandler	Johnston	Merriam	Pogemiller	Terwilliger
Cohen	Kelly	Mondale	Price	Wiener
Finn	Knutson	Morse	Ranum	
Flynn	Kramer	Novak	Reichgott Junge	

Those who voted in the negative were:

Beckman	Hanson	Langseth	Murphy	Scheevel
Belanger	Janezich	Larson	Neuville	Solon
Berg	Johnson, D.E.	Lesewski	Olson	Stevens
Bertram	Johnson, D.J.	Lessard	Ourada	Stumpf
Chmielewski	Kiscaden	Limmer	Pariseau	Vickerman
Day	Kleis	Metzen	Sams	
Dille	Kroening	Moe, R.D.	Samuelson	

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

Mr. Lessard moved to amend H.F. No. 787, as amended pursuant to Rule 49, adopted by the Senate April 21, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 483.)

Page 1, after line 12, insert:

"Section 1. Minnesota Statutes 1994, section 84.035, subdivision 5, is amended to read:

Subd. 5. [ACTIVITIES IN PEATLAND SCIENTIFIC AND NATURAL AREAS.] Areas designated in subdivision 4 as peatland scientific and natural areas are subject to the following conditions:

(a) Except as provided in paragraph (b), all restrictions otherwise applicable to scientific and natural areas designated under section 86A.05, subdivision 5, apply to the surface use and to any use of the mineral estate which would significantly modify or alter the peatland water levels or

flows, peatland water chemistry, plant or animal species or communities, or other natural features of the peatland scientific and natural areas, including, but not limited to, the following prohibitions:

(1) construction of any new public drainage systems after the effective date of Laws 1991, chapter 354, or improvement or repair to a public drainage system in existence on the effective date of Laws 1991, chapter 354, under authority of chapter 103E, or any other alteration of surface water or ground water levels or flows unless specifically permitted under paragraph (b), clause (5) or (6);

(2) removal of peat, sand, gravel, or other industrial minerals;

(3) exploratory boring or other exploration or removal of oil, natural gas, radioactive materials or metallic minerals which would significantly modify or alter the peatland water levels or flows, peatland water chemistry, plant or animal species or communities, or natural features of the peatland scientific and natural areas, except in the event of a national emergency declared by Congress;

(4) commercial timber harvesting;

(5) construction of new corridors of disturbance, of the kind defined in subdivision 3, after June 5, 1991; and

(6) ditching, draining, filling, or any other activities which modify or alter the peatland water levels or flows, peatland water chemistry, plant or animal species or communities, or other natural features of the peatland scientific and natural areas.

(b) The following activities are allowed:

(1) recreational activities, including hunting, fishing, trapping, cross-country skiing, snowshoeing, nature observation, or other recreational activities permitted in the management plan approved by the commissioner;

(2) scientific and educational work and research;

(3) maintenance of corridors of disturbance, including survey lines and preparation of winter roads, consistent with protection of the peatland ecosystem;

(4) use of corridors of disturbance unless limited by a management plan adopted by the commissioner under subdivision 6;

(5) improvements to a public drainage system in existence on the effective date of Laws 1991, chapter 354, only when it is for the protection and maintenance of the ecological integrity of the peatland scientific and natural area and when included in a management plan adopted by the commissioner under subdivision 6;

(6) repairs to a public drainage system in existence on the effective date of Laws 1991, chapter 354, which crosses a peatland scientific and natural area and is used for the purposes of providing a drainage outlet for lands outside of the peatland scientific and natural area, provided that there are no other feasible and prudent alternative means of providing the drainage outlet. The commissioner shall cooperate with the ditch authority in the determination of any feasible and prudent alternatives. No repairs which would significantly modify or alter the peatland water levels or flows, peatland water chemistry, plant or animal species or communities, or other natural features of the peatland scientific and natural areas shall be made unless approved by the commissioner;

(7) motorized uses ~~that are engaged in, on corridors~~ a corridor of disturbance, if the corridor existed on or before the effective date of Laws 1991, chapter 354;

(8) control of forest insects, disease, and wildfires, as described in a management plan adopted by the commissioner under subdivision 6; and

(9) geological and geophysical surveys which would not significantly modify or alter the

peatland water levels or flows, peatland water chemistry, plant or animal species or communities, or other natural features of the peatland scientific and natural areas.

Sec. 2. Minnesota Statutes 1994, section 84.035, subdivision 6, is amended to read:

Subd. 6. [MANAGEMENT PLANS.] The commissioner shall develop with the affected local government unit a management plan for each peatland scientific and natural area designated under section 84.036 in a manner prescribed by section 86A.09."

Re-number the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Chandler moved to amend the Lessard amendment to H.F. No. 787 as follows:

Page 3, line 3, after "354" insert "provided that recreational motorized uses may occur only when the substrate is frozen"

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

The question was taken on the Lessard amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Mr. Lessard moved to amend H.F. No. 787, as amended pursuant to Rule 49, adopted by the Senate April 21, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 483.)

Page 1, after line 12, insert:

"Section 1. Minnesota Statutes 1994, section 103A.201, subdivision 2, is amended to read:

Subd. 2. [WETLANDS FINDINGS; PUBLIC INTEREST.] ~~(a) Wetlands identified in the state under section 103G.005, subdivision 19, do not:~~

- ~~(1) grant the public additional or greater right of access to the wetlands;~~
- ~~(2) diminish the right of ownership or usage of the beds underlying the wetlands, except as otherwise provided by law;~~
- ~~(3) affect state law forbidding trespass on private lands; and~~
- ~~(4) require the commissioner to acquire access to the wetlands.~~

~~(b) The legislature finds that the wetlands of Minnesota provide public value by conserving surface waters, maintaining and improving water quality, preserving wildlife habitat, providing recreational opportunities, reducing runoff, providing for floodwater retention, reducing stream sedimentation, contributing to improved subsurface moisture, helping moderate climatic change, and enhancing the natural beauty of the landscape, and are important to comprehensive water management, and that it is in the public interest to:~~

~~(1) achieve no net loss in the quantity, quality, and biological diversity of Minnesota's existing wetlands;~~

~~(2) increase the quantity, quality, and biological diversity of Minnesota's wetlands by restoring or enhancing diminished or drained wetlands;~~

~~(3) avoid direct or indirect impacts from activities that destroy or diminish the quantity, quality, and biological diversity of wetlands; and~~

~~(4) replace wetland values where avoidance of activity is not feasible and prudent."~~

Page 1, after line 20, insert:

"Sec. 4. Minnesota Statutes 1994, section 103G.205, is amended to read:

103G.205 [EFFECT OF PUBLIC WATERS DESIGNATION OR WETLANDS STATUS.]

(a) The ~~designation~~ status of waters of this state as public waters or wetlands does not:

- (1) grant the public additional or greater right of access to the waters or wetlands;
- (2) diminish the right of ownership or usage of the beds underlying the designated public waters, except as otherwise provided by law;
- (3) alter the private nature of the real property for purposes of laws forbidding trespass on private land;
- (4) alter the application of common law riparian rights;
- (5) affect state law forbidding trespass on private lands; and or
- (4) (6) require the commissioner to acquire access to the designated public waters or wetlands under section 97A.141.

(b) A person may not enter public waters or wetlands located on private land unless specifically authorized by law or the person, the state, or other entity has preexisting riparian rights of navigation or has acquired the right or permission to enter the public waters or wetlands from the landowner. Entering public waters or wetlands on private property without a right or permission from the landowner to enter is trespassing on private property and subject to penalty as provided by law."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Finn moved to amend the Stumpf amendment to H.F. No. 787, adopted by the Senate April 28, 1995, as follows:

Page 1, line 37, delete everything after "land"

Page 2, line 1, delete "defined in section 103F.205"

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

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

Those who voted in the affirmative were:

Anderson	Finn	Knutson	Novak	Reichgott Junge
Beckman	Flynn	Krentz	Oliver	Riveness
Belanger	Frederickson	Laidig	Pappas	Robertson
Berglin	Hottinger	Marty	Piper	Solon
Betzold	Johnson, J.B.	Merriam	Pogemiller	Spear
Chandler	Johnston	Mondale	Price	Wiener
Cohen	Kelly	Morse	Ranum	

Those who voted in the negative were:

Berg	Johnson, D.E.	Larson	Neuville	Stevens
Bertram	Johnson, D.J.	Lesewski	Olson	Stumpf
Chmielewski	Kiscaden	Lessard	Ourada	Terwilliger
Day	Kleis	Limmer	Pariseau	Vickerman
Dille	Kramer	Metzen	Sams	
Hanson	Kroening	Moe, R.D.	Samuelson	
Janezich	Langseth	Murphy	Scheevel	

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

Mr. Finn then moved to amend H.F. No. 787, as amended pursuant to Rule 49, adopted by the Senate April 21, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 483.)

Page 19, line 31, after "county" insert "or authorized by the board under paragraph (d).

(d) If the board determines that there are reasonable grounds to believe that a county is not uniformly exercising enforcement powers and duties assumed under paragraph (c), the board shall authorize the commissioner to resume enforcement under paragraph (a)"

The motion prevailed. So the amendment was adopted.

H.F. No. 787 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 20, as follows:

Those who voted in the affirmative were:

Beckman	Hanson	Kroening	Neuville	Solon
Belanger	Hottinger	Langseth	Novak	Stevens
Berg	Janezich	Larson	Oliver	Stumpf
Bertram	Johnson, D.E.	Lesewski	Olson	Terwilliger
Chandler	Johnson, D.J.	Lessard	Ourada	Vickerman
Chmielewski	Kiscaden	Limmer	Pariseau	Wiener
Day	Kleis	Metzen	Pogemiller	
Dille	Knutson	Moe, R.D.	Sams	
Finn	Kramer	Mondale	Samuelson	
Frederickson	Krentz	Murphy	Scheevel	

Those who voted in the negative were:

Anderson	Flynn	Laidig	Pappas	Reichgott Junge
Berglin	Johnson, J.B.	Marty	Piper	Riveness
Betzold	Johnston	Merriam	Price	Robertson
Cohen	Kelly	Morse	Ranum	Spear

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 Messages From the House, Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills.

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. 1000:

H.F. No. 1000: A bill for an act relating to education; prekindergarten through grade 12; providing for general education revenue; transportation; special programs; community education; facilities; organization and cooperation; education excellence; other programs; miscellaneous provisions; libraries; state agencies; technology; conforming amendments; appropriating money; amending Minnesota Statutes 1994, sections 43A.316, subdivision 2; 62L.08, subdivision 7a; 116J.655; 120.062, subdivision 7; 120.064, subdivision 4; 120.101, subdivision 5c; 120.17, subdivisions 3a, 3b, and by adding a subdivision; 120.185; 120.74, subdivision 1; 120.75, subdivision 1; 121.11, subdivision 7c; 121.702, by adding a subdivision; 121.705; 121.706; 121.707, subdivisions 4, 6, and 7; 121.708; 121.709; 121.710; 121.885, subdivisions 1 and 4; 121.904, subdivisions 4a and 4c; 121.912, subdivisions 1, 1b, and 6; 121.935, subdivision 1; 122.21, subdivision 4; 122.23, subdivision 2; 122.242, subdivision 9; 122.895, subdivisions 1, 8, and 9; 122.91, subdivisions 1, 2, and 2a; 122.92, subdivision 1; 122.93, subdivision 1; 122.94, subdivision 1; 123.35, subdivision 19b; 123.351, subdivisions 1, 3, 4, and 5; 123.3514,

subdivisions 4d, 7, 8, and by adding a subdivision; 123.70, subdivision 8; 123.7991, subdivisions 2 and 3; 123.805, subdivisions 1 and 2; 124.14, by adding a subdivision; 124.17, subdivisions 1, 2f, and by adding a subdivision; 124.193; 124.195, subdivision 10, and by adding a subdivision; 124.2139; 124.214, subdivisions 2 and 3; 124.223, subdivision 7; 124.225, subdivisions 1, 3a, 7b, 7d, 7f, 8a, and 8m; 124.226, subdivisions 1 and 3; 124.243, subdivisions 2 and 8; 124.244, subdivisions 1, 4, and by adding a subdivision; 124.2455; 124.2711, subdivision 2a; 124.2713, subdivision 6; 124.2725, subdivisions 1, 3, 4, and 15; 124.2726, subdivision 1; 124.273, by adding subdivisions; 124.32, subdivisions 10 and 12; 124.321, subdivisions 1 and 2; 124.322; 124.323, subdivisions 1, 2, and by adding a subdivision; 124.573, subdivision 2e; 124.574, subdivision 9, and by adding subdivisions; 124.83, subdivision 4; 124.84, subdivision 3; 124.91, subdivision 5; 124.916, subdivision 2; 124.95, subdivisions 2, 4, and 6; 124.961; 124A.03, subdivisions 1g and 1h; 124A.0311, subdivision 4; 124A.22, subdivisions 2, 2a, 4, 4a, 4b, 8a, and 9; 124A.225, subdivisions 4 and 5; 124A.23, subdivisions 1 and 4; 124A.24; 124A.29, subdivision 1; 124C.07; 124C.08, subdivision 2; 124C.45, subdivision 1; 124C.46, subdivision 2; 124C.48, subdivision 1; 125.62, subdivisions 1 and 7; 125.623, subdivision 2; 126.031, subdivision 1; 126.15, subdivision 2; 126.49, by adding a subdivision; 126.70, subdivision 2a; 126A.01; 126A.02, subdivision 2; 126B.01; 126B.03, subdivisions 2 and 3; 127.30, subdivision 2; 128A.02, subdivisions 1, 3, 5, and by adding a subdivision; 128A.021; 128A.022, subdivisions 1 and 6; 128A.024, subdivision 4; 128A.025, subdivisions 1 and 2; 128A.026; 128A.05, subdivisions 1 and 2; 128B.10, subdivision 1; 134.155; 134.34, subdivision 4a; 134.351, subdivision 4; 169.01, subdivision 6; 169.21, subdivision 2; 169.444, subdivision 2; 169.4502, subdivision 4; 169.4503, by adding a subdivision; 169.451, by adding a subdivision; 169.452; 169.454, subdivision 5, and by adding a subdivision; 171.01, subdivision 21; 171.18, subdivision 1; 171.321, subdivisions 3, 4, and 5; 171.3215, subdivisions 1, 2, and 3; 237.065; 631.40, subdivision 1a; Laws 1992, chapter 499, article 11, section 9, as amended; Laws 1993, chapter 224, article 8, section 21, subdivision 1; Laws 1993, chapter 224, article 12, section 32, as amended; Laws 1993, chapter 224, article 12, sections 39, and 41; Laws 1994, chapter 587, article 3, section 19, subdivision 1; Laws 1994, chapter 647, article 1, section 36; Laws 1994, chapter 647, article 3, section 25; Laws 1994, chapter 647, article 7, section 15; proposing coding for new law in Minnesota Statutes, chapters 123; 124; 124C; 125; 126; 126B; 127; 134; 136D; 169; 604A; repealing Minnesota Statutes 1994, sections 121.602, subdivision 5; 121.702, subdivision 9; 121.703; 123.58; 124.17, subdivision 1b; 124.243, subdivisions 2a and 9; 124.2714; 124.273, subdivisions 1b and 2c; 124.32, subdivisions 1b, 1c, 1d, 1f, 2, and 3a; 124.574, subdivisions 2b, 3, 4, and 4a; 124.91, subdivision 5; 124.912, subdivision 8; 124.914, subdivisions 2, 3, and 4; 124.962; 124A.04, subdivision 1; 124A.27, subdivision 11; 124A.29, subdivision 2; 124A.291; 124A.292; 125.138, subdivisions 6, 7, 8, 9, 10, and 11; 126.019; 126B.02; 126B.03; 126B.04; 126B.05; 128A.02, subdivisions 2 and 4; 128A.03; 268.9755; Laws 1991, chapter 265, article 5, section 23, as amended; Laws 1992, chapter 499, article 7, sections 16, 17, and 27.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Johnson, A.; Carlson; Bertram; Entenza and Ness have been appointed as such committee on the part of the House.

House File No. 1000 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 27, 1995

Mr. Pogemiller moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1000, 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.

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. 1279: A bill for an act relating to privacy; providing for the classification of and access to government data; clarifying data provisions; providing for survival of actions under the data practices act; computer matching; eliminating report requirements; imposing penalties; providing for the classification and release of booking photographs; conforming provisions dealing with financial assistance data; providing for an information policy training program; limiting the release of copies of videotapes of child abuse victims; requiring a court order in certain cases; appropriating money; amending Minnesota Statutes 1994, sections 13.03, subdivision 6; 13.06, subdivision 6; 13.072, subdivision 1, and by adding a subdivision; 13.08, subdivision 1; 13.10, subdivision 5; 13.31, subdivision 1; 13.32, subdivision 2; 13.43, subdivisions 2 and 5; 13.46, subdivision 2; 13.49; 13.50, subdivision 2; 13.551; 13.62; 13.671; 13.761; 13.77; 13.78; 13.79; 13.793; 13.82, subdivisions 3a, 5, 6, 10, and by adding a subdivision; 13.83, subdivision 2; 13.89, subdivision 1; 13.90; 13.99, subdivisions 1, 12, 20, 21a, 42a, 54, 55, 64, 78, 79, 112, and by adding subdivisions; 17.117, subdivision 12; 41.63; 41B.211; 116O.03, subdivision 7; 116S.02, subdivision 8; 144.225, by adding a subdivision; 144.335, subdivision 2; 144.3351; 144.651, subdivisions 21 and 26; 253B.03, subdivisions 3 and 4; 268.12, subdivision 12; 270B.02, subdivision 3; 270B.03, subdivision 1; 270B.12, subdivision 2; 270B.14, subdivisions 1 and 11; 336.9-407; 336.9-411; 383B.225, subdivision 6; and 446A.11, subdivision 11; proposing coding for new law in Minnesota Statutes, chapters 13; 13B; 270B; and 611A; repealing Minnesota Statutes 1994, sections 13.38, subdivision 4; 13.69, subdivision 2; 13.71, subdivisions 9, 10, 11, 12, 13, 14, 15, 16, and 17; 13.76, subdivision 1; 13B.04; and Laws 1990, chapter 566, section 9, as amended.

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

Pages 36 to 39, delete article 3

Renumber the articles in sequence

Amend the title as follows:

Page 1, line 9, delete from "providing" through page 1, line 10, to "program;"

Page 1, line 12, delete "appropriating money;"

Page 1, line 32, after the semicolon, insert "Laws 1993, chapter 192, section 110;"

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. 579: A bill for an act relating to commerce; regulating charitable organizations; regulating filing statement; appropriating money; amending Minnesota Statutes 1994, sections 309.501, subdivision 1; 309.52, subdivisions 2 and 7; 309.53, subdivisions 1, 2, 3, and 8; 309.531, subdivisions 1 and 4; 309.54, subdivision 1; 309.556, subdivision 1; 501B.36; 501B.37, subdivision 2, and by adding a subdivision; and 501B.38; proposing coding for new law in Minnesota Statutes, chapter 309; repealing Minnesota Statutes 1994, sections 309.53, subdivision 1a.

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

Page 8, delete section 12

Page 11, after line 18, insert:

"Sec. 16. [APPROPRIATION.]

\$75,000 for fiscal year 1996 and \$75,000 for fiscal year 1997 is appropriated from the general fund to the attorney general for the purpose of sections 1 to 15."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, delete "proposing coding"

Page 1, delete line 10

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. 1037: A bill for an act relating to health; providing rulemaking authority; modifying enforcement and fee provisions; modifying the hearing instrument dispenser trainee period; providing penalties; amending Minnesota Statutes 1994, sections 144.414, subdivision 3; 144.417, subdivision 1; 144.99, subdivisions 1, 4, 6, 8, and 10; 144.991, subdivision 5; 326.71, subdivision 4; 326.75, subdivision 3a; and 326.78, subdivisions 2 and 9; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1994, sections 144.877, subdivision 5; and 144.8781, subdivision 4; Laws 1989, chapter 282, article 3, section 28; and Laws 1993, chapter 286, section 11; Minnesota Rules, part 4620.1500.

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

Page 6, after line 32, insert:

"Sec. 10. [157.011] [RULES.]

Subdivision 1. [ESTABLISHMENTS.] The commissioner shall adopt rules establishing standards for food, beverage, and lodging establishments.

Subd. 2. [CERTIFICATION OF FOOD SERVICE MANAGERS.] The commissioner shall:

- (1) adopt rules for certification requirements for managers of food service operations; and
- (2) establish in rule, criteria for training and certification."

Page 9, line 10, delete from "Laws" through page 9, line 11, to "and"

Page 9, line 12, delete "are" and insert "is"

Page 9, line 14, delete "14" and insert "15"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 11, delete "chapter 144" and insert "chapters 144; and 157"

Page 1, line 13, delete from "Laws" through page 1, line 14, to "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. 538: A bill for an act relating to state agencies; requiring the refund of license fees to certain applicants if licenses are not issued within six weeks; proposing coding for new law in Minnesota Statutes, chapter 15.

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

Page 2, line 11, before the period, insert "and after any necessary inspection"

Page 2, line 21, before the semicolon, insert "or public notice"

Page 2, line 25, delete "or"

Page 2, line 27, before the period, insert ";

(5) following a specific timetable for issuance that is otherwise prescribed by law; or

(6) inspection during a period of open water"

Page 2, after line 30, insert:

"Subd. 4. [EFFECT ON LICENSE.] The refund of a fee as required by this section does not relieve the affected agency from its obligation to issue the license for which the fee was initially paid, if the other requirements for issuance of the license have been met."

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. 462: A bill for an act relating to the environment; implementing the transfer of solid waste management duties of the metropolitan council to the office of environmental assistance; providing for the management of waste; providing penalties; amending Minnesota Statutes 1992, section 115A.33, as reenacted; Minnesota Statutes 1994, sections 16B.122, subdivision 3; 115.071, subdivision 1; 115A.055; 115A.07, subdivision 3; 115A.072, subdivisions 1, 3, and 4; 115A.12; 115A.14, subdivision 4; 115A.15, subdivision 9; 115A.191, subdivisions 1 and 2; 115A.32; 115A.411; 115A.42; 115A.45; 115A.46, subdivisions 1 and 5; 115A.55, by adding a subdivision; 115A.5501, subdivisions 2, 3, and 4; 115A.5502; 115A.551, subdivisions 2a, 4, 5, 6, and 7; 115A.554; 115A.557, subdivisions 3 and 4; 115A.558; 115A.63, subdivision 3; 115A.84, subdivision 3; 115A.86, subdivision 2; 115A.919, subdivision 3; 115A.921, subdivision 1; 115A.923, subdivision 1; 115A.9302, subdivisions 1 and 2; 115A.951, subdivision 4; 115A.96, subdivision 2; 115A.965, subdivision 1; 115A.9651, subdivision 3; 115A.97, subdivisions 5 and 6; 115A.981, subdivision 3; 116.07, subdivision 4j; 116.072; 116.66, subdivisions 2 and 4; 116.92, subdivision 4; 400.16; 400.161; 473.149, subdivisions 1, 2d, 2e, 3, 4, and 6; 473.151; 473.516, subdivision 2; 473.801, subdivision 1, and by adding subdivisions; 473.8011; 473.803, subdivisions 1, 1c, 2, 2a, 3, 4, and 5; 473.804; 473.811, subdivisions 1, 4a, 5, 5c, 7, and 8; 473.813, subdivision 2; 473.823, subdivisions 3, 5, and 6; 473.843, subdivision 1; 473.844, subdivisions 1a and 4; 473.8441, subdivisions 2, 4, and 5; 473.845, subdivision 4; 473.846; and 473.848, subdivisions 2 and 4; Laws 1994, chapter 628, article 3, section 209; proposing coding for new law in Minnesota Statutes, chapters 16B; 115A; 116; and 480; repealing Minnesota Statutes 1994, sections 115A.81, subdivision 3; 115A.90, subdivision 3; 116.94; 383D.71, subdivision 2; 473.149, subdivisions 2, 2a, 2c, 2f, and 5; 473.181, subdivision 4; and 473.803, subdivisions 1b and 1e.

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1362: A bill for an act relating to natural resources; providing for coordination of efforts of public and private sectors in the sustainable management, use, development, and protection of Minnesota's forest resources; establishing a forest resources council and regional forest resource committees; proposing coding for new law as Minnesota Statutes, chapter 89A.

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. 537: A bill for an act relating to drivers' licenses; requiring the refund of license fees to applicants who do not receive licenses, duplicate licenses, permits, or Minnesota identification cards within six weeks; requesting legislative audit commission evaluation of driver's license and identification card program; amending Minnesota Statutes 1994, sections 171.06, by adding a subdivision; and 171.07, subdivisions 1 and 3.

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 845: A bill for an act relating to health; MinnesotaCare; expanding provisions of health care; establishing requirements for integrated service networks; modifying requirements for health plan companies; establishing the standard health coverage; repealing the regulated all-payer option; modifying universal coverage and insurance reform provisions; revising the research and data initiatives; expanding eligibility for the MinnesotaCare program; creating the prescription drug purchasing authority; establishing a drug purchasing benefit program for senior citizens; extending the health care commission and regional coordinating boards; making technical changes; reducing tax deductions for the voluntarily uninsured; providing penalties; amending Minnesota Statutes 1994, sections 13.99, by adding a subdivision; 16A.724; 60A.02, subdivision 1a; 60B.02; 60B.03, subdivision 2; 60G.01, subdivisions 2, 4, and 5; 62A.10, subdivisions 1 and 2; 62A.65, subdivisions 5 and 8; 62D.02, subdivision 8; 62D.042, subdivision 2; 62D.11, subdivision 1; 62D.181, subdivisions 2, 3, 6, and 9; 62E.05; 62E.141; 62H.04; 62H.08; 62J.017; 62J.04, subdivisions 1a and 3; 62J.05, subdivisions 2 and 9; 62J.06; 62J.09, subdivisions 1, 2, 6, 8, and by adding a subdivision; 62J.152, subdivision 5; 62J.17, subdivision 4a; 62J.212; 62J.37; 62J.38; 62J.40; 62J.41, subdivisions 1 and 2; 62J.48; 62J.54; 62J.55; 62J.58; 62L.02, subdivisions 11, 16, 24, and 26; 62L.03, subdivisions 3, 4, and 5; 62L.09, subdivision 1; 62L.12, subdivision 2; 62M.02, subdivision 12; 62M.07; 62M.09, subdivision 5; 62M.10, by adding a subdivision; 62N.02, by adding subdivisions; 62N.04; 62N.10, by adding a subdivision; 62N.11, subdivision 1; 62N.13; 62N.14, subdivision 3; 62N.25, subdivision 2; 62P.05, subdivision 4, and by adding a subdivision; 62Q.01, subdivisions 2, 3, 4, and by adding subdivisions; 62Q.03, subdivisions 1, 6, 7, 8, 9, 10, and by adding subdivisions; 62Q.07, subdivisions 1 and 2; 62Q.075, subdivision 4; 62Q.09, subdivision 3; 62Q.11, subdivision 2; 62Q.165; 62Q.17, subdivisions 2, 6, 8, and by adding a subdivision; 62Q.18; 62Q.19; 62Q.23; 62Q.25; 62Q.30; 62Q.32; 62Q.33, subdivisions 4 and 5; 62Q.41; 72A.20, by adding subdivisions; 136A.1355, subdivisions 3 and 5; 136A.1356, subdivisions 3 and 4; 144.1464, subdivisions 2, 3, and 4; 144.147, subdivision 1; 144.1484, subdivision 1; 144.1486, subdivision 4; 144.1489, subdivision 3; 151.48; 214.16, subdivisions 2 and 3; 256.9353, subdivisions 1 and 3; 256.9354, subdivisions 1, 4, 5, and by adding a subdivision; 256.9357, subdivisions 1, 2, and 3; 256.9358, subdivisions 3, 4, and by adding a subdivision; 256.9363, subdivision 5; 256B.037, subdivisions 1, 3, 4, and by adding subdivisions; 256B.04, by adding a subdivision; 256B.055, by adding a subdivision; 256B.057, subdivision 3, and by adding subdivisions; 256B.0625, subdivision 30; 256B.69, subdivisions 2 and 4; 270.101, subdivision 1; 270B.14, subdivision 11 ; 295.50, subdivisions 3, 4, and 10a; 295.53, subdivisions 1, 3, and 4; 295.55, subdivision 4; and 295.57; Laws 1990, chapter 591, article 4, section 9; Laws 1994, chapter 625, article 5, sections 5, subdivision 1; 7; and 10, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 62J; 62L; 62N; 62Q; 256; 256B; and 295; repealing Minnesota Statutes 1994, sections 62J.045; 62J.07, subdivision 4; 62J.09, subdivision 1a; 62J.152, subdivision 6; 62J.19; 62J.30; 62J.31; 62J.32; 62J.33; 62J.34; 62J.35; 62J.41, subdivisions 3 and 4; 62J.44; 62J.45; 62J.65; 62L.08, subdivision 7a; 62N.34; 62P.01; 62P.02; 62P.03; 62P.07; 62P.09; 62P.11; 62P.13; 62P.15; 62P.17; 62P.19; 62P.21; 62P.23; 62P.25; 62P.27; 62P.29; 62P.31; 62P.33; 62Q.03, subdivisions 2, 3, 4, 5, and 11; 62Q.21; 62Q.27; and 256.9353, subdivisions 4 and 5; Laws 1993, chapter 247, article 1, sections 12, 13, 14, 15, 18, and 19; Minnesota Rules, part 4685.1700, subpart 1, item D.

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

Page 34, after line 20, insert:

"Subd. 5c. [EXEMPTION.] Health coverage offered under section 43A.23 is exempt from compliance with section 62Q.19."

Page 35, line 13, after "options" insert "to the standard health coverage" and after "offered" insert "as defined"

Page 35, line 14, after the period, insert "Health plan companies may also offer, sell, issue, or renew coverages that do not meet the requirements of section 62Q.166, as long as those coverages meet all other statutory requirements."

Page 38, line 14, after "one" insert "applies to the standard health coverage under section 62Q.166, and"

Page 39, line 7, after "two" insert "applies to the standard health coverage under section 62Q.166, and"

Page 48, line 35, delete from "The" through page 49, line 2, to "(e)"

Pages 49 to 51, delete section 2

Pages 55 and 56, delete sections 4 to 6

Page 126, line 33, delete from "Upon" through page 126, line 35, to "services."

Page 127, delete section 42

Page 183, after line 23, insert:

"Sec. 13. Minnesota Statutes 1994, section 295.582, is amended to read:

295.582 [AUTHORITY.]

(a) A hospital, surgical center, pharmacy, or health care provider that is subject to a tax under section 295.52, or a pharmacy that has paid additional expense transferred under this section by a wholesale drug distributor, may transfer additional expense generated by section 295.52 obligations on to all third-party contracts for the purchase of health care services on behalf of a patient or consumer. The additional expense transferred to the third-party purchaser must not exceed two percent of the gross revenues received under the third-party contract, plus and two percent of 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 295.53. All third-party purchasers of health care services including, but not limited to, third-party purchasers regulated under chapter 60A, 62A, 62C, 62D, 62H, 62N, 64B, 65A, 65B, 79, or 79A, or under section 471.61 or 471.617, must pay the transferred expense in addition to any payments due under existing contracts with the hospital, surgical center, pharmacy, or health care provider, to the extent allowed under federal law. A third-party purchaser of health care services includes, but is not limited to, a health carrier, integrated service network, or community integrated service network that pays for health care services on behalf of patients or that reimburses, indemnifies, compensates, or otherwise insures patients for health care services. A third-party purchaser shall comply with this section regardless of whether the third-party purchaser is a for-profit, not-for-profit, or nonprofit entity. A wholesale drug distributor may transfer additional expense generated by section 295.52 obligations to entities that purchase from the wholesaler, and the entities must pay the additional expense. Nothing in this section limits the ability of a hospital, surgical center, pharmacy, wholesale drug distributor, or health care provider to recover all or part of the section 295.52 obligation by other methods, including increasing fees or charges.

(b) Each third-party purchaser regulated under any chapter cited in paragraph (a) shall include with its annual renewal for certification of authority or licensure documentation indicating compliance with paragraph (a). If the commissioner responsible for regulating the third-party purchaser finds at any time that the third-party purchaser has not complied with paragraph (a), the commissioner may by order fine or censure the third-party purchaser or revoke or suspend the certificate of authority or license of the third-party purchaser to do business in this state. The third-party purchaser may appeal the commissioner's order through a contested case hearing in accordance with chapter 14.

(c) Each third-party purchaser regulated under any chapter cited in paragraph (a) shall itemize, on each payment made to a hospital, surgical center, pharmacy, or health care provider for health care services, the amount representing the additional expense required to be paid by the third-party payer under paragraph (a)."

Page 184, after line 3, insert:

"ARTICLE 10
APPROPRIATIONS

Section 1. APPROPRIATIONS

Health Care Access	6,652,000	6,311,000
State Government Special Revenue Fund	413,000	557,000
Fees collected from integrated service networks and community integrated service networks shall be deposited in the state government special revenue fund.		
Sec. 4. UNIVERSITY OF MINNESOTA	2,357,000	2,357,000
This appropriation is for rural and primary care physician programs.		
Sec. 5. HIGHER EDUCATION COORDINATING BOARD	797,000	927,000
This appropriation is for the loan forgiveness program.		
Sec. 6. LEGISLATIVE COORDINATING COMMISSION	175,000	125,000
This appropriation is for the operation of the legislative oversight commission on health care access and for associated staff.		
Sec. 7. DEPARTMENT OF REVENUE	1,375,000	1,381,000
This appropriation is for administration and monitoring of the provider tax.		
Sec. 8. DEPARTMENT OF EMPLOYEE RELATIONS	1,000,000	-0-
This appropriation is a loan for the Minnesota employees insurance program.		
Sec. 9. DEPARTMENT OF COMMERCE	52,000	26,000
This appropriation is for the recodification task force and for enforcement of associations and purchasing pools."		

Reorder the sections in sequence

Amend the title as follows:

Page 1, line 14, delete from "reducing" through page 1, line 15, to "uninsured;"

Page 1, line 16, after the semicolon, insert "appropriating money;"

Page 2, line 12, delete "270B.14,"

Page 2, line 13, delete "subdivision 11;"

Page 2, line 15, delete "and" and after the second semicolon, insert "and 295.582;"

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. 1425: A bill for an act relating to taxation; providing for assessment of platted land in certain municipalities; amending Minnesota Statutes 1994, section 273.11, subdivision 14.

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

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

S.F. No. 1303: A bill for an act relating to the city of Richfield; authorizing the formation of nonprofit corporations for the purpose of owning low and moderate income housing developments.

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

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

S.F. No. 1451: A bill for an act relating to the city of Minneapolis; authorizing the city to establish special service districts within the city; amending Laws 1985, chapter 302, section 2, subdivision 1, as amended.

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

Mr. Merriam from the Committee on Finance, to which was re-referred the following appointment as reported in the Journal for April 11, 1995:

DEPARTMENT OF FINANCE
COMMISSIONER

Laura M. King

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. Vickerman from the Committee on Metropolitan and Local Government, to which was referred the following appointment as reported in the Journal for February 16, 1995:

METROPOLITAN COUNCIL
CHAIR

Curtis Johnson

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. Vickerman from the Committee on Metropolitan and Local Government, to which was referred the following appointment as reported in the Journal for February 6, 1995:

METROPOLITAN COUNCIL

Neil Peterson

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. Vickerman from the Committee on Metropolitan and Local Government, to which were referred the following appointments as reported in the Journal for March 16, 1995:

METROPOLITAN COUNCIL

Charles W. Arnason
Terrence F. Flower

David Hartley
 Martha Head
 Kevin Howe
 Carol A. Kummer
 Patrick Leung
 Esther Newcome
 Roger Scherer
 Bill Schreiber
 Julius Smith
 Mary Smith
 Stephen B. Wellington, Jr.
 Barbara Butts Williams
 Diane Z. Wolfson

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

S.F. No. 1019: A bill for an act relating to metropolitan government; establishing the metropolitan livable communities advisory board; establishing the metropolitan livable communities fund and providing for fund distribution; reducing the levy authority of the metropolitan mosquito control commission; providing for certain revenue sharing; regulating employee layoffs by the metropolitan mosquito control district; amending Minnesota Statutes 1994, sections 116J.556; 473.167, subdivisions 2, 3, and by adding a subdivision; 473.702; 473.704, subdivisions 2, 3, 5, 6, 7, 8, 13, and 17; 473.711, subdivision 2; and 473F.08, subdivisions 5, 7a, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 473.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

METROPOLITAN LIVABLE COMMUNITIES ACT

Section 1. [473.25] [LIVABLE COMMUNITIES CRITERIA AND GUIDELINES.]

(a) The council shall establish criteria for uses of the fund provided in section 473.251 that are consistent with and promote the purposes of this article and the policies of the metropolitan development guide adopted by the council including, but not limited to:

(1) helping to change long-term market incentives that adversely impact creation and preservation of living-wage jobs in the fully developed area;

(2) creating incentives for developing communities to include a full range of housing opportunities;

(3) creating incentives to preserve and rehabilitate affordable housing in the fully developed area; and

(4) creating incentives for all communities to implement compact and efficient development.

(b) The council shall establish guidelines for the livable community demonstration account for projects that the council would consider funding with either grants or loans. The guidelines must provide that the projects will:

(1) interrelate development or redevelopment and transit;

(2) interrelate affordable housing and employment growth areas;

(3) intensify land use that leads to more compact development or redevelopment;

(4) involve development or redevelopment that mixes incomes of residents in housing, including introducing or reintroducing higher value housing in lower income areas to achieve a mix of housing opportunities;

(5) encourage public infrastructure investments which connect urban neighborhoods and suburban communities, attract private sector redevelopment investment in commercial and residential properties adjacent to the public improvement, and provide project area residents with expanded opportunities for private sector employment; or

(6) encourage publicly owned affordable housing units.

(c) The council shall establish guidelines governing who may apply for a grant or loan from the fund, providing priority for proposals using innovative partnerships between government, private for-profit, and nonprofit sectors.

(d) The council shall prepare an annual plan for distribution of the fund based on the criteria for project and applicant selection.

(e) The council shall prepare and submit to the legislature, as provided in section 3.195, an annual report on the metropolitan livable communities fund. The report must include information on the amount of money in the fund, the amount distributed, to whom the funds were distributed and for what purposes, and an evaluation of the effectiveness of the projects funded in meeting the policies and goals of the council. The report may make recommendations to the legislature on changes to this act.

Sec. 2. [473.251] [FUND ESTABLISHED.]

Subdivision 1. [GENERAL.] The metropolitan livable communities fund is created and consists of the following accounts:

(1) the tax base revitalization account;

(2) the livable communities demonstration account; and

(3) the local housing incentives account.

Subd. 2. [TAX BASE REVITALIZATION ACCOUNT.] The council shall credit to a tax base revitalization account within the fund the amount, if any, provided for under section 473.167, subdivision 3a, paragraph (b), and the amount, if any, distributed to the council pursuant to section 473F.08, subdivision 3b. For the purposes of this subdivision, municipality means any county, town, or statutory or home rule charter city in the metropolitan area.

(a) The council must use the funds in the account to make grants to municipalities for the cleanup of polluted land in the metropolitan area. The council shall prescribe and provide the grant application form to municipalities. A site qualifies for a grant under this subdivision if the criteria specified in section 116J.554, subdivision 2, are met.

(b) The legislature expects that applications for grants will exceed the available funds and the council will be able to provide grants to only some of the applicant municipalities. If applications for grants for qualified sites exceed the available funds, the council shall make grants that provide the highest return in public benefits for the public costs incurred, that encourage commercial and industrial development that will lead to the preservation or growth of living-wage jobs and that enhance the tax base of the recipient municipality.

(c) A municipality may use the grant to provide a portion of the local match requirement for project costs that qualify for a grant under sections 116J.551 to 116J.57.

Subd. 3. [LIVABLE COMMUNITIES DEMONSTRATION ACCOUNT.] The council shall credit to the livable communities demonstration account within the fund the revenues from the tax levied under this subdivision. The purpose of this account is to fund the initiatives specified in section 1, subdivision 4, paragraph (b). The council shall levy a tax on all taxable property in the

metropolitan area for the livable communities demonstration account. This tax shall be levied and collected in the manner provided by section 473.13. The levy shall not exceed the following amount for the years specified:

(a)(1) for taxes payable in 1996, 50 percent of (i) the metropolitan mosquito control commission's property tax levy limit for 1995 as determined under section 473.711, subdivision 2, multiplied by (ii) an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan area for the current taxes payable year divided by the total market valuation of all taxable property located in the metropolitan area for the previous taxes payable year; and

(2) for taxes payable in 1997 and subsequent years, the product of (i) the property tax levy limit under this subdivision for the previous year multiplied by (ii) an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan area for the current taxes payable year divided by the total market valuation of all taxable property located in the metropolitan area for the previous taxes payable year.

For the purposes of this subdivision, "total market valuation" means the total market valuation of all taxable property within the metropolitan area without valuation adjustments for fiscal disparities under chapter 473F, tax increment financing under sections 469.174 to 469.179, and high voltage transmission lines under section 273.425.

(b) The metropolitan council, for the purposes of the fund, is considered a unique taxing jurisdiction for purposes of receiving aid pursuant to section 273.1398. For aid to be received in 1996, the fund's homestead and agricultural credit base shall equal 50 percent of the metropolitan mosquito control commission's certified homestead and agricultural credit aid for 1995, determined under section 273.1398, subdivision 2, less any permanent aid reduction under section 477A.0132. For aid to be received under section 273.1398 in 1997 and subsequent years, the fund's homestead and agricultural credit base shall be determined in accordance with section 273.1398, subdivision 1.

Subd. 4. [LOCAL HOUSING INCENTIVES ACCOUNT; DISTRIBUTION.] The council shall credit to the local housing incentives account within the fund the revenues distributed by a municipality under paragraph (c), clause (1), and the revenues distributed under section 3. The purpose of this account is to expand and preserve affordable and life-cycle housing opportunities. The funds in the account must be distributed annually by the council to municipalities:

(1) that have not met their affordable and life-cycle housing goals as determined by the council;

(2) are actively funding projects designed to help meet the goals; and

(3) whose contribution levy exceeds its distribution levy by more than \$200 per household according to the most recent population estimates determined by the metropolitan council.

The funds distributed by the council must be matched on a dollar-for-dollar basis by the municipality receiving the funds. When distributing funds in the account, the council must give priority to those municipalities that demonstrate the proposed project will link employment opportunities with affordable housing. For the purposes of this subdivision, "municipality" means a statutory or home rule charter city or town in the metropolitan area.

(a) The council shall negotiate with each municipality to establish affordable and life-cycle housing goals for that municipality that are consistent with and promote the policies of the metropolitan council as provided in the adopted metropolitan development guide. The council shall establish affordable and life-cycle housing goals for each municipality by January 15, 1996. By June 30, 1996, each municipality shall identify to the council the actions it plans to take to meet the established housing goals. Beginning January 15, 1998, and annually thereafter, each municipality must report to the council the following:

(1) the tax revenues defined in paragraph (e) that were levied in the prior year;

(2) the portion of the revenues that were spent on meeting the municipality's affordable and life-cycle housing goals; and

(3) information on how the expenditures directly support the municipality's efforts to meet its affordable and life-cycle housing goals.

The council shall verify each municipality's compliance with this paragraph.

(b) A municipality that is determined by the council to have met its affordable and life-cycle housing goals in the previous year may retain the amount calculated under paragraph (e) to maintain existing affordable and life-cycle housing.

(c) A municipality that is determined by the council not to have met the affordable and life-cycle housing goals in the previous year, as negotiated and agreed to with the council, shall either: (1) distribute the amount calculated under paragraph (e) to the local housing incentives account; (2) distribute the amount calculated under paragraph (e) to the housing redevelopment authority of the county in which the municipality is located; or (3) retain the amount calculated under paragraph (e) to create affordable and life-cycle housing as approved by the council. A municipality may escrow the amount calculated under paragraph (e) for a period of up to three years. During the third year, the municipality must demonstrate to the council that it is expending the funds to create affordable and life-cycle housing opportunities. A municipality may enter into agreements with adjacent municipalities to cooperatively provide affordable and life-cycle housing. The housing may be provided in any of the cooperating municipalities, but must meet the combined housing goals of each participating municipality.

(d) If a municipality can demonstrate to the council that it is already expending an amount equal to or greater than the amount calculated under paragraph (e) on affordable and life-cycle housing, the municipality is not required to expend any additional levels to meet the affordable and life-cycle housing goals established under paragraph (a).

(e)(1) By July 1, 1996, each county assessor shall certify each municipality's average residential homestead limited market value for the 1994 assessment year, including the value of the farm house, garage, and one acre only in the case of farm homesteads, multiplied by a factor of two, as the municipality's "market value base amount." (2) By July 1, 1996, and each succeeding year, for each municipality, the county assessor shall determine which homesteads have market values in excess of the municipality's market value base amount and the county auditor shall certify the aggregate net tax capacity corresponding to the amount by which those homesteads' market values exceed the municipality's market value base amount as the "net tax capacity excess amount" for the assessment year corresponding to the current taxes payable year. By July 1, 1996, the county auditor shall also certify the net tax capacity excess amount for taxes payable in 1995. (3) By July 1, 1996, and each succeeding year, the county auditor shall also certify each municipality's local tax rate for the current taxes payable year. (4) By July 1, 1996, and each succeeding year, the county auditor shall certify for each municipality the amount equal to four percent of the municipality's current year total residential homestead tax capacity multiplied by the local tax rate. (5) By August 1, 1996, and each succeeding year, the metropolitan council shall notify each municipality of its "affordable and life-cycle housing opportunities amount" equal to the lesser of the amount certified under clause (4) or the amount, if any, by which the net tax capacity excess amount for the current year exceeds the amount for taxes payable in 1995 multiplied by the municipality's local tax rate certified in clause (3).

Sec. 3. [REVENUES CREDITED.]

The council shall credit \$1,000,000 of the proceeds of solid waste bonds issued by the council under Minnesota Statutes, section 473.831, before its repeal to the local housing incentives account in the metropolitan livable communities fund. In 1998 and thereafter, the council shall credit \$1,000,000 of the revenues generated by the levy authorized in Minnesota Statutes, section 473.249, to the local housing incentives account.

Sec. 4. [PROGRAM REPORT.]

The metropolitan council shall submit a report to the legislature by January 15, 2003, evaluating the metropolitan livable communities act. The report must include an accounting of the funds credited to the tax base revitalization account, the livable communities demonstration account, and the local housing incentives account, a summary of how the funds were spent, an analysis of the costs and benefits of the program, and recommendations for future legislative action regarding the program.

Sec. 5. [2025 REPORT.]

The metropolitan council shall report to the legislature by January 15, 1996, on the probable development patterns in and affecting the metropolitan area by the year 2025 under various scenarios, including the present course of growth versus directed, compact, and efficient development. The report should consider impacts on the greater metropolitan region, including within it counties in which five percent or more of residents commute to employment in the present metropolitan region or which are part of the metropolitan area as defined by the U.S. Department of Commerce Standard Metropolitan Statistical Area.

Sec. 6. [APPLICATION.]

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

Sec. 7. [EFFECTIVE DATE.]

This article is effective the day after final enactment. Section 2 is effective for taxes levied in 1995 and payable in 1996, and subsequent years.

ARTICLE 2

MISCELLANEOUS AMENDMENTS

Section 1. Minnesota Statutes 1994, section 116J.552, subdivision 2, is amended to read:

Subd. 2. [CLEANUP COSTS.] "Cleanup costs" or "costs" ~~mean~~ means the cost costs of developing and implementing an approved a response action plan, but does not include implementation costs incurred before the award of a grant unless the application for the grant was submitted within 180 days after the response action plan was approved by the commissioner of the pollution control agency.

Sec. 2. Minnesota Statutes 1994, section 116J.555, subdivision 2, is amended to read:

Subd. 2. [APPLICATION CYCLES; REPORTING TO LCWM.] (a) In making grants, the commissioner shall establish ~~regular~~ semiannual application deadlines in which grants will be authorized from all or part of the available appropriations of money in the account.

(b) After each semiannual cycle in which grants are awarded, the commissioner shall report to the legislative commission on waste management the grants awarded and appropriate supporting information describing each grant made. This report must be made 30 days after the grants are awarded.

(c) The commissioner shall annually report to the legislative commission on the status of the cleanup projects undertaken under grants made under the programs. The commissioner shall include in the annual report information on the cleanup and development activities undertaken for the grants made in that and previous fiscal years. The commissioner shall make this report no later than 120 days after the end of the fiscal year.

Sec. 3. Minnesota Statutes 1994, section 116J.556, is amended to read:

116J.556 [LOCAL MATCH REQUIREMENT.]

(a) In order to qualify for a grant under sections 116J.551 to 116J.557, the municipality must pay for at least one-half of the project costs as a local match. The municipality shall pay an amount of the project costs equal to at least ~~48~~ five percent of the cleanup costs from the municipality's general fund, a property tax levy for that purpose, or other unrestricted money available to the municipality (excluding tax increments). These unrestricted moneys may be spent for project costs, other than cleanup costs, and qualify for the local match payment equal to ~~48~~ five percent of cleanup costs. The rest of the local match may be paid with tax increments, regional, state, or federal money available for the redevelopment of brownfields or any other money available to the municipality.

(b) If the development authority establishes a tax increment financing district or hazardous

substance subdistrict on the site to pay for part of the local match requirement, the district or subdistrict is not subject to the state aid reductions under section 273.1399. In order to qualify for the exemption from the state aid reductions, the municipality must elect, by resolution, on or before the request for certification is filed that all tax increments from the district or subdistrict will be used exclusively to pay (1) for project costs for the site and (2) administrative costs for the district or subdistrict. The district or subdistrict must be decertified when an amount of tax increments equal to no more than three times the costs of implementing the response action plan for the site and the administrative costs for the district or subdistrict have been received, after deducting the amount of the state grant.

Sec. 4. Minnesota Statutes 1994, section 473.167, subdivision 2, is amended to read:

Subd. 2. [LOANS FOR ACQUISITION.] The council may make loans to counties, towns, and statutory and home rule charter cities within the metropolitan area for the purchase of property within the right-of-way of a state trunk highway shown on an official map adopted pursuant to section 394.361 or 462.359 or for the purchase of property within the proposed right-of-way of a principal or intermediate arterial highway designated by the council as a part of the metropolitan highway system plan and approved by the council pursuant to subdivision 1. The loans shall be made by the council, from the fund established pursuant to this subdivision, for purchases approved by the council. The loans shall bear no interest. The council shall make loans only: (1) to accelerate the acquisition of primarily undeveloped property when there is a reasonable probability that the property will increase in value before highway construction, and to update an expired environmental impact statement on a project for which the right-of-way is being purchased; (2) to avert the imminent conversion or the granting of approvals which would allow the conversion of property to uses which would jeopardize its availability for highway construction; or (3) to advance planning and environmental activities on highest priority major metropolitan river crossing projects, under the transportation development guide chapter/policy plan. The council shall not make loans for the purchase of property at a price which exceeds the fair market value of the property or which includes the costs of relocating or moving persons or property. A private property owner may elect to receive the purchase price either in a lump sum or in not more than four annual installments without interest on the deferred installments. If the purchase agreement provides for installment payments, the council shall make the loan in installments corresponding to those in the purchase agreement. The recipient of an acquisition loan shall convey the property for the construction of the highway at the same price which the recipient paid for the property. The price may include the costs of preparing environmental documents that were required for the acquisition and that were paid for with money that the recipient received from the loan fund. Upon notification by the council that the plan to construct the highway has been abandoned or the anticipated location of the highway changed, the recipient shall sell the property at market value in accordance with the procedures required for the disposition of the property. All rents and other money received because of the recipient's ownership of the property and all proceeds from the conveyance or sale of the property shall be paid to the council. If a recipient is not permitted to include in the conveyance price the cost of preparing environmental documents that were required for the acquisition, then the recipient is not required to repay the council an amount equal to 40 percent of the money received from the loan fund and spent in preparing the environmental documents. The proceeds of the tax authorized by subdivision 3 and distributed to the right-of-way acquisition loan fund pursuant to subdivision 3a, paragraph (a), all money paid to the council by recipients of loans, and all interest on the proceeds and payments shall be maintained as a separate fund. For administration of the loan program, the council may expend from the fund each year an amount no greater than three percent of the amount of the authorized levy proceeds distributed to the right-of-way acquisition loan fund pursuant to subdivision 3a, paragraph (a), for that year.

Sec. 5. Minnesota Statutes 1994, section 473.167, subdivision 3, is amended to read:

Subd. 3. [TAX.] The council may levy a tax on all taxable property in the metropolitan area, as defined in section 473.121, to provide funds for loans made pursuant to subdivisions 2 and 2a and for the tax base revitalization account in the metropolitan livable communities fund, established under section 473.251, subdivision 3. This tax for the right-of-way acquisition loan fund and the tax base revitalization account shall be certified by the council, levied, and collected in the manner provided by section 473.13. The tax shall be in addition to that authorized by section 473.249 and any other law and shall not affect the amount or rate of taxes which may be levied by the council or any metropolitan agency or local governmental unit. The amount of the levy shall be as determined and certified by the council, ~~except as otherwise provided in this subdivision.~~

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

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

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

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

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

For the purpose of determining the metropolitan council's property tax levy limitation for the right-of-way acquisition loan fund and tax base revitalization account in the metropolitan livable communities fund, under section 473.251, subdivision 3, for the taxes payable year 1988 and subsequent years under this subdivision, "total market valuation" means the total market valuation of all taxable property within the metropolitan area without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), and high voltage transmission lines (section 273.425).

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

Sec. 6. Minnesota Statutes 1994, section 473.167, is amended by adding a subdivision to read:

Subd. 3a. [DISTRIBUTION OF TAX PROCEEDS.] (a) Right-of-way acquisition loan fund. Tax proceeds shall first be deposited into the right-of-way acquisition loan fund in an amount determined by the metropolitan council to be sufficient, considering the other anticipated revenues of and disbursements from the right-of-way acquisition loan fund, to produce a balance in the loan fund at the end of the next calendar year equal to twice the amount of the property tax levy limitation for taxes payable in the next calendar year determined under subdivision 3.

(b) Metropolitan livable communities tax base revitalization account. Any tax proceeds not first deposited into the right-of-way acquisition loan fund shall be distributed to the tax base revitalization account in the metropolitan livable communities fund, established under section 473.251, subdivision 3.

Sec. 7. Minnesota Statutes 1994, section 473.711, subdivision 2, is amended to read:

Subd. 2. [BUDGET; TAX LEVY.] (a) Budget. 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.

(b) Tax Levy. 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~~ this section. The levy shall be in addition to other taxes authorized by law.

The property tax levied by the metropolitan mosquito control commission shall not exceed the following amount for the years specified:

(i) for taxes payable in 1996, 50 percent of 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 taxes payable year divided by the total market valuation of all taxable property located within the district for the previous assessment taxes payable year; and

(ii) for taxes payable in 1997 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 taxes payable year divided by the total market valuation of all taxable property located within the district for the previous taxes payable year.

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

(c) Homestead and Agricultural Credit Aid. For aids payable in 1996 and subsequent years, the commission's homestead and agricultural credit aid base under section 273.1398, subdivision 1, is permanently reduced by 50 percent of the amount certified to be received in 1995, less any permanent aid reduction in 1995 under section 477A.0132.

(d) Emergency Tax Levy. If the commissioner of the department of health declares a health emergency due to a threatened or actual outbreak of disease caused by mosquitos, disease vectoring ticks, or black gnats (Simuliidae), the commission may levy an additional tax not to exceed \$500,000 on all taxable property in the district to pay for the required control measures.

(e) Optional County Levy. A participating county may levy a tax in an amount to be determined by the county board for mosquito, disease vectoring tick, and black gnat (Simuliidae) nuisance control. If the county levies the tax for nuisance control, it must contract with the commission to provide for nuisance control activities within the county. The levy for nuisance control shall be in addition to other levies authorized by law to the county.

Sec. 8. Minnesota Statutes 1994, section 473F.08, subdivision 3a, is amended to read:

Subd. 3a. Beginning in 1987 and each subsequent year through 1998, the city of Bloomington shall determine the interest payments for that year for the bonds which have been sold for the highway improvements pursuant to Laws 1986, chapter 391, section 2, paragraph (g). Effective for property taxes payable in 1988 through property taxes payable in 1999, after the Hennepin county auditor has computed the areawide portion of the levy for the city of Bloomington pursuant to subdivision 3, clause (a), the auditor shall annually add a dollar amount to the city of Bloomington's areawide portion of the levy equal to the amount which has been certified to the auditor by the city of Bloomington for the interest payments for that year for the bonds which were sold for highway improvements. The total areawide portion of the levy for the city of Bloomington including the additional amount for interest repayment certified pursuant to this subdivision shall be certified by the Hennepin county auditor to the administrative auditor

pursuant to subdivision 5. The Hennepin county auditor shall distribute to the city of Bloomington the additional areawide portion of the levy computed pursuant to this subdivision at the same time that payments are made to the other counties pursuant to subdivision 7a. For property taxes payable from the year 2000 through 2009 in each of the first 15 years following retirement of all indebtedness incurred through the issuance of bonds and notes by the city of Bloomington and the Bloomington port authority to finance public improvements within the Mall of America tax increment financing district, the Hennepin county auditor shall adjust Bloomington's contribution to the areawide gross tax capacity upward each year by a value equal to ~~ten~~ 1/15th of 35 percent of the total additional areawide levy distributed to Bloomington under this subdivision from 1988 to 1999, divided by the areawide tax rate for taxes payable in the previous year.

Sec. 9. Minnesota Statutes 1994, section 473F.08, is amended by adding a subdivision to read:

Subd. 3b. [LIVABLE COMMUNITIES FUND.] (a) The Hennepin county auditor shall certify the city of Bloomington's interest payments for 1987 for the bonds which were sold for highway improvements pursuant to Laws 1986, chapter 391, section 2, paragraph (g).

(b) For taxes payable in 1996 through taxes payable in 1999, the Hennepin county auditor shall certify the amount calculated by subtracting the amount certified under subdivision 3a from the amount in paragraph (a). For taxes payable in 2000 and subsequent years, the Hennepin county auditor shall certify the amount calculated in paragraph (a).

(c) The metropolitan council may annually certify to the Ramsey county auditor the amount calculated under paragraph (b), or a lesser amount, to be used to provide funds for the cleanup of polluted lands in the metropolitan area.

(d) The Ramsey county auditor shall annually add a dollar amount to its areawide portion of the levy equal to the amount which has been certified in paragraph (c). The total areawide portion of the levy for Ramsey county, including the additional amount certified under paragraph (c), shall be certified by the Ramsey county auditor to the administrative auditor pursuant to subdivision 5.

(e) The Ramsey county auditor shall distribute the amount certified in paragraph (c) to the metropolitan council for the tax base revitalization account within the metropolitan livable communities fund, established under section 473.251, at the same time that payments are made to the other counties pursuant to subdivision 7a.

Sec. 10. Minnesota Statutes 1994, section 473F.08, subdivision 5, is amended to read:

Subd. 5. [AREAWIDE TAX RATE.] On or before August 25 of each year, the county auditor shall certify to the administrative auditor that portion of the levy of each governmental unit determined under ~~subdivision~~ subdivisions 3, clause (a), 3a, and 3b. The administrative auditor shall then determine the areawide tax rate sufficient to yield an amount equal to the sum of such levies from the areawide net tax capacity. On or before September 1 of each year, the administrative auditor shall certify the areawide tax rate to each of the county auditors.

Sec. 11. Minnesota Statutes 1994, section 473F.08, subdivision 7a, is amended to read:

Subd. 7a. [CERTIFICATION OF VALUES; PAYMENT.] The administrative auditor shall determine for each county the difference between the total levy on distribution value pursuant to ~~subdivision~~ subdivisions 3, clause (a), 3a, and 3b, within the county and the total tax on contribution value pursuant to subdivision 6, within the county. On or before May 16 of each year, the administrative auditor shall certify the differences so determined to each county auditor. In addition, the administrative auditor shall certify to those county auditors for whose county the total tax on contribution value exceeds the total levy on distribution value the settlement the county is to make to the other counties of the excess of the total tax on contribution value over the total levy on distribution value in the county. On or before June 15 and November 15 of each year, each county treasurer in a county having a total tax on contribution value in excess of the total levy on distribution value shall pay one-half of the excess to the other counties in accordance with the administrative auditors certification.

Sec. 12. [MOSQUITO CONTROL COMMISSION EMPLOYEES.]

Employees of the metropolitan mosquito control commission covered under the terms of a

collective bargaining agreement as of March 1, 1995, may not be terminated by discharge, except for cause, before January 1, 1999. This act does not abrogate or change any rights enjoyed by the employees of the commission under the terms of a collective bargaining agreement that is in effect on March 1, 1995.

Sec. 13. [AMENDMENT OF GRANT APPLICATIONS.]

A development authority that, before the effective date of this section, submitted an application for a grant under Minnesota Statutes, sections 116J.551 to 116J.558, may, before the next application deadline, submit to the commissioner of trade and economic development an amended application based on the changes made by section 1.

Sec. 14. [REPEALER.]

Minnesota Statutes 1994, sections 473.704, subdivision 15; 504.33; 504.34; and 504.35, are repealed.

Sec. 15. [CITATION.]

This act may be cited as "the metropolitan livable communities act."

Sec. 16. [APPLICATION.]

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

Sec. 17. [EFFECTIVE DATES.]

This article is effective the day after final enactment. Sections 5, 7, and 9 are effective for taxes levied in 1995 payable in 1996 and subsequent years."

Amend the title as follows:

Page 1, line 2, delete "establishing the"

Page 1, delete line 3

Page 1, line 10, after "sections" insert "116J.552, subdivision 2; 116J.555, subdivision 2;"

Page 1, line 11, delete everything after the semicolon

Page 1, delete line 12 and insert "473.711,"

Page 1, line 13, after "subdivisions" insert "3a,"

Page 1, line 15, before the period, insert "; repealing Minnesota Statutes 1994, sections 473.704, subdivision 15; 504.33; 504.34; and 504.35"

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1279, 579, 538, 462, 1362, 537, 845, 1425, 1303 and 1451 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 1037 was read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Riveness moved that the name of Ms. Berglin be added as a co-author to S.F. No. 750. The motion prevailed.

Messrs. Moe, R.D.; Johnson, D.E.; Stumpf and Larson introduced--

Senate Concurrent Resolution No. 9: A Senate concurrent resolution providing for a joint convention of the Senate and the House of Representatives to elect members of the Board of Regents of the University of Minnesota.

BE IT RESOLVED by the Senate of the State of Minnesota, the House of Representatives concurring:

The Senate and House of Representatives shall meet in joint convention on Wednesday, May 3, 1995, at 12:00 noon, in the chamber of the House of Representatives to elect members to the Board of Regents of the University of Minnesota.

Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution 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.

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. 1678: Messrs. Cohen, Merriam, Riveness, Frederickson and Metzen.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Ms. Runbeck was excused from the Session of today. Ms. Ranum was excused from the Session of today from 1:50 to 2:10 p.m. Mr. Novak was excused from the Session of today from 2:10 to 3:10 p.m. Mr. Johnson, D.J. was excused from the Session of today from 1:00 to 2:00 p.m. Mr. Murphy 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 10:00 a.m., Monday, May 1, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTIETH DAY

St. Paul, Minnesota, Monday, May 1, 1995

The Senate met at 10:00 a.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, Rev. Edward A. Blair.

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

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

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

The President declared a quorum present.

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

MOTIONS AND RESOLUTIONS

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 537 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 537: A bill for an act relating to drivers' licenses; requiring the refund of license fees to applicants who do not receive licenses, duplicate licenses, permits, or Minnesota identification cards within six weeks; requesting legislative audit commission evaluation of driver's license and identification card program; amending Minnesota Statutes 1994, sections 171.06, by adding a subdivision; and 171.07, subdivisions 1 and 3.

Mr. Betzold moved to amend S.F. No. 537 as follows:

Page 3, line 29, delete "1" and insert "15"

The motion prevailed. So the amendment was adopted.

S.F. No. 537 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 7, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Johnston	Knutson	Limmer	Pariseau	Runbeck
Kiscaden	Larson			

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. 538 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 538: A bill for an act relating to state agencies; requiring the refund of license fees to certain applicants if licenses are not issued within six weeks; proposing coding for new law in Minnesota Statutes, chapter 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:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 399 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 399: A bill for an act relating to recreational vehicles; driving while intoxicated; providing for forfeiture of snowmobiles, all-terrain vehicles, and motorboats for designated, DWI-related offenses; extending vehicle forfeiture law by expanding the definition of prior conviction to include other types of vehicles; amending Minnesota Statutes 1994, sections 84.83, subdivision 2; 84.927, subdivision 1; and 169.1217, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 84; and 86B.

Mr. Merriam moved to amend S.F. No. 399 as follows:

Page 11, after line 12, insert:

"Sec. 6. Minnesota Statutes 1994, section 171.30, subdivision 3, is amended to read:

Subd. 3. [CONDITIONS ON ISSUANCE.] The commissioner shall issue a limited license restricted to the vehicles whose operation is permitted only under a Class A, Class B, or Class CC license whenever a Class A, Class B, or Class CC license has been suspended under section 171.18, or revoked under section 171.17, for violation of the highway traffic regulation act committed in a private passenger motor vehicle. This subdivision shall not apply to any persons described in section 171.04, subdivision 1, clauses (4), (5), (6), (8), (9), and (11), or any person whose license or privilege has been suspended or revoked for a violation of section 169.121 or 169.123, or a statute or ordinance from another state in conformity with either of those sections."

Page 11, line 13, delete "6" and insert "7"

Page 11, line 14, delete "5" and insert "6"

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 38 and nays 22, as follows:

Those who voted in the affirmative were:

Beckman	Johnson, D.E.	Krentz	Mondale	Ranum
Belanger	Johnson, J.B.	Kroening	Morse	Runbeck
Berglin	Johnston	Laidig	Neuville	Sams
Betzold	Kelly	Larson	Olson	Spear
Cohen	Kiscaden	Limmer	Ourada	Stevens
Finn	Kleis	Marty	Pariseau	Terwilliger
Flynn	Knutson	Merriam	Piper	
Frederickson	Kramer	Moe, R.D.	Price	

Those who voted in the negative were:

Anderson	Day	Langseth	Pogemiller	Stumpf
Berg	Hanson	Lesewski	Riveness	Wiener
Bertram	Hottinger	Lessard	Robertson	
Chandler	Janezich	Metzen	Scheevel	
Chmielewski	Johnson, D.J.	Murphy	Solon	

The motion prevailed. So the amendment was adopted.

S.F. No. 399 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 6, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Chmielewski	Janezich	Lessard	Robertson	Scheevel
Hanson				

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. 882 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 882: A bill for an act relating to crime; expanding the scope of the patterned sex offender sentencing law; requiring training for judges, prosecutors, peace officers, and sex offender assessors on sentencing laws applicable to repeat and patterned sex offenders; expanding the interference with privacy crime to include persons who intrude on the privacy of occupants of hotel sleeping rooms and tanning booths; increasing penalties for committing the crime of indecent exposure in the presence of a child under the age of 16; clarifying where service of a search warrant may be made; expanding the authority of agents of a political subdivision to carry firearms when on duty; tolling the statute of limitations while physical evidence relating to a crime is undergoing DNA analysis; amending Minnesota Statutes 1994, sections 480.30; 609.1352, subdivisions 3, 5, and by adding a subdivision; 609.341, subdivision 11; 609.746, subdivision 1; 617.23; 626.13; 626.84, subdivision 2; and 628.26; proposing coding for new law in Minnesota Statutes, chapter 388.

Ms. Ranum moved to amend S.F. No. 882 as follows:

Page 5, after line 16, insert:

"Sec. 7. Minnesota Statutes 1994, section 609.485, subdivision 2, is amended to read:

Subd. 2. [ACTS PROHIBITED.] Whoever does any of the following may be sentenced as provided in subdivision 4:

(1) escapes while held in lawful custody on a charge or conviction of a crime, or while held in lawful custody on an allegation or adjudication of a delinquent act while 18 years of age;

(2) transfers to another, who is in lawful custody on a charge or conviction of a crime, or introduces into an institution in which the latter is confined, anything usable in making such escape, with intent that it shall be so used;

(3) having another in lawful custody on a charge or conviction of a crime, intentionally permits the other to escape; ~~or~~

(4) escapes while in a facility designated under section 253B.18, subdivision 1, pursuant to a court commitment order after a finding of not guilty by reason of mental illness or mental deficiency of a crime against the person, as defined in section 253B.02, subdivision 4a. Notwithstanding section 609.17, no person may be charged with or convicted of an attempt to commit a violation of this clause; or

(5) escapes while in a facility designated under section 253B.18, subdivision 1, pursuant to a court commitment order under rule 20 of the Rules of Criminal Procedure, or as a sexual psychopathic personality as defined in section 253B.02, subdivision 18a, or as a sexually

dangerous person as defined in section 253B.02, subdivision 18b, or as mentally ill and dangerous to the public as defined in section 253B.02, subdivision 17.

For purposes of clause (1), "escapes while held in lawful custody" includes absconding from electronic monitoring or absconding after removing an electronic monitoring device from the person's body.

Sec. 8. Minnesota Statutes 1994, section 609.485, subdivision 4, is amended to read:

Subd. 4. [SENTENCE.] (a) Except as otherwise provided in subdivision 3a, whoever violates this section may be sentenced as follows:

(1) if the person who escapes is in lawful custody on a charge or conviction of a felony, to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both;

(2) if the person who escapes is in lawful custody after a finding of not guilty by reason of mental illness or mental deficiency of a crime against the person, as defined in section 253B.02, subdivision 4a, or pursuant to an order under rule 20 of the Rules Of Criminal Procedure, or as a sexual psychopathic personality as defined in section 253B.02, subdivision 18a, or as a sexually dangerous person as defined in section 253B.02, subdivision 18b, or as mentally ill and dangerous to the public as defined in section 253B.02, subdivision 17, to imprisonment for not more than one year and one day or to payment of a fine of not more than \$3,000, or both; or

(3) if such charge or conviction is for a gross misdemeanor or misdemeanor, or if the person who escapes is in lawful custody on an allegation or adjudication of a delinquent act while 18 years of age, to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

(b) If the escape was a violation of subdivision 2, clause (1), (2), or (3), and was effected by violence or threat of violence against a person, the sentence may be increased to not more than twice those permitted in paragraph (a), clauses (1) and (3).

(c) Unless a concurrent term is specified by the court, a sentence under this section shall be consecutive to any sentence previously imposed or which may be imposed for any crime or offense for which the person was in custody when the person escaped.

(d) Notwithstanding paragraph (c), if a person who was committed to the commissioner of corrections under section 260.185 escapes from the custody of the commissioner while 18 years of age, the person's sentence under this section shall commence on the person's 19th birthday or on the person's date of discharge by the commissioner of corrections, whichever occurs first. However, if the person described in this clause is convicted under this section after becoming 19 years old and after having been discharged by the commissioner, the person's sentence shall commence upon imposition by the sentencing court.

(e) Notwithstanding paragraph (c), if a person who is in lawful custody on an allegation or adjudication of a delinquent act while 18 years of age escapes from a local juvenile correctional facility, the person's sentence under this section begins on the person's 19th birthday or on the person's date of discharge from the jurisdiction of the juvenile court, whichever occurs first. However, if the person described in this paragraph is convicted after becoming 19 years old and after discharge from the jurisdiction of the juvenile court, the person's sentence begins upon imposition by the sentencing court."

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. 882 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:

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

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. 1127 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1127: A bill for an act relating to state lands; authorizing public sale of certain state land that borders public water in Hennepin county; 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 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1451 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1451: A bill for an act relating to the city of Minneapolis; authorizing the city to establish special service districts within the city; amending Laws 1985, chapter 302, section 2, subdivision 1, as amended.

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:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1290 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1290: A bill for an act relating to the legislature; abolishing the legislative commission to review administrative rules, the legislative commission on children, youth, and their families, the legislative water commission, the legislative commission on the economic status of women, the legislative commission on child protection, the legislative commission on health care access, the legislative commission on long-term health care, the legislative commission on waste management, and the legislative tax study commission; transferring functions of the legislative commission on Minnesota resources to the office of strategic and long-range planning; amending Minnesota Statutes 1994, sections 3.846, subdivision 2; 4.071, subdivision 2; 14.131; 14.15, subdivision 4; 14.19; 14.23; 14.26; 14.32, subdivision 2; 14.47, subdivisions 3, 6, and 8; 62J.04, subdivisions 1a and 9; 62Q.33, subdivision 5; 84.0274, subdivision 7; 85.019, subdivision 2; 86.72, subdivisions 2 and 3; 89.022, subdivision 2; 103A.43; 103B.321, subdivision 1; 115A.07, subdivision 3; 115A.15, subdivision 5; 115A.158, subdivision 2; 115A.165; 115A.193; 115A.22, subdivision 5; 115A.5501, subdivisions 2 and 4; 115A.551, subdivisions 4 and 5; 115A.557, subdivision 4; 115A.9157, subdivision 6; 115A.96, subdivision 2; 115A.961, subdivision 2; 115A.9651, subdivision 2; 115A.97, subdivisions 5 and 6; 115B.20, subdivisions 2, 5, and 6; 116C.712, subdivision 5; 116J.555, subdivision 2; 116P.02; 116P.03; 116P.05, subdivision 2, and by adding a subdivision; 116P.06; 116P.07; 116P.08, subdivisions 3, 4, 5, 6, and 7; 116P.09; 116P.10; 116P.11; 116P.12; 116Q.02; 256.9352, subdivision 3; 256B.431, subdivision 2i; 290.431; 290.432; and 473.846; repealing Minnesota Statutes 1994, sections 3.841; 3.842; 3.843; 3.844; 3.845; 3.861; 3.873; 3.885; 3.887; 3.9222; 3.9227; 14.115, subdivision 8; 62J.04, subdivision 4; 62J.07; 62N.24; 103B.351; 115A.03, subdivision 16; 115A.08; 115A.14; 115A.29; 115A.38; 115A.411; 115A.913, subdivision 5; 115A.9157, subdivision 4; 115A.965, subdivision 7; 115A.981, subdivision 3; 115B.20, subdivision 6; 115B.22, subdivision 8; 115B.43, subdivision 4; 116P.05, subdivision 1; 216C.051; 256B.504; 473.149, subdivisions 2c and 6; 473.845, subdivision 4; and 473.848, subdivision 4.

Mr. Hottinger moved to amend S.F. No. 1290 as follows:

Pages 2 to 9, delete sections 1 to 10

Page 31, line 20, delete everything after "sections"

Page 31, line 21, delete "3.844; 3.845;"

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1 line 2, delete the second "the"

Page 1, delete line 3

Page 1, line 15, delete "3.846, subdivision 2;" and delete "14.131;"

Page 1, delete lines 16 and 17

Page 1, line 35, delete "3.841;"

Page 1, line 36, delete everything before "3.861;"

The motion prevailed. So the amendment was adopted.

Mr. Riveness moved to amend S.F. No. 1290 as follows:

Page 36, line 24, before the period, insert ", except:

(1) temporary projects to collect, assess, or produce ecological or other natural resource data to guide natural resource decision making; and

(2) cooperative projects involving federal, local, or private matching funds"

The motion prevailed. So the amendment was adopted.

Ms. Berglin moved to amend S.F. No. 1290 as follows:

Page 11, line 29, reinstate the stricken ", in cooperation"

Page 11, line 30, reinstate the stricken language

Page 27, line 31, reinstate the stricken language

Page 31, line 22, delete "62J.04, subdivision 4; 62J.07;"

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

RECONSIDERATION

Having voted on the prevailing side, Ms. Berglin moved that the vote whereby the Berglin amendment to S.F. No. 1290 was adopted on May 1, 1995, be now reconsidered. The motion prevailed. So the vote was reconsidered.

Ms. Berglin withdrew her amendment.

Ms. Berglin then moved to amend S.F. No. 1290 as follows:

Page 10, lines 26 and 27, reinstate the stricken language

Page 11, delete section 12

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Berglin then reoffered her withdrawn amendment, to amend S.F. No. 1290 as follows:

Page 11, line 29, reinstate the stricken ", in cooperation"

Page 11, line 30, reinstate the stricken language

Page 27, line 31, reinstate the stricken language

Page 31, line 22, delete "62J.04, subdivision 4; 62J.07;"

Amend the title accordingly

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

Mr. Moe, R.D. moved to amend S.F. No. 1290 as follows:

Page 31, line 25, delete everything after the second semicolon

Amend the title as follows:

Page 1, line 42, delete "115B.20, subdivision 6;"

The motion prevailed. So the amendment was adopted.

Mr. Frederickson moved to amend S.F. No. 1290 as follows:

Page 2, delete lines 2 and 3

Page 12, delete section 14

Pages 19 and 20, delete section 28

Page 31, line 33, delete "39" and insert "37"

Page 31, line 34, delete from "ARTICLE" through page 48, line 8, to "1996."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Mr. Price moved to amend S.F. No. 1290 as follows:

Page 48, after line 8, insert:

"ARTICLE 3
INTERIM STUDY

Section 1. [STUDY AND RECOMMENDATIONS.]

The policy committees of the senate and the house of representatives having jurisdiction over the legislative water commission shall study the functions of that commission during the interim between the 1995 and 1996 legislative sessions. If a committee concludes that the commission should be retained or reorganized or that its functions should be performed by another entity, the committee shall prepare appropriate legislation for consideration during the 1996 legislative session.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Amend the title accordingly

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

Mr. Lessard moved to amend S.F. No. 1290 as follows:

Page 48, after line 8, insert:

"ARTICLE 3
INTERIM STUDY

Section 1. [STUDY AND RECOMMENDATIONS.]

The policy committees of the senate and the house of representatives having jurisdiction over the legislative commission on waste management shall study the functions of that commission

during the interim between the 1995 and 1996 legislative sessions. If a committee concludes that the commission should be retained or reorganized or that its functions should be performed by another entity, the committee shall prepare appropriate legislation for consideration during the 1996 legislative session.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Amend the title accordingly

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

S.F. No. 1290 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 10, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson	Chmielewski	Johnson, J.B.	Marty	Morse
Berglin	Frederickson	Laidig	Merriam	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. 115 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 115: A bill for an act relating to elections; changing the name of the state partisan primary to the state party nominating election; requiring candidates to demonstrate party support before being listed on the party's primary ballot; moving the state party nominating election and primary from September to June; repealing the presidential primary election; amending Minnesota Statutes 1994, sections 10A.31, subdivision 6; 10A.322, subdivision 1; 10A.323; 204B.08, subdivisions 1 and 2; 204B.09, subdivision 1; 204B.10, subdivisions 2, 3, and 4; 204B.11, subdivision 2; 204B.12, subdivision 1; 204B.33; 204C.04, subdivision 2; 204D.03, subdivision 1; 204D.08, subdivision 4; and 204D.24, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 204B; repealing Minnesota Statutes 1994, sections 204B.06, subdivision 1a; 207A.01 to 207A.04; and 207A.06 to 207A.10.

Ms. Flynn moved to amend S.F. No. 115 as follows:

Page 3, line 36, delete "congressional and state"

Page 4, lines 8 and 25, delete "congressional or state"

Page 4, line 27, delete "ten" and insert "one"

Page 5, line 17, delete "congressional or state"

Page 9, delete section 14

Page 9, delete line 18 and insert "be held on the first third Tuesday ~~after the second Monday~~ in"

Pages 10 and 11, delete section 17

Page 11, delete section 19

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 7 and 8, delete "repealing the presidential primary election;"

Page 1, line 13, delete "204C.04, subdivision 2;"

Page 1, line 14, after "1;" insert "and" and after "4;" delete "and"

Page 1, line 15, delete "204D.24, subdivision 2;"

Page 1, line 16, delete from "; repealing" through page 1, line 18, to "207A.10"

Mr. Merriam requested division of the amendment as follows:

First portion:

Page 9, delete section 14

Pages 10 and 11, delete section 17

Page 11, delete section 19

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 7 and 8, delete "repealing the presidential primary election;"

Page 1, line 13, delete "204C.04, subdivision 2;"

Page 1, line 14, after "1;" insert "and" and after "4;" delete "and"

Page 1, line 15, delete "204D.24, subdivision 2;"

Page 1, line 16, delete from "; repealing" through page 1, line 18, to "207A.10"

Second portion:

Page 3, line 36, delete "congressional and state"

Page 4, lines 8 and 25, delete "congressional or state"

Page 4, line 27, delete "ten" and insert "one"

Page 5, line 17, delete "congressional or state"

Third portion:

Page 9, delete line 18 and insert "be held on the first third Tuesday ~~after the second Monday~~ in"

The question was taken on the adoption of the first portion of the Flynn amendment.

The roll was called, and there were yeas 39 and nays 27, as follows:

Those who voted in the affirmative were:

Beckman
Belanger

Bertram
Chandler

Chmielewski
Day

Dille
Flynn

Frederickson
Hanson

Hottinger	Knutson	Lesewski	Olson	Samuelson
Janezich	Kramer	Lessard	Ourada	Solon
Johnson, D.E.	Krentz	Metzen	Pariseau	Spear
Johnson, D.J.	Kroening	Moe, R.D.	Reichgott Junge	Terwilliger
Johnston	Laidig	Mondale	Robertson	Vickerman
Kleis	Larson	Murphy	Sams	

Those who voted in the negative were:

Anderson	Johnson, J.B.	Merriam	Pogemiller	Stevens
Berg	Kelly	Morse	Price	Stumpf
Berglin	Kiscaden	Neuville	Ranum	Wiener
Betzold	Langseth	Oliver	Riveness	
Cohen	Limmer	Pappas	Runbeck	
Finn	Marty	Piper	Scheevel	

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

The question was taken on the second portion of the Flynn amendment. The motion prevailed. So the second portion of the Flynn amendment was adopted.

Mr. Marty moved to amend the third portion of the Flynn amendment to S.F. No. 115 as follows:

Page 1, line 7, reinstate the stricken "first"

Page 1, line 8, delete "third"

Page 1, after line 8, insert:

"Page 9, line 19, delete "June" and insert "August""

Amend the title amendment as follows:

Page 1, delete lines 12 and 13 and insert:

"Page 1, line 7, delete "June" and insert "August" and delete "repealing the"

Page 1, line 8, delete "presidential primary election;"

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

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

Those who voted in the affirmative were:

Anderson	Finn	Lesewski	Ourada	Stumpf
Berg	Hanson	Limmer	Pappas	Wiener
Berglin	Kelly	Marty	Piper	
Bertram	Kiscaden	Merriam	Runbeck	
Chmielewski	Kleis	Neuville	Solon	

Those who voted in the negative were:

Beckman	Frederickson	Krentz	Murphy	Robertson
Belanger	Hottinger	Laidig	Olson	Sams
Betzold	Janezich	Langseth	Pariseau	Samuelson
Chandler	Johnson, D.E.	Larson	Pogemiller	Scheevel
Cohen	Johnson, D.J.	Metzen	Price	Spear
Day	Johnson, J.B.	Moe, R.D.	Ranum	Stevens
Dille	Knutson	Mondale	Reichgott Junge	Terwilliger
Flynn	Kramer	Morse	Riveness	Vickerman

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

The question recurred on the third portion of the Flynn amendment. The motion prevailed. So the third portion of the Flynn amendment was adopted.

Mr. Terwilliger moved to amend S.F. No. 115 as follows:

Pages 3 to 8, delete sections 4 to 11

Page 10, lines 8 to 13, delete the new language

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 18 and nays 45, as follows:

Those who voted in the affirmative were:

Belanger	Johnson, D.J.	Larson	Ourada	Stevens
Day	Kiscaden	Lesewski	Pariseau	Terwilliger
Janezich	Knutson	Limmer	Robertson	
Johnson, D.E.	Laidig	Oliver	Scheevel	

Those who voted in the negative were:

Anderson	Finn	Kramer	Morse	Riveness
Beckman	Flynn	Krentz	Neuville	Runbeck
Berglin	Frederickson	Kroening	Olson	Sams
Bertram	Hanson	Lessard	Pappas	Samuelson
Betzold	Hottinger	Marty	Piper	Solon
Chandler	Johnson, J.B.	Merriam	Pogemiller	Spear
Chmielewski	Johnston	Metzen	Price	Stumpf
Cohen	Kelly	Moe, R.D.	Ranum	Vickerman
Dille	Kleis	Mondale	Reichgott Junge	Wiener

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

Mrs. Pariseau moved to amend S.F. No. 115 as follows:

Page 4, line 7, delete "20" and insert "ten"

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

Ms. Kiscaden moved to amend S.F. No. 115 as follows:

Page 10, lines 8 to 13, delete the new language

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

Berg	Johnson, D.J.	Lessard	Oliver	Terwilliger
Chmielewski	Kiscaden	Limmer	Pariseau	
Day	Knutson	Merriam	Robertson	
Frederickson	Laidig	Metzen	Samuelson	
Janezich	Larson	Moe, R.D.	Stevens	

Those who voted in the negative were:

Anderson	Flynn	Krentz	Olson	Runbeck
Beckman	Hanson	Kroening	Ourada	Sams
Belanger	Hottinger	Langseth	Pappas	Scheevel
Berglin	Johnson, D.E.	Lesewski	Piper	Solon
Bertram	Johnson, J.B.	Marty	Pogemiller	Spear
Betzold	Johnston	Mondale	Price	Stumpf
Chandler	Kelly	Morse	Ranum	Vickerman
Cohen	Kleis	Murphy	Reichgott Junge	Wiener
Finn	Kramer	Neuville	Riveness	

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

Mr. Terwilliger moved to amend S.F. No. 115 as follows:

Page 1, lines 23 to 26, reinstate the stricken language and delete the new language

Page 1, line 29, delete "party nominating" and insert "primary"

Page 2, lines 4 and 25, delete "party nominating" and insert "primary"

Page 3, line 26, delete "party nominating" and insert "primary"

Page 4, lines 4 and 29, delete "party nominating" and insert "primary"

Page 4, line 24, delete "party nomination" and insert "primary"

Page 6, line 7, reinstate the stricken "primary" and delete "party nominating"

Page 6, line 16, delete "party nominating" and insert "primary"

Page 7, lines 14 and 15, delete "party nominating" and insert "primary"

Page 8, line 24, delete "party nominating" and insert "primary"

Page 9, lines 16 and 17, delete the new language

Page 9, lines 25 to 36, reinstate the stricken language and delete the new language

Page 11, delete section 18

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Mr. Larson moved to amend S.F. No. 115, as amended by the Flynn amendment adopted by the Senate May 1, 1995, as follows:

Page 3, after line 31, insert:

"Sec. 4. Minnesota Statutes 1992, section 202A.192, is amended to read:

202A.192 [USE OF PUBLIC FACILITIES.]

Every statutory city, home rule charter city, county, town, school district and other public agency, including the university of Minnesota and other public colleges and universities, shall make their facilities available for the holding of ~~precinct caucuses and legislative district or county~~ conventions required by this chapter. A charge for the use of the facilities may be imposed in an amount that does not exceed the lowest amount charged to any public or private group."

Page 11, after line 11, insert:

"Sec. 17. [REPEALER.]

Minnesota Statutes 1994, sections 202A.14; 202A.15; 202A.155; 202A.156; 202A.16; 202A.17; 202A.18; 202A.19; and 202A.20, are repealed."

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 18 and nays 45, as follows:

Those who voted in the affirmative were:

Belanger	Dille	Kroening	Oliver	Stevens
Berg	Kiscaden	Larson	Robertson	Terwilliger
Bertram	Knutson	Lessard	Scheevel	
Day	Kramer	Metzen	Solon	

Those who voted in the negative were:

Anderson	Hanson	Langseth	Neuville	Reichgott Junge
Beckman	Hottinger	Lesewski	Olson	Riveness
Berglin	Johnson, D.E.	Limmer	Ourada	Runbeck
Betzold	Johnson, J.B.	Marty	Pappas	Sams
Chandler	Johnston	Merriam	Pariseau	Samuelson
Chmielewski	Kelly	Moe, R.D.	Piper	Spear
Cohen	Kleis	Mondale	Pogemiller	Stumpf
Finn	Krentz	Morse	Price	Vickerman
Flynn	Laidig	Murphy	Ranum	Wiener

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

S.F. No. 115 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 16, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Kroening	Neuville	Riveness
Beckman	Hottinger	Laidig	Olson	Runbeck
Berglin	Johnson, D.E.	Langseth	Ourada	Sams
Bertram	Johnson, D.J.	Lesewski	Pappas	Samuelson
Betzold	Johnson, J.B.	Lessard	Pariseau	Scheevel
Chandler	Johnston	Metzen	Piper	Spear
Cohen	Kelly	Moe, R.D.	Pogemiller	Stevens
Dille	Kleis	Mondale	Price	Terwilliger
Flynn	Kramer	Morse	Ranum	Vickerman
Frederickson	Krentz	Murphy	Reichgott Junge	Wiener

Those who voted in the negative were:

Belanger	Finn	Knutson	Marty	Robertson
Berg	Janezich	Larson	Merriam	Solon
Chmielewski	Kiscaden	Limmer	Oliver	Stumpf
Day				

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. 845 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 845: A bill for an act relating to health; MinnesotaCare; expanding provisions of health care; establishing requirements for integrated service networks; modifying requirements for health plan companies; establishing the standard health coverage; repealing the regulated all-payer option; modifying universal coverage and insurance reform provisions; revising the research and data initiatives; expanding eligibility for the MinnesotaCare program; creating the prescription drug purchasing authority; establishing a drug purchasing benefit program for senior citizens; extending the health care commission and regional coordinating boards; making technical changes; providing penalties; appropriating money; amending Minnesota Statutes 1994, sections 13.99, by adding a subdivision; 16A.724; 60A.02, subdivision 1a; 60B.02; 60B.03, subdivision 2; 60G.01, subdivisions 2, 4, and 5; 62A.10, subdivisions 1 and 2; 62A.65, subdivisions 5 and 8; 62D.02, subdivision 8; 62D.042, subdivision 2; 62D.11, subdivision 1; 62D.181, subdivisions 2, 3, 6, and 9; 62E.05; 62E.141; 62H.04; 62H.08; 62J.017; 62J.04, subdivisions 1a and 3; 62J.05, subdivisions 2 and 9; 62J.06; 62J.09, subdivisions 1, 2, 6, 8, and by adding a subdivision; 62J.152, subdivision 5; 62J.17, subdivision 4a; 62J.212; 62J.37; 62J.38; 62J.40; 62J.41, subdivisions 1 and 2; 62J.48; 62J.54; 62J.55; 62J.58; 62L.02, subdivisions 11, 16, 24, and 26; 62L.03, subdivisions 3, 4, and 5; 62L.09, subdivision 1; 62L.12, subdivision 2; 62M.02, subdivision 12; 62M.07; 62M.09, subdivision 5; 62M.10, by adding a subdivision; 62N.02, by adding subdivisions; 62N.04; 62N.10, by adding a subdivision; 62N.11, subdivision 1; 62N.13; 62N.14, subdivision 3; 62N.25, subdivision 2; 62P.05, subdivision 4, and by adding a subdivision; 62Q.01, subdivisions 2, 3, 4,

and by adding subdivisions; 62Q.03, subdivisions 1, 6, 7, 8, 9, 10, and by adding subdivisions; 62Q.07, subdivisions 1 and 2; 62Q.075, subdivision 4; 62Q.09, subdivision 3; 62Q.11, subdivision 2; 62Q.165; 62Q.17, subdivisions 2, 6, 8, and by adding a subdivision; 62Q.18; 62Q.19; 62Q.23; 62Q.25; 62Q.30; 62Q.32; 62Q.33, subdivisions 4 and 5; 62Q.41; 72A.20, by adding subdivisions; 136A.1355, subdivisions 3 and 5; 136A.1356, subdivisions 3 and 4; 144.1464, subdivisions 2, 3, and 4; 144.147, subdivision 1; 144.1484, subdivision 1; 144.1486, subdivision 4; 144.1489, subdivision 3; 151.48; 214.16, subdivisions 2 and 3; 256.9353, subdivisions 1 and 3; 256.9354, subdivisions 1, 4, 5, and by adding a subdivision; 256.9357, subdivisions 1, 2, and 3; 256.9358, subdivisions 3, 4, and by adding a subdivision; 256.9363, subdivision 5; 256B.037, subdivisions 1, 3, 4, and by adding subdivisions; 256B.04, by adding a subdivision; 256B.055, by adding a subdivision; 256B.057, subdivision 3, and by adding subdivisions; 256B.0625, subdivision 30; 256B.69, subdivisions 2 and 4; 270.101, subdivision 1; 295.50, subdivisions 3, 4, and 10a; 295.53, subdivisions 1, 3, and 4; 295.55, subdivision 4; 295.57; and 295.582; Laws 1990, chapter 591, article 4, section 9; Laws 1994, chapter 625, article 5, sections 5, subdivision 1; 7; and 10, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 62J; 62L; 62N; 62Q; 256; 256B; and 295; repealing Minnesota Statutes 1994, sections 62J.045; 62J.07, subdivision 4; 62J.09, subdivision 1a; 62J.152, subdivision 6; 62J.19; 62J.30; 62J.31; 62J.32; 62J.33; 62J.34; 62J.35; 62J.41, subdivisions 3 and 4; 62J.44; 62J.45; 62J.65; 62L.08, subdivision 7a; 62N.34; 62P.01; 62P.02; 62P.03; 62P.07; 62P.09; 62P.11; 62P.13; 62P.15; 62P.17; 62P.19; 62P.21; 62P.23; 62P.25; 62P.27; 62P.29; 62P.31; 62P.33; 62Q.03, subdivisions 2, 3, 4, 5, and 11; 62Q.21; 62Q.27; and 256.9353, subdivisions 4 and 5; Laws 1993, chapter 247, article 1, sections 12, 13, 14, 15, 18, and 19; Minnesota Rules, part 4685.1700, subpart 1, item D.

Ms. Berglin moved to amend S.F. No. 845 as follows:

Page 6, line 36, delete "by outside providers"

Page 7, line 14, delete "do" and insert "would"

Page 7, line 29, after "\$1,000,000" insert "or 8-1/3 percent of the previous years' expenditures, whichever is greater"

Page 7, line 32, delete "with the commissioner"

Page 8, lines 31 and 32, delete "If an integrated service network's working capital is no longer positive," and insert "If at any time an integrated service network's net worth, working capital, investments, deposits, or guarantees do not conform with the provisions of this chapter,"

Page 35, line 19, delete "62Q.166" and insert "62Q.22"

Page 38, line 21, delete "62Q.166" and insert "62Q.22"

Page 39, line 15, delete "62Q.166" and insert "62Q.22"

Page 101, line 22, strike "within one calendar month" and insert "and they may not reenroll until 12 calendar months have elapsed"

The motion prevailed. So the amendment was adopted.

Ms. Berglin then moved to amend S.F. No. 845 as follows:

Page 102, after line 1, insert:

"(d) Any enrollee or family member of an enrollee who has previously been permanently disenrolled from MinnesotaCare for not applying for and cooperating with medical assistance shall be eligible to reenroll if 12 calendar months have elapsed since the date of disenrollment."

The motion prevailed. So the amendment was adopted.

Ms. Berglin then moved to amend S.F. No. 845 as follows:

Page 169, after line 35, insert:

"Sec. 33. Minnesota Statutes 1994, section 148B.32, subdivision 1, is amended to read:

Subdivision 1. [UNLICENSED PRACTICE PROHIBITED.] After adoption of rules by the board implementing sections 148B.29 to 148B.39, no individual shall engage in marriage and family therapy practice unless that individual holds a valid license issued under sections 148B.29 to 148B.39.

~~Marriage and family therapy practice is not medical care nor any other type of remedial care that may be reimbursed under medical assistance, chapter 256B, except to the extent such care is reimbursed under section 256B.0625, subdivision 5. Marriage and family therapists may not be reimbursed under medical assistance, chapter 256B, except to the extent such case is reimbursed under section 256B.0625, subdivision 5, or when marriage and family therapists are employed by a managed care organization with a contract to provide mental health care to medical assistance enrollees.~~

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Berglin then moved to amend S.F. No. 845 as follows:

Page 97, line 30, after "means" insert "the lesser of"

Page 97, line 31, delete "20" and insert "30"

Page 97, line 32, after "percent" insert "or the usual and customary retail price, including any dispensing fee, minus five percent"

Page 98, after line 13, insert:

"Subd. 8. [AVERAGE MANUFACTURER PRICE.] "Average manufacturer price" has the meaning assigned to the term by the Secretary of Health and Human Services for purposes of the federal drug rebate program established under the Omnibus Budget Reconciliation Act of 1990 and section 1927 of the Social Security Act."

Page 98, lines 21 and 22, delete "the difference between the discounted price and the average wholesale price" and insert "three percent of the average manufacturer price"

Page 98, line 31, after "pharmacies" insert "through the claims processor"

Page 98, lines 32 and 33, delete "the difference between the discounted price and the average wholesale price" and insert "three percent of the average manufacturer price"

Page 98, lines 34 and 35, delete "on a monthly basis" and insert "according to the timelines used under the medical assistance program"

Page 99, lines 5 and 6, delete "the difference between the discounted price and the average wholesale price" and insert "three percent of the average manufacturer price"

Page 99, lines 7 and 8, delete "the current dispensing fee for medical assistance programs" and insert "\$3"

Page 99, line 17, after "system" insert "and point-of-sale system"

Page 99, line 32, after "amended" insert ", or coverage for prescription drugs under medical assistance under chapter 256B, general assistance medical care under chapter 256D, MinnesotaCare, or the qualified medical beneficiaries program"

Page 100, line 14, delete from "An" through page 100, line 19, to "companies." and insert "The commissioner of administration may authorize a claims processing contractor to charge a fixed claims processing fee not to exceed ten cents for each prescription drug provided to participating seniors under this section. In the event the commissioner authorizes a claims processing fee, one-half of the fee must be paid by the participating manufacturer and one-half by the participating pharmacy."

Page 124, line 22, before "Sections" insert "(a)"

Page 124, line 29, before "The" insert "(b)"

The motion prevailed. So the amendment was adopted.

Ms. Berglin then moved to amend S.F. No. 845 as follows:

Page 36, after line 22, insert:

"(d) No policyholder or contract holder in Minnesota may be required to purchase a health plan that offers elective abortion coverage."

The motion prevailed. So the amendment was adopted.

Ms. Kiscaden moved to amend S.F. No. 845 as follows:

Page 154, after line 27, insert:

"Sec. 9. Minnesota Statutes 1994, section 62J.17, subdivision 6a, is amended to read:

Subd. 6a. [PROSPECTIVE REVIEW AND APPROVAL.] (a) [REQUIREMENT.] No health care provider subject to prospective review under this subdivision shall make a major spending commitment unless:

(1) the provider has filed an application with the commissioner to proceed with the major spending commitment and has provided all supporting documentation and evidence requested by the commissioner; and

(2) the commissioner determines, based upon this documentation and evidence, that the major spending commitment is appropriate under the criteria provided in subdivision 5a in light of the alternatives available to the provider.

(b) [APPLICATION.] A provider subject to prospective review and approval shall submit an application to the commissioner before proceeding with any major spending commitment. The application must address each item listed in subdivision 4a, paragraph (a), and must also include documentation to support the response to each item. The provider may submit information, with supporting documentation, regarding why the major spending commitment should be excepted from prospective review under ~~paragraph (d)~~ subdivision 7. The submission may be made either in addition to or instead of the submission of information relating to the items listed in subdivision 4a, paragraph (a).

(c) [REVIEW.] The commissioner shall determine, based upon the information submitted, whether the major spending commitment is appropriate under the criteria provided in subdivision 5a, or whether it should be excepted from prospective review under ~~paragraph (d)~~ subdivision 7. In making this determination, the commissioner may also consider relevant information from other sources. At the request of the commissioner, the Minnesota health care commission shall convene an expert review panel made up of persons with knowledge and expertise regarding medical equipment, specialized services, health care expenditures, and capital expenditures to review applications and make recommendations to the commissioner. The commissioner shall make a decision on the application within 60 days after an application is received.

~~(d) [EXCEPTIONS.] The prospective review and approval process 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.~~

~~(e) [NOTIFICATION REQUIRED FOR EXCEPTED MAJOR SPENDING COMMITMENT.] A provider making a major spending commitment covered by paragraph (d) shall provide notification of the major spending commitment as provided under subdivision 4a.~~

~~(f) (d) [PENALTIES AND REMEDIES.] The commissioner of health has the authority to issue fines, seek injunctions, and pursue other remedies as provided by law.~~

Sec. 10. Minnesota Statutes 1994, section 62J.17, is amended by adding a subdivision to read:

Subd. 7. [EXCEPTIONS.] (a) The retrospective review process as described in subdivision 5a and the prospective review and approval process as described in subdivision 6a do not apply to:

(1) a major spending commitment to replace existing equipment with comparable equipment used for direct patient care, upgrades of equipment beyond the current model, or comparable model must be reported;

(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;

(4) a major spending commitment for building maintenance including heating, water, electricity, and other maintenance-related expenditures;

(5) a major spending commitment for activities, not directly related to the delivery of patient care services, including food service, laundry, housekeeping, and other service-related activities; and

(6) a major spending commitment for computer equipment or data systems not directly related to the delivery of patient care services, including computer equipment or data systems related to medical record automation.

(b) In addition to the exceptions listed in subdivision 7, paragraph (a), the prospective review and approval process described in subdivision 6a does not apply to mergers, acquisitions, and other changes in ownership or control that, in the judgment of the commissioner, do not involve a substantial expansion of service capacity or a substantial change in the nature of health care services provided."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Oliver moved to amend S.F. No. 845 as follows:

Page 49, after line 6, insert:

"(d) The annual report required under paragraph (a), due January 15, 1998, must include an evaluation of the penalty for the uninsured established under section 62Q.166."

Page 49, line 7, delete "(d)" and insert "(e)"

Page 49, after line 23, insert:

"Sec. 2. [62Q.166] [PENALTY FOR THE UNINSURED.]

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

(b) "Commissioner" means the commissioner of health.

(c) "Income" means federal adjusted gross income, as defined in the Internal Revenue Code of 1986, as amended through December 31, 1994.

(d) "Uninsured" means the failure to have in effect during a reporting period 30 consecutive days or more of qualifying coverage as defined in section 62L.02, subdivision 24. Coverage through a health plan company must be at least a qualified plan as defined in section 62E.02, subdivision 4, except that the deductible must be no more than \$2,000.

(e) "Household unit" means a Minnesota resident subject to taxation under chapter 290 and all dependents claimed on the resident's federal income tax return for the reporting year. For purposes of this section, married spouses and any dependents they claim are a household unit if they file a joint federal tax return or file separate returns but reside together.

(f) "Reporting year" means the 12-month period for which income is reported for purposes of chapter 290.

(g) "Filing year" means the 12-month period following the reporting year.

Subd. 2. [ESTABLISHMENT OF PENALTY.] (a) Effective for reporting year beginning after December 31, 1996, a penalty of \$100 shall be imposed on all household units with income for the reporting year greater than 275 percent of the federal poverty guideline for a family of that size, for which one or more members of the household unit are uninsured while residing in Minnesota. Effective for reporting year beginning after December 31, 1997, the penalty becomes \$200 and after December 31, 1998, the penalty becomes \$400.

(b) The federal poverty guideline used to establish gross annual income under paragraph (a) shall be the guideline applicable to a family of the household's size in effect on January 1 of the reporting year.

(c) The household unit shall report on a form prescribed by the commissioner information required by the commissioner related to the penalty imposed under this section.

Subd. 3. [HOUSEHOLD UNIT DUTIES.] Each household unit meeting the income guidelines in subdivision 2, paragraph (a), shall report the information required under subdivision 2, paragraph (c), and pay the penalty to the commissioner no later than April 15 of the filing year.

Subd. 4. [ENFORCEMENT.] For the purpose of enforcing this section, the commissioner shall have the same power to abate the penalty as the commissioner of revenue has under section 270.07, subdivision 1, paragraph (e). The interest provision of section 270.75 shall apply.

Subd. 5. [CONTRACTING ENFORCEMENT TO ANOTHER STATE AGENCY.] The commissioner may contract with another state agency to enforce this section and may exchange any information necessary with that state agency. If the commissioner contracts with the department of revenue, the commissioner of revenue is authorized to examine reports and assess and collect the penalty in the manner provided in chapters 270 and 289A.

Subd. 6. [TREATMENT OF DATA.] Information collected by the commissioner under this section shall be treated as private data on individuals as defined under section 13.02, subdivision 12.

Subd. 7. [USE OF INCREASED REVENUE.] State revenue attributable to the penalties assessed under this section shall be deposited in the health care access fund. Up to five percent of the revenue attributable to the penalty may be appropriated to the commissioner to administer this section."

Page 54, after line 7, insert:

"Sec. 4. Minnesota Statutes 1994, section 270B.14, subdivision 11, is amended to read:

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

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

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

(d) The commissioner may disclose information to the commissioner of health as necessary to enforce the penalty for the uninsured provided under section 62Q.166.

Sec. 5. [PUBLIC EDUCATION.]

The commissioner of health, with the cooperation of the commissioner of revenue, shall develop information to be distributed to the public in order to educate the public on the penalty for the uninsured established under Minnesota Statutes, section 62Q.166. This information shall be available to the public by January 1, 1996.

Sec. 6. [PENALTY THRESHOLD LEVEL.]

The health care commission shall make recommendations to the legislature by January 15, 1996, on the establishment and implementation of criteria that would allow an individual to be exempt from paying the penalty established under Minnesota Statutes, section 62Q.166."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

CALL OF THE SENATE

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

Ms. Berglin moved to amend the Oliver amendment to S.F. No. 845 as follows:

Page 2, line 20, after the period, insert "The commissioner shall waive the penalty for any person who, in the judgment of the commissioner, faces hardship in payment of the penalty."

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

The question was taken on the Oliver amendment, as amended.

The roll was called, and there were yeas 21 and nays 42, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Kroening	Piper	Spear
Berglin	Janezich	Mondale	Pogemiller	
Betzold	Johnson, J.B.	Morse	Ranum	
Chandler	Kiscaden	Oliver	Reichgott Junge	
Flynn	Krentz	Pappas	Sams	

Those who voted in the negative were:

Beckman	Hanson	Langseth	Olson	Solon
Belanger	Johnson, D.E.	Larson	Ourada	Stevens
Berg	Johnson, D.J.	Lesewski	Pariseau	Stumpf
Bertram	Johnston	Limmer	Price	Terwilliger
Cohen	Kelly	Marty	Riveness	Vickerman
Day	Kleis	Merriam	Robertson	Wiener
Dille	Knutson	Metzen	Runbeck	
Finn	Kramer	Moe, R.D.	Samuelson	
Frederickson	Laidig	Neuville	Scheevel	

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

Mr. Sams moved to amend S.F. No. 845 as follows:

Page 170, delete lines 7 to 16 and insert:

~~"As part of the implementation report submitted on January 1, 1996, as required under Minnesota Statutes, section 62Q.41, The commissioners of commerce, health, and labor and industry shall develop a 24-hour coverage plan, on a pilot project basis, incorporating and coordinating the health component medical benefits of workers' compensation with health care coverage benefits to be offered by an integrated service network, health maintenance organization, or an insurer or self-insured employer under chapters 79, 79A, 176, 181, 62A, 62C, 62D, 62H, and 62N. The commissioners shall also make provide the plan and recommendations of any legislative changes that may be needed to implement this plan, to the legislature by January 1, 1996."~~

Ms. Berglin moved to amend the Sams amendment to S.F. No. 845 as follows:

Page 1, line 5, delete "commerce," and delete the second comma

Page 1, line 11, delete "62A,"

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

Mr. Betzold moved to amend the Sams amendment to S.F. No. 845 as follows:

Page 1, line 14, delete "1" and insert "15"

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

The question was taken on the Sams amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Mr. Vickerman moved to amend S.F. No. 845 as follows:

Page 13, line 24, after "providers" insert "as defined in section 62Q.095, subdivision 5" and delete "practitioners" and insert "practitioners as defined in section 136A.1356, subdivision 1,"

The motion prevailed. So the amendment was adopted.

Mr. Riveness moved to amend S.F. No. 845 as follows:

Page 173, after line 33, insert:

"With respect to revenues received from third-party payers by hospitals, surgical centers, pharmacies, or health care providers, "gross revenues" shall mean only the allowable charges for services or goods rendered as determined pursuant to any agreement between the third-party payer and the hospital, surgical center, pharmacy, or health care provider."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 33, as follows:

Those who voted in the affirmative were:

Beckman	Dille	Kramer	Murphy	Samuelson
Belanger	Finn	Krentz	Olson	Solon
Berg	Hanson	Laidig	Ourada	Terwilliger
Bertram	Johnson, J.B.	Lesewski	Pariseau	Vickerman
Chandler	Kelly	Lessard	Price	
Chmielewski	Kleis	Merriam	Riveness	
Day	Knutson	Metzen	Runbeck	

Those who voted in the negative were:

Anderson	Janezich	Larson	Pappas	Scheevel
Berglin	Johnson, D.E.	Limmer	Piper	Spear
Betzold	Johnson, D.J.	Marty	Pogemiller	Stevens
Cohen	Johnston	Mondale	Ranum	Stumpf
Flynn	Kiscaden	Morse	Reichgott Junge	Wiener
Frederickson	Kroening	Neuville	Robertson	
Hottinger	Langseth	Oliver	Sams	

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

Mr. Terwilliger moved to amend S.F. No. 845 as follows:

Page 104, lines 21 to 33, delete the new language

Page 104, line 34, strike "(c)" and strike "paragraphs (a) and (b)" and insert "paragraph (a)"

CALL OF THE SENATE

Ms. Berglin imposed a call of the Senate for the balance of the proceedings on S.F. No. 845. The Sergeant at Arms was instructed to bring in the absent members.

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

The roll was called, and there were yeas 28 and nays 37, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

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

Mr. Hottinger moved to amend S.F. No. 845 as follows:

Page 154, after line 27, insert:

"Sec. 9. Minnesota Statutes 1994, section 62J.2913, subdivision 1, is amended to read:

Subdivision 1. [AVAILABILITY OF EXCEPTION.] Providers or purchasers wishing to engage in ~~contracts, business or financial arrangements, or other activities, practices, or arrangements~~ a formal arrangement to provide prepaid health services to an enrolled population of 50,000 or fewer enrollees 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 may apply to the commissioner for an exception."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Neuville moved to amend S.F. No. 845 as follows:

Page 35, line 21, before "The" insert "(a)"

Page 36, after line 4, insert:

"(b) "Appropriate and necessary care" does not include elective abortions. For purposes of this section, an "abortion" means the use or prescription of any instrument, medicine, drug, or any

other substance or device intentionally to terminate the pregnancy of a woman known to be pregnant with an intention other than to increase the probability of a live birth, to preserve the life or health of the child after live birth, or to remove a dead unborn child. For purposes of this section, an "elective abortion" means an abortion other than where, in the professional judgment of the attending physician, which is a medical judgment that would be made by a reasonably prudent physician, knowledgeable about the case and the treatment possibilities with respect to the medical conditions involved, the life of the female would be endangered or substantial and irreversible impairment of a major bodily function would result if the fetus were carried to term; where the pregnancy is the result of criminal sexual conduct in the first or second degree committed with force or violence, and the incident is reported within 48 hours after the victim becomes physically able to report the rape; or where the pregnancy is the result of incest and the incident and relative are reported to a valid law enforcement agency prior to the abortion. Neither section 62N.17 nor any other provision of this act may be construed to require coverage for elective abortions. This paragraph is inseverable from this section and from sections 62Q.231, 62Q.24, and 62Q.25; if any sentence, phrase, or word of this paragraph is determined by a final nonappealable order or judgment of a court of competent jurisdiction to be unconstitutional under the state or federal constitution or in conflict with federal law, all remaining portions of this section and of sections 62Q.231, 62Q.24, and 62Q.25 are void and are repealed. If any sentence, phrase, or word of this paragraph has been determined by a court of competent jurisdiction to be unconstitutional under the state or federal constitution or in conflict with federal law, and that determination is under appeal to another court or the time allowed for appeal has not expired, all remaining portions of this section and of sections 62Q.231, 62Q.24, and 62Q.25 are not enforceable during any period of time in which any sentence, phrase, or word of this paragraph is not enforceable. With respect to section 62Q.25, the inseverability applies to the amendments made to that section in this act and to that section as it exists in Minnesota Statutes 1994."

Page 36, after line 22, insert:

"(d) The standard health coverage does not include elective abortions, as defined in subdivision 2."

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 37 and nays 28, as follows:

Those who voted in the affirmative were:

Beckman	Hanson	Kroening	Metzen	Scheevel
Belanger	Johnson, D.E.	Laidig	Neuville	Stevens
Berg	Johnson, D.J.	Langseth	Olson	Stumpf
Bertram	Johnston	Larson	Ourada	Terwilliger
Chmielewski	Kelly	Lesewski	Pariseau	Vickerman
Day	Kleis	Lessard	Runbeck	
Dille	Knutson	Limmer	Sams	
Frederickson	Kramer	Merriam	Samuelson	

Those who voted in the negative were:

Anderson	Flynn	Marty	Piper	Robertson
Berglin	Hottinger	Moe, R.D.	Pogemiller	Solon
Betzold	Janezich	Mondale	Price	Spear
Chandler	Johnson, J.B.	Morse	Ranum	Wiener
Cohen	Kiscaden	Oliver	Reichgott Junge	
Finn	Krentz	Pappas	Riveness	

The motion prevailed. So the amendment was adopted.

Ms. Runbeck moved to amend S.F. No. 845 as follows:

Page 104, line 30, after the period, insert "Expansion of the MinnesotaCare program is contingent upon available revenues."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 41 and nays 23, as follows:

Those who voted in the affirmative were:

Beckman	Hanson	Langseth	Oliver	Solon
Belanger	Hottinger	Larson	Olson	Stevens
Berg	Johnson, D.E.	Lesewski	Ourada	Terwilliger
Bertram	Johnston	Lessard	Pariseau	Vickerman
Chandler	Kiscaden	Limmer	Riveness	Wiener
Chmielewski	Kleis	Merriam	Robertson	
Day	Knutson	Metzen	Runbeck	
Dille	Kramer	Murphy	Samuelson	
Frederickson	Laidig	Neuville	Scheevel	

Those who voted in the negative were:

Anderson	Flynn	Marty	Piper	Sams
Berglin	Johnson, D.J.	Moe, R.D.	Pogemiller	Spear
Betzold	Johnson, J.B.	Mondale	Price	Stumpf
Cohen	Krentz	Morse	Ranum	
Finn	Kroening	Pappas	Reichgott Junge	

The motion prevailed. So the amendment was adopted.

Mr. Dille moved to amend S.F. No. 845 as follows:

Page 174, line 28, after "center," insert "pharmacy, wholesale drug distributor,"

Page 176, line 32, strike "and"

Page 177, line 3, before the period, insert "; and

(21) payments received by wholesale drug distributors for prescription drugs sold directly to veterinarians or veterinary bulk purchasing organizations"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 62 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Kroening voted in the negative.

The motion prevailed. So the amendment was adopted.

Mr. Scheevel moved to amend S.F. No. 845 as follows:

Page 31, after line 35, insert:

"Sec. 22. [62Q.145] [ABORTION AND SCOPE OF PRACTICE.]

Health plan company policies related to scope of practice for allied independent health providers as defined in section 62Q.095, subdivision 5, midlevel practitioners as defined in section 136A.1356, subdivision 1, and other nonphysician health care professionals must comply with the requirements governing the performance of abortions in section 145.412, subdivision 1."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mrs. Pariseau moved to amend S.F. No. 845 as follows:

Page 14, after line 25, insert:

"(c) Nothing in this act shall be construed to require the creation or maintenance of abortion clinics or other abortion providers within any integrated service network; nor shall anything in this act be construed to authorize any agency to require the creation or maintenance of abortion clinics or abortion providers or to deny certification or any other benefit granted by this act to a health plan company based on the number of or the presence or absence of abortion clinics or other abortion providers in or affiliated with the health plan company."

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

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

The motion prevailed. So the amendment was adopted.

Ms. Kiscaden moved to amend S.F. No. 845 as follows:

Page 169, after line 35, insert:

"Sec. 33. Minnesota Statutes 1994, section 549.01, is amended to read:

549.01 [AGREEMENT AS TO FEES OF ATTORNEY.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, "health care provider" means a physician, surgeon, dentist, or other health care professional or hospital, including all persons or entities providing health care as defined in section 145.61, subdivisions 2 and 4, or a certified health care professional employed by or providing services as an independent contractor in a hospital; and "contingency fee" means a fee for professional legal services that is in whole or in part dependent upon the recovery of any amount of damages, whether through judgment or settlement.

Subd. 2. [FEES GENERALLY.] Other than as provided in subdivision 3, a party shall have an unrestricted right to agree with an attorney as to compensation for services, and the measure and mode thereof; but certain sums may be allowed to the prevailing party for expenses in an action, which are termed costs.

Subd. 3. [CONTINGENCY FEES; ACTIONS AGAINST A HEALTH CARE PROVIDER.] (a) An attorney shall not contract for or collect a contingency fee for representing a person seeking damages in connection with an action for injury or damage against a health care provider based upon the person's alleged professional negligence in excess of the following limits:

(1) 40 percent of the first \$50,000 recovered;

- (2) 33-1/3 percent of the next \$50,000 recovered;
- (3) 20 percent of the next \$400,000 recovered; and
- (4) ten percent of any amount on which the recovery exceeds \$500,000.

The limitations apply regardless of whether the recovery is by settlement, arbitration, or judgment, or whether the person for whom the recovery is made is a responsible adult, an infant, or a person of unsound mind.

(b) An attorney may not receive contingency fees on any portion of an award for noneconomic or punitive damages.

(c) In the event that the judgment or settlement includes periodic or future payments of damages, the amount recovered for purposes of this section is the cost of the annuity or trust established to make the payments, or if there is no annuity or trust, the present value of the payments.

Subd. 4. [VIOLATION OF SECTION.] A fee contracted for in violation of this section is void and unenforceable. A claimant affected by a violation of this section may bring an action in the court in which the claim was or could have been brought, for damages in the amount of three times the fee improperly contracted for or collected, reasonable attorney fees, and other relief to which the person may be entitled.

Sec. 34. Minnesota Statutes 1994, section 595.02, subdivision 5, is amended to read:

Subd. 5. [WAIVER OF PRIVILEGE FOR HEALTH CARE PROVIDERS.] A party who commences an action makes a claim or files a lawsuit for malpractice, error, mistake, or failure to cure, whether based on contract or tort, against a health care provider on the person's own behalf or in a representative capacity, waives in that action any privilege existing under subdivision 1, paragraphs (d) and (g), as to any information or opinion in the possession of a health care provider who has examined or cared for the party or other person whose health or medical condition has been placed in controversy in the action. This waiver must permit all parties to the action, and their attorneys or authorized representatives, to informally discuss the information or opinion with the health care provider if the provider consents. ~~Prior to an informal discussion with a health care provider, the defendant must mail written notice to the other party at least 15 days before the discussion. The plaintiff's attorney or authorized representative must have the opportunity to be present at any informal discussion. Appropriate medical authorizations permitting discussion must be provided by the party commencing the action upon request from any other party.~~

A health care provider may refuse to consent to the discussion but, in that event, the party seeking the information or opinion may take the deposition of the health care provider with respect to that information and opinion, without obtaining a prior court order.

For purposes of this subdivision, "health care provider" means a physician, surgeon, dentist, or other health care professional or hospital, including all persons or entities providing health care as defined in section 145.61, subdivisions 2 and 4, or a certified health care professional employed by or providing services as an independent contractor in a hospital.

Sec. 35. Minnesota Statutes 1994, section 604.02, is amended by adding a subdivision to read:

Subd. 4. [APPORTIONMENT OF DAMAGES; MEDICAL MALPRACTICE.] Notwithstanding subdivisions 1 to 3, for purposes of medical malpractice actions, when two or more persons are jointly liable, contributions to awards must be in proportion to the percentage of fault attributable to each."

Page 171, line 21, after the period, insert "Sections 33 to 35 are effective August 1, 1995, and apply to actions commenced on or after that date."

ReNUMBER the sections in sequence and correct the internal references

Amend the title accordingly

Ms. Berglin questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Mr. Chmielewski moved to amend S.F. No. 845 as follows:

Page 40, after line 21, insert:

"Sec. 28. [PINE COUNTY RURAL HEALTH CLINICS; AGREEMENTS TO PROVIDE COVERED SERVICES.]

A health carrier that has an agreement with any clinic to provide covered services under a health plan issued or renewed to provide coverage to a Minnesota resident of Pine county must enter into a similar agreement with any rural health clinic in Pine county certified under Code of Federal Regulations, title 42, part 491, that is willing to provide those covered services on the same terms and conditions.

The commissioner of commerce or health, as appropriate, shall suspend the authority to transact business of a health carrier that violates this section. The suspension expires June 30, 2000.

For purposes of this section, "health plan" includes, but is not limited to, integrated service networks and community integrated service networks; health insurance companies, health maintenance organizations, nonprofit health service plan corporations, and other health plan companies; employee health plans offered by self-insured employers; trusts established in a collective bargaining agreement under the federal Labor-Management Relations Act of 1947, United States Code, title 29, section 141, et seq.; the Minnesota comprehensive health association; 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.

This section expires June 30, 2000."

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 46 and nays 19, as follows:

Those who voted in the affirmative were:

Beckman	Hanson	Kramer	Neuville	Scheevel
Belanger	Hottinger	Kroening	Oliver	Solon
Berg	Janezich	Laidig	Olson	Stevens
Bertram	Johnson, D.E.	Langseth	Ourada	Stumpf
Chandler	Johnson, D.J.	Larson	Pariseau	Terwilliger
Chmielewski	Johnson, J.B.	Lesewski	Riveness	Vickerman
Day	Johnston	Lessard	Robertson	
Dille	Kelly	Limmer	Runbeck	
Finn	Kleis	Metzen	Sams	
Frederickson	Knutson	Murphy	Samuelson	

Those who voted in the negative were:

Anderson	Kiscaden	Moe, R.D.	Piper	Reichgott Junge
Berglin	Krentz	Mondale	Pogemiller	Spear
Betzold	Marty	Morse	Price	Wiener
Cohen	Merriam	Pappas	Ranum	

The motion prevailed. So the amendment was adopted.

Mr. Hottinger moved to amend S.F. No. 845 as follows:

Page 154, after line 27, insert:

"Sec. 9. [62J.475] [MORATORIUM ON ENROLLMENT.]

Subdivision 1. [DEFINITION.] For purposes of this section, "health carrier" and "health plan" have the meanings given in section 62A.011. The term "health carrier" also includes community integrated service networks.

Subd. 2. [RESTRICTIONS.] By July 1, 1995, the commissioner of health, after consulting with the commissioner of commerce, shall publish in the State Register: (1) the number of Minnesota residents enrolled in group health plans; and (2) the number of these residents, expressed as a percentage of the number of residents in group health plans, enrolled by the state's largest health plan company. Until July 1, 1997, no health carrier may enroll more health plan members than the number of members in clause (2) plus an additional number of members equal to one percentage point of all Minnesota residents enrolled in group plans.

Subd. 3. [EXCEPTION.] A health carrier is exempt from subdivision 2 if the increased enrollment is the result of an expansion into a part of the state where there are no other health carriers offering services.

Subd. 4. [ENFORCEMENT.] The district court of Ramsey county has jurisdiction to enjoin an alleged violation of subdivision 2. The attorney general may bring an action to enjoin an alleged violation. The commissioner of health or commerce shall not issue or renew a license or certificate of authority to any health carrier in violation of subdivision 2.

Subd. 5. [REPORT.] (a) The commissioners of health and commerce shall submit a report to the legislature by October 1, 1995, listing the number of Minnesota residents enrolled with each of the six largest health carriers in the following areas:

(1) the state; and

(2) each of the six regional coordinating board regions of the state.

(b) The report shall also contain a list of each of the numbers under paragraph (a) expressed as a percentage of covered Minnesota residents in each of those areas. The report must separate the numbers listed in paragraph (a) into enrollees in group plans and enrollees in individual plans.

Subd. 6. [EFFECTIVE DATE AND EXPIRATION.] This section is effective the day after final enactment and expires June 30, 1997."

Page 169, after line 35, insert:

"Sec. 34. Minnesota Statutes 1994, section 325D.53, is amended by adding a subdivision to read:

Subd. 4. [HEALTH CARE PROVIDERS; RELEVANT MARKET.] (a) For purposes of sections 325D.49 to 325D.66, relevant geographic markets for health care providers are each area encompassed by a regional coordinating board.

The determination of whether a person has violated sections 325D.49 to 325D.66 must include use of relevant geographic markets no larger than the areas specified in this section. This paragraph does not prohibit the use of smaller or other relevant geographic markets in addition to the ones specified in this paragraph.

(b) For purposes of this section, the following terms have the meanings given:

(1) "health care provider" has the meaning given in section 62J.03; and

(2) "regional coordinating board" means a regional coordinating board established in section 62J.09."

Page 171, line 20, delete "28 to 33" and insert "29 to 33 and 35"

Page 171, line 21, after the period, insert "Section 34 is retroactive to January 1, 1995."

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 5 and nays 58, as follows:

Those who voted in the affirmative were:

Anderson	Chandler	Hottinger	Pappas	Runbeck
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Those who voted in the negative were:

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

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

Mr. Knutson moved to amend S.F. No. 845 as follows:

Page 40, line 8, before "Health" insert "Subdivision 1. [AVAILABLE POLICIES.]"

Page 40, line 11, after the period, insert "Notwithstanding any other provision of law, health plan companies may also choose to offer a backup supplemental health policy as defined below."

Page 40, after line 21, insert:

"Subd. 2. [BACKUP SUPPLEMENTAL HEALTH BENEFIT POLICY.] The term "backup supplemental health benefit policy" means an unlimited choice of provider plan offered on a regional or multiregional basis, which provides under circumstances specified by the policy, coverage for some or all services and items included in the standard health coverage established under chapter 62Q or 62E, in individual cases when, although offered as a legitimate treatment by a physician, they are denied by the insurer or the health plan company or the utilization review organization on the ground that the service or item is not medically necessary or appropriate, on the ground that the service or item is inconsistent with medically appropriate guidelines or practice parameters, or on other grounds under which denial of an item or service covered by the standard health coverage is permitted."

Page 44, after line 34, insert:

"Sec. 4. Minnesota Statutes 1994, section 62P.04, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the following definitions apply.

(b) "Health plan company" has the definition provided in section 62Q.01.

(c) "Total expenditures" means incurred claims or expenditures on health care services, excluding health care expenditures paid for through a backup supplemental health benefit policy, administrative expenses, charitable contributions, and all other payments made by health plan companies out of premium revenues.

(d) "Net expenditures" means total expenditures minus exempted taxes and assessments and payments or allocations made to establish or maintain reserves.

(e) "Exempted taxes and assessments" means direct payments for taxes to government agencies, contributions to the Minnesota comprehensive health association, the medical assistance provider's surcharge under section 256.9657, the MinnesotaCare provider tax under section

295.52, assessments by the health coverage reinsurance association, assessments by the Minnesota life and health insurance guaranty association, assessments by the Minnesota risk adjustment association, and any new assessments imposed by federal or state law.

(f) "Consumer cost-sharing or subscriber liability" means enrollee coinsurance, copayment, deductible payments, and amounts in excess of benefit plan maximums."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Ms. Berglin requested division of the amendment as follows:

First portion:

Page 40, line 8, before "Health" insert "Subdivision 1. [AVAILABLE POLICIES.]"

Page 40, line 11, after the period, insert "Notwithstanding any other provision of law, health plan companies may also choose to offer a backup supplemental health policy as defined below."

Page 40, after line 21, insert:

"Subd. 2. [BACKUP SUPPLEMENTAL HEALTH BENEFIT POLICY.] The term "backup supplemental health benefit policy" means an unlimited choice of provider plan offered on a regional or multiregional basis, which provides under circumstances specified by the policy, coverage for some or all services and items included in the standard health coverage established under chapter 62Q or 62E, in individual cases when, although offered as a legitimate treatment by a physician, they are denied by the insurer or the health plan company or the utilization review organization on the ground that the service or item is not medically necessary or appropriate, on the ground that the service or item is inconsistent with medically appropriate guidelines or practice parameters, or on other grounds under which denial of an item or service covered by the standard health coverage is permitted."

Second portion:

Page 44, after line 34, insert:

"Sec. 4. Minnesota Statutes 1994, section 62P.04, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the following definitions apply.

(b) "Health plan company" has the definition provided in section 62Q.01.

(c) "Total expenditures" means incurred claims or expenditures on health care services, excluding health care expenditures paid for through a backup supplemental health benefit policy, administrative expenses, charitable contributions, and all other payments made by health plan companies out of premium revenues.

(d) "Net expenditures" means total expenditures minus exempted taxes and assessments and payments or allocations made to establish or maintain reserves.

(e) "Exempted taxes and assessments" means direct payments for taxes to government agencies, contributions to the Minnesota comprehensive health association, the medical assistance provider's surcharge under section 256.9657, the MinnesotaCare provider tax under section 295.52, assessments by the health coverage reinsurance association, assessments by the Minnesota life and health insurance guaranty association, assessments by the Minnesota risk adjustment association, and any new assessments imposed by federal or state law.

(f) "Consumer cost-sharing or subscriber liability" means enrollee coinsurance, copayment, deductible payments, and amounts in excess of benefit plan maximums."

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 Knutson 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 Knutson amendment.

Ms. Berglin moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 32 and nays 33, as follows:

Those who voted in the affirmative were:

Beckman	Frederickson	Kroening	Murphy	Stevens
Belanger	Johnson, D.E.	Laidig	Neuville	Stumpf
Berg	Johnston	Langseth	Olson	Terwilliger
Bertram	Kelly	Larson	Ourada	Vickerman
Chmielewski	Kleis	Lesewski	Pariseau	
Day	Knutson	Lessard	Samuelson	
Dille	Kramer	Limmer	Scheevel	

Those who voted in the negative were:

Anderson	Hottinger	Merriam	Piper	Runbeck
Berglin	Janezich	Metzen	Pogemiller	Sams
Betzold	Johnson, D.J.	Moe, R.D.	Price	Solon
Chandler	Johnson, J.B.	Mondale	Ranum	Spear
Cohen	Kiscaden	Morse	Reichgott Junge	Wiener
Finn	Krentz	Oliver	Riveness	
Flynn	Marty	Pappas	Robertson	

The motion did not prevail. So the second portion of the Knutson amendment was not adopted.

Mr. Neuville moved to amend S.F. No. 845 as follows:

Page 100, line 22, before ""Covered" insert "(a)"

Page 101, after line 1, insert:

"(b) MinnesotaCare shall not cover "elective abortions." For purposes of this requirement, "elective abortion" means an abortion other than where, in the professional judgment of the attending physician, which is a medical judgment that would be made by a reasonably prudent physician, knowledgeable about the case and the treatment possibilities with respect to the medical conditions involved, the life of the female would be endangered or substantial and irreversible impairment of a major bodily function would result if the fetus were carried to term; where the pregnancy is the result of criminal sexual conduct in the first or second degree committed with force or violence, and the incident is reported within 48 hours after the victim becomes physically able to report the rape; or where the pregnancy is the result of incest and the incident and relative are reported to a valid law enforcement agency prior to the abortion."

Ms. Berglin moved to amend the Neuville amendment to S.F. No. 845 as follows:

Page 1, line 4, delete "not" and delete "." and insert ", " but shall only pay for elective abortions with the enrollee's premiums."

The question was taken on the adoption of the Berglin amendment to the Neuville amendment.

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

Those who voted in the affirmative were:

Anderson	Hottinger	Limmer	Pappas	Robertson
Berglin	Janezich	Marty	Piper	Solon
Betzold	Johnson, J.B.	Metzen	Pogemiller	Spear
Chandler	Kelly	Moe, R.D.	Price	Wiener
Cohen	Kiscaden	Mondale	Ranum	
Finn	Krentz	Morse	Reichgott Junge	
Flynn	Lessard	Oliver	Riveness	

Those who voted in the negative were:

Beckman	Frederickson	Kramer	Murphy	Samuelson
Belanger	Hanson	Kroening	Neuville	Scheevel
Berg	Johnson, D.E.	Laidig	Olson	Stevens
Bertram	Johnson, D.J.	Langseth	Ourada	Stumpf
Chmielewski	Johnston	Larson	Pariseau	Terwilliger
Day	Kleis	Lesewski	Runbeck	Vickerman
Dille	Knutson	Merriam	Sams	

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

Ms. Berglin moved that S.F. No. 845 be laid on the table. 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 revert to the Orders of Business of Messages From the House, Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills. The motion prevailed.

MESSAGES FROM THE HOUSE

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. 9: A Senate concurrent resolution providing for a joint convention of the Senate and the House of Representatives to elect members of the Board of Regents of the University of Minnesota.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 1, 1995

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. 1136: A bill for an act relating to human services; providing firearms background check; providing mental health services; adding provisions for paternity testing; adding provisions for paternity and child support; consolidating the prepaid medical assistance; providing penalties; amending Minnesota Statutes 1994, sections 245.041; 245.4871, subdivisions 12 and 33a; 245.4873, subdivision 6; 245.4874; 245.4875, subdivision 2; 245.4878; 245.4885, subdivision 2; 253B.091; 256.015, subdivision 7; 256.025, subdivisions 1 and 3; 256.12, subdivision 14; 256.74, by adding a subdivision; 256.76, subdivision 1; 256B.69, subdivisions 4, 6, and by adding subdivisions; 256E.08, subdivision 8; 257.55, subdivision 1; 257.57, subdivision 2; 257.62, subdivisions 1, 5, and 6; 257.64, subdivision 3; 257.69, subdivisions 1 and 2; 518.171, subdivisions 1, 3, 4, 5, 7, and 8; 518.611, subdivisions 2 and 4; 518.613, subdivision 7; and 518.615, subdivision 3; repealing Minnesota Statutes 1994, sections 62C.141; 62C.143; 62D.106; and 62E.04, subdivisions 9 and 10.

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. 1551: A bill for an act relating to agricultural economics; providing loans and

incentives for agricultural energy resources development for family farms and cooperatives; amending Minnesota Statutes 1994, sections 41B.02, subdivision 19; 41B.046, subdivision 1, and by adding a subdivision; and 216C.41, subdivisions 1, 2, 3, and 4.

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. 617: A bill for an act relating to retirement; various public pension plans; providing for the suspension or forfeiture of certain survivor benefits in the event of certain felonious deaths; making various individual and small group pension accommodations; making various pension plan administrative changes; recodifying the individual retirement account plan and making various other modifications; amending Minnesota Statutes 1994, sections 11A.23, subdivision 4; 352.12, subdivisions 1, 2, 2a, and 6; 352B.105; 352D.02, subdivision 1; 354.05, subdivisions 2a, 5, 35, and 40; 354.06, subdivision 4; 354.44, by adding a subdivision; 354.52, subdivision 4a; 354A.011, subdivision 27, and by adding a subdivision; 354A.12, subdivision 3d; 354A.31, by adding a subdivision; 355.61; 356.215, subdivisions 4d and 4g; 356.24, subdivision 1; 383B.48; and 383B.49; proposing coding for new law in Minnesota Statutes, chapters 354B; 354C and 356; repealing Minnesota Statutes 1994, sections 352D.02, subdivision 1a; 354B.01; 354B.015; 354B.02; 354B.035; 354B.04; 354B.045; 354B.05; 354B.06; 354B.07; 354B.08; 354B.085; 354B.09; and 354B.15; Laws 1990, chapter 570, article 3, sections 10 and 11, as amended; Laws 1993, chapters 192, section 89, and 239, article 5, section 2; and Laws 1994, chapters 508, article 1, section 14; and 572, sections 11 and 12.

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. 979: A bill for an act relating to motor carriers; regulating hazardous material transporters; requiring fingerprints of motor carrier managers for criminal background checks; making technical changes related to calculating proportional mileage under the international registration plan; specifying violations that may result in suspension or revocation of permit; making technical changes relating to hazardous waste transporter licenses; providing for disposition of fees collected for hazardous material registration, licensing, and permitting; amending Minnesota Statutes 1994, section 221.0355, subdivisions 3, 5, 6, 12, 15, and by adding a subdivision.

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. 1314: A bill for an act relating to the environment; modifying provisions relating to the voluntary investigation and cleanup program; establishing the environmental improvement pilot program; amending Minnesota Statutes 1994, sections 115B.03, by adding subdivisions; 115B.17, by adding a subdivision; 115B.175, subdivisions 2 and 3; and 115B.178, subdivision 1.

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. 604: A bill for an act relating to children's supervised visitation facilities; amending Minnesota Statutes 1994, sections 256F.09, subdivisions 1, 2, 3, and by adding subdivisions; and 357.021, subdivisions 2 and 2a; repealing Minnesota Statutes 1994, section 256F.09, subdivision 4.

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

Pages 4 and 5, delete sections 6 and 7 and insert:

"Sec. 6. Minnesota Statutes 1994, section 517.08, subdivision 1b, is amended to read:

Subd. 1b. [TERM OF LICENSE; FEE.] The court administrator shall examine upon oath the party applying for a license relative to the legality of the contemplated marriage. If at the expiration of a five-day period, on being satisfied that there is no legal impediment to it, the court administrator shall issue the license, containing the full names of the parties before and after marriage, and county and state of residence, with the district court seal attached, and make a record of the date of issuance. The license shall be valid for a period of six months. In case of emergency or extraordinary circumstances, a judge of the county court or a judge of the district court of the county in which the application is made, may authorize the license to be issued at any time before the expiration of the five days. The court administrator shall collect from the applicant a fee of ~~\$65~~ \$68 for administering the oath, issuing, recording, and filing all papers required, and preparing and transmitting to the state registrar of vital statistics the reports of marriage required by this section. If the license should not be used within the period of six months due to illness or other extenuating circumstances, it may be surrendered to the court administrator for cancellation, and in that case a new license shall issue upon request of the parties of the original license without fee. A court administrator who knowingly issues or signs a marriage license in any manner other than as provided in this section shall pay to the parties aggrieved an amount not to exceed \$1,000.

Sec. 7. Minnesota Statutes 1994, section 517.08, subdivision 1c, is amended to read:

Subd. 1c. [DISPOSITION OF LICENSE FEE.] Of the marriage license fee collected pursuant to subdivision 1b, the court administrator shall pay ~~\$50~~ \$53 to the state treasurer to be deposited in ~~the general fund~~ as follows: \$50 in the general fund, and \$3 in the special revenue fund to be appropriated to the commissioner of human services for supervised visitation facilities under section 256F.09.

Sec. 8. [APPROPRIATION.]

\$96,000 in fiscal year 1996 and \$96,000 in fiscal year 1997 are appropriated from the state government special revenue fund to the commissioner of human services for supervised visitation facilities under Minnesota Statutes, section 256F.09."

Page 5, line 35, delete "8" and insert "9"

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "appropriating money;"

Page 1, line 5, delete "357.021, subdivisions 2 and 2a" and insert "517.08, subdivisions 1b and 1c"

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. 1246: A bill for an act relating to state government; abolishing periodic reports; repealing obsolete rules of the departments of agriculture, commerce, health, human services, public safety, public service, and revenue and the pollution control agency; removing internal references to repealed rules; providing a deadline for certain actions by state and local government agencies; clarifying statutory waiver requirements with respect to the housing finance agency for the civil service pilot project; requiring legislative review of certain agency reorganization efforts; establishing the office of citizen advocate in the department of administration; modifying provisions relating to data classification; workers' compensation premium collection; employment classifications and procedures; and benefits; providing penalties; establishing a task force to recommend a governmental structure for environmental and natural resource functions and services; requiring establishment of an employee participation committee before agency restructuring; abolishing the department of natural resources, the board of water and soil resources, the office of environmental assistance, the pollution control agency, the environmental quality board, the harmful substances compensation board, the petroleum tank release compensation board, and the agricultural chemical response board; providing for appointments; abolishing the transportation regulation board; transferring its functions to other agencies; appropriating money; amending Minnesota Statutes 1994, sections 13.67; 15A.081, subdivision 1; 43A.04, subdivision 1; 43A.08, subdivision 1; 43A.10, subdivision 8; 43A.13, subdivision 6;

43A.15, by adding a subdivision; 43A.19, subdivision 1; 43A.191, subdivisions 1, 2, and 3; 43A.24, subdivision 2; 43A.27, subdivision 3; 43A.316; 43A.317, subdivision 5; 62J.45, subdivision 8; 174.02, subdivisions 4, 5, and by adding subdivisions; 174.06, by adding a subdivision; 174.10; 218.041, subdivision 6; 219.074, subdivisions 1 and 2; 256B.0644; and 356.87; Minnesota Rules, parts 1540.2140; 7001.0140, subpart 2; 7001.0180; 8130.3500, subpart 3; and 8130.6500, subpart 5; proposing coding for new law in Minnesota Statutes, chapters 15; 16B; and 174; repealing Minnesota Statutes 1994, sections 174A.01; 174A.02; 174A.03; 174A.04; 174.05; 174.06; 218.011, subdivision 7; and 218.041, subdivision 7; Minnesota Rules, parts 1540.0010, subparts 12, 18, 21, 22, and 24; 1540.0060; 1540.0070; 1540.0080; 1540.0100; 1540.0110; 1540.0120; 1540.0130; 1540.0140; 1540.0150; 1540.0160; 1540.0170; 1540.0180; 1540.0190; 1540.0200; 1540.0210; 1540.0220; 1540.0230; 1540.0240; 1540.0260; 1540.0320; 1540.0330; 1540.0340; 1540.0350; 1540.0370; 1540.0380; 1540.0390; 1540.0400; 1540.0410; 1540.0420; 1540.0440; 1540.0450; 1540.0460; 1540.0490; 1540.0500; 1540.0510; 1540.0520; 1540.0770; 1540.0780; 1540.0800; 1540.0810; 1540.0830; 1540.0880; 1540.0890; 1540.0900; 1540.0910; 1540.0920; 1540.0930; 1540.0940; 1540.0950; 1540.0960; 1540.0970; 1540.0980; 1540.0990; 1540.1000; 1540.1005; 1540.1010; 1540.1020; 1540.1030; 1540.1040; 1540.1050; 1540.1060; 1540.1070; 1540.1080; 1540.1090; 1540.1100; 1540.1110; 1540.1120; 1540.1130; 1540.1140; 1540.1150; 1540.1160; 1540.1170; 1540.1180; 1540.1190; 1540.1200; 1540.1210; 1540.1220; 1540.1230; 1540.1240; 1540.1250; 1540.1255; 1540.1260; 1540.1280; 1540.1290; 1540.1300; 1540.1310; 1540.1320; 1540.1330; 1540.1340; 1540.1350; 1540.1360; 1540.1380; 1540.1400; 1540.1410; 1540.1420; 1540.1430; 1540.1440; 1540.1450; 1540.1460; 1540.1470; 1540.1490; 1540.1500; 1540.1510; 1540.1520; 1540.1530; 1540.1540; 1540.1550; 1540.1560; 1549.1570; 1540.1580; 1540.1590; 1540.1600; 1540.1610; 1540.1620; 1540.1630; 1540.1640; 1540.1650; 1540.1660; 1540.1670; 1540.1680; 1540.1690; 1540.1700; 1540.1710; 1540.1720; 1540.1730; 1540.1740; 1540.1750; 1540.1760; 1540.1770; 1540.1780; 1540.1790; 1540.1800; 1540.1810; 1540.1820; 1540.1830; 1540.1840; 1540.1850; 1540.1860; 1540.1870; 1540.1880; 1540.1890; 1540.1900; 1540.1905; 1540.1910; 1540.1920; 1540.1930; 1540.1940; 1540.1950; 1540.1960; 1540.1970; 1540.1980; 1540.1990; 1540.2000; 1540.2010; 1540.2015; 1540.2020; 1540.2090; 1540.2100; 1540.2110; 1540.2120; 1540.2180; 1540.2190; 1540.2200; 1540.2210; 1540.2220; 1540.2230; 1540.2240; 1540.2250; 1540.2260; 1540.2270; 1540.2280; 1540.2290; 1540.2300; 1540.2310; 1540.2320; 1540.2325; 1540.2330; 1540.2340; 1540.2350; 1540.2360; 1540.2370; 1540.2380; 1540.2390; 1540.2400; 1540.2410; 1540.2420; 1540.2430; 1540.2440; 1540.2450; 1540.2490; 1540.2500; 1540.2510; 1540.2530; 1540.2540; 1540.2550; 1540.2560; 1540.2570; 1540.2580; 1540.2590; 1540.2610; 1540.2630; 1540.2640; 1540.2650; 1540.2660; 1540.2720; 1540.2730; 1540.2740; 1540.2760; 1540.2770; 1540.2780; 1540.2790; 1540.2800; 1540.2810; 1540.2820; 1540.2830; 1540.2840; 1540.3420; 1540.3430; 1540.3440; 1540.3450; 1540.3460; 1540.3470; 1540.3560; 1540.3600; 1540.3610; 1540.3620; 1540.3630; 1540.3700; 1540.3780; 1540.3960; 1540.3970; 1540.3980; 1540.3990; 1540.4000; 1540.4010; 1540.4020; 1540.4030; 1540.4040; 1540.4080; 1540.4190; 1540.4200; 1540.4210; 1540.4220; 1540.4320; 1540.4330; 1540.4340; 2642.0120, subpart 1; 2650.0100; 2650.0200; 2650.0300; 2650.0400; 2650.0500; 2650.0600; 2650.1100; 2650.1200; 2650.1300; 2650.1400; 2650.1500; 2650.1600; 2650.1700; 2650.1800; 2650.1900; 2650.2000; 2650.2100; 2650.3100; 2650.3200; 2650.3300; 2650.3400; 2650.3500; 2650.3600; 2650.3700; 2650.3800; 2650.3900; 2650.4000; 2650.4100; 2655.1000; 2660.0070; 2770.7400; 4610.2210; 7002.0410; 7002.0420; 7002.0430; 7002.0440; 7002.0450; 7002.0460; 7002.0470; 7002.0480; 7002.0490; 7047.0010; 7047.0020; 7047.0030; 7047.0040; 7047.0050; 7047.0060; 7047.0070; 7100.0300; 7100.0310; 7100.0320; 7100.0330; 7100.0335; 7100.0340; 7100.0350; 7510.6100; 7510.6200; 7510.6300; 7510.6350; 7510.6400; 7510.6500; 7510.6600; 7510.6700; 7510.6800; 7510.6900; 7510.6910; 7600.0100; 7600.0200; 7600.0300; 7600.0400; 7600.0500; 7600.0600; 7600.0700; 7600.0800; 7600.0900; 7600.1000; 7600.1100; 7600.1200; 7600.1300; 7600.1400; 7600.1500; 7600.1600; 7600.1700; 7600.1800; 7600.1900; 7600.2000; 7600.2100; 7600.2200; 7600.2300; 7600.2400; 7600.2500; 7600.2600; 7600.2700; 7600.2800; 7600.2900; 7600.3000; 7600.3100; 7600.3200; 7600.3300; 7600.3400; 7600.3500; 7600.3600; 7600.3700; 7600.3800; 7600.3900; 7600.4000; 7600.4100; 7600.4200; 7600.4300; 7600.4400; 7600.4500; 7600.4600; 7600.4700; 7600.4800; 7600.4900; 7600.5000; 7600.5100; 7600.5200; 7600.5300; 7600.5400; 7600.5500; 7600.5600; 7600.5700; 7600.5800; 7600.5900; 7600.6000; 7600.6100; 7600.6200; 7600.6300; 7600.6400; 7600.6500; 7600.6600; 7600.6700; 7600.6800; 7600.6900; 7600.7000; 7600.7100; 7600.7200; 7600.7210; 7600.7300; 7600.7400; 7600.7500; 7600.7600; 7600.7700; 7600.7750; 7600.7800; 7600.7900; 7600.8100; 7600.8200; 7600.8300; 7600.8400; 7600.8500; 7600.8600; 7600.8700; 7600.8800; 7600.8900; 7600.9000; 7600.9100; 7600.9200; 7600.9300; 7600.9400; 7600.9500; 7600.9600; 7600.9700;

7600.9800; 7600.9900; 7625.0100; 7625.0110; 7625.0120; 7625.0200; 7625.0210; 7625.0220; 7625.0230; 8120.1100, subpart 3; 8121.0500, subpart 2; 8130.9912; 8130.9913; 8130.9916; 8130.9920; 8130.9930; 8130.9956; 8130.9958; 8130.9968; 8130.9972; 8130.9980; 8130.9992; 8850.6900; 9540.0100; 9540.0200; 9540.0300; 9540.0400; 9540.0500; 9540.1000; 9540.1100; 9540.1200; 9540.1300; 9540.1400; 9540.1500; 9540.2000; 9540.2100; 9540.2200; 9540.2300; 9540.2400; 9540.2500; 9540.2600; and 9540.2700.

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

Page 17, delete section 3

Amend the title as follows:

Page 1, line 31, 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. 877: A bill for an act relating to construction; changing and clarifying law relating to the building code and zoning law; amending the interstate compact on industrialized/modular buildings; amending Minnesota Statutes 1994, sections 16B.59; 16B.60, subdivisions 1 and 4; 16B.61, subdivisions 1, 2, and 5; 16B.63, subdivision 3, and by adding a subdivision; 16B.65, subdivisions 1, 3, 4, and 7; 16B.67; 16B.70; 16B.75; 366.10; 366.12; 366.16; 394.33, subdivision 2; 394.361, subdivision 3; 462.358, subdivisions 2a and 9; and 462.359, subdivision 4.

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

Page 10, line 5, before the period, insert ", and beginning July 1, 1997, the receipts are appropriated to the commissioner for purposes of sections 16B.59 to 16B.75"

Page 10, after line 5, insert:

"Sec. 15. [APPROPRIATION.]

\$1,000,000 in fiscal year 1996 and \$1,000,000 in fiscal year 1997 is appropriated from the special revenue fund for transfer by the commissioner of finance to the general fund."

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. 900: A bill for an act relating to human services; defining interpretive guidelines; changing licensing requirements and reconsideration for foster care; assessing fines; adding provisions for drop-in child care programs; changing a definition; adding provisions for the Minnesota family preservation act; expanding eligibility for Indian child welfare grants; amending Minnesota Statutes 1994, sections 14.03, subdivision 3; 245A.02, by adding a subdivision; 245A.03, subdivision 2a; 245A.04, subdivisions 3, 3b, 7, and 9; 245A.06, subdivisions 2 and 4, and by adding a subdivision; 245A.07, subdivision 3; 245A.09, by adding subdivisions; 245A.14, subdivision 6; 256.12, subdivision 14; 256.8711; 256D.02, subdivision 5; 256F.01; 256F.02; 256F.03, subdivision 5, and by adding a subdivision; 256F.04, subdivisions 1 and 2; 256F.05, subdivisions 2, 3, 4, 5, 7, 8, and by adding a subdivision; 256F.06, subdivisions 1, 2, and 4; 257.3571, subdivision 1; 257.3572; and 257.3577, subdivisions 1, 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 245A; repealing Minnesota Statutes 1994, sections 256F.05, subdivisions 2a and 4a; and 256F.06, subdivision 3.

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

Page 17, line 35, delete everything after the period

Page 17, delete line 36

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. 339: A bill for an act relating to ethics in government; making advisory opinions public data; authorizing civil penalties; clarifying certain definitions; clarifying and authorizing exceptions to the ban on gifts; appropriating money; amending Minnesota Statutes 1994, sections 10A.02, subdivision 12; 10A.071, subdivisions 1, 3, and by adding a subdivision; 10A.29; 10A.34; and 471.895, subdivisions 1 and 3.

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

Page 6, delete section 9

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, 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 referred

H.F. No. 1246: A bill for an act relating to child care; requiring child care for school age children not operated by a school to be licensed; changing the definition of toddler and preschooler for family day care programs serving siblings; amending Minnesota Statutes 1994, sections 245A.02, by adding subdivisions; 245A.03, subdivision 2; 245A.10; and 245A.14, subdivision 6.

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

Page 7, after line 13, insert:

"Sec. 8. [APPROPRIATION.]

\$60,000 in fiscal year 1996 and \$50,000 in fiscal year 1997 are appropriated from the general fund to the commissioner of human services for the purposes of this act."

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 re-referred

S.F. No. 255: A bill for an act relating to elevators; regulating persons who may do elevator work; appropriating money; amending Minnesota Statutes 1994, sections 183.355, subdivision 3; 183.357, subdivisions 1, 2, and 4; and 183.358; proposing coding for new law in Minnesota Statutes, chapter 183.

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

Page 1, line 16, delete "two" and insert "five"

Page 3, line 20, after the period, insert "Section 5 is effective July 1, 1997."

And when so amended the bill do pass and be re-referred to 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. 429: A bill for an act relating to agriculture; extending the sunset date for the farmer-lender mediation act; providing for a study of expansion of the mediation program; amending Laws 1986, chapter 398, article 1, section 18, as amended.

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. 467: A bill for an act relating to metropolitan government; providing for coordination and consolidation of public safety radio communications systems; providing governance and finance of the state and regional elements of a regionwide public safety radio communication system; extending the public safety channel moratorium; authorizing the use of 911 emergency telephone service fees for costs of the regionwide public safety radio communication system; authorizing the issuance of bonds by the metropolitan council; abolishing the metropolitan radio board on a certain date and transferring its duties and responsibilities; proposing coding for new law in Minnesota Statutes, chapter 473.

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

Page 8, delete lines 1 to 7

Page 9, line 11, before "operating" insert "constructing and"

Page 21, line 35, delete "shall be \$563,000" and insert "is \$293,000. For fiscal year 1997, the appropriation from the 911 emergency telephone service fee account is \$93,000"

Page 21, after line 35, insert:

"Subd. 3. [SYSTEM DESIGN.] \$194,000 is appropriated from the trunk highway fund to the commissioner of transportation to design the regional public safety radio system, to remain available until expended."

Amend the title as follows:

Page 1, line 13, after the semicolon, insert "appropriating money;"

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

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

S.F. No. 1393: A bill for an act relating to public finance; providing conditions and requirements for the issuance of debt and use of the proceeds; providing procedures for use of obligations to satisfy unfunded pension liabilities; authorizing use of capital improvement bonds for indoor ice arenas; exempting issuance of certain debt from election requirements; authorizing home rule charter cities to issue tax anticipation certificates; authorizing operation of certain recreational facilities; providing for the computation of tax increment from certain hazardous substance subdistricts; authorizing continuing disclosure agreements; providing for funding of self-insurance by political subdivisions; providing for the issuance of temporary obligations and modifying issuance procedures; amending Minnesota Statutes 1994, sections 353A.09, subdivision 5; 373.40, subdivision 1; 423A.02, subdivision 1; 447.46; 462C.05, subdivision 1; 469.041; 469.060, subdivision 1; 469.102, subdivision 1; 469.174, subdivision 4, and by adding subdivisions; 469.175, subdivision 1; 469.177, subdivisions 1, 1a, and 2; 471.16, subdivision 1; 471.191, subdivisions 1 and 2; 471.56, by adding a subdivision; 471.98, subdivision 3; 471.981, subdivisions 2, 4a, 4b, and 4c; 475.51, subdivision 4; 475.52, subdivision 6; 475.58, subdivision 1, and by adding a subdivision; 475.60, by adding a subdivision; 475.61, by adding a subdivision; 475.63; and 475.79; proposing coding for new law in Minnesota Statutes, chapters 373; and 410.

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

Pages 1 to 3, delete section 1

Page 4, line 31, delete "3" and insert "2"

Page 5, line 29, delete "3" and insert "2"

Page 5, line 30, after the period, insert "Notwithstanding section 373.40, subdivision 2, a referendum is required under section 475.58 for issuance of bonds to finance these facilities."

Pages 6 and 7, delete section 6

Page 11, line 6, delete "for" and insert "and bonds"

Page 11, line 7, delete "bonds" and insert "for the project"

Page 11, line 8, delete "for a recreational" and insert ", subdivision 2, as though the project were a recreation"

Pages 11 and 12, delete sections 10 and 11

Pages 21 and 22, delete section 22

Page 25, line 2, after the period, insert "The proceeds from bonds issued under this subdivision must be held in trust and may only be paid to the self-insurer according to the schedule of payments set forth in the trust instruments."

A qualified actuary shall certify that the amount of the scheduled payment does not exceed the amount necessary to meet the obligation of the self-insurer at the time payment is scheduled to be made."

Pages 28 and 29, delete section 31 and insert:

"Sec. 26. Minnesota Statutes 1994, section 475.58, is amended by adding a subdivision to read:

Subd. 3. [LARGE CITIES; WATER UTILITY BONDS.] A city that has a population in excess of 200,000 may issue general obligations pledging its full faith and credit without an election to acquire, construct, and improve its water utility if the city covenants that rates and charges will be imposed and collected at the times and in the amounts required to produce, together with any taxes or special assessments designated as a primary source of payment of the obligations, net revenues adequate to pay all principal and interest when due on the obligations and to create and maintain reserves securing the payments as may be provided in the resolutions."

Page 31, after line 22, insert:

"Sec. 31. Laws 1971, chapter 773, section 4, as amended by Laws 1976, chapter 234, section 2, is amended to read:

Sec. 4. No proceeds of any bonds issued pursuant to section 1, hereof shall be expended for the construction or equipment of any portion of the St. Paul auditorium or civic center connected thereto; not shall any such proceeds be expended for the acquisition or betterment of the building known as the Lowry Medical Arts Annex. All bonds issued under this act shall mature at any time or times within ~~ten~~ 30 years from the date of issue."

Page 31, line 24, after "enactment" insert ", provided that section 31 is effective only after its approval by a majority of the governing body of the city of St. Paul and upon compliance with the provisions of Minnesota Statutes, section 645.021"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete everything after the semicolon

Page 1, line 5, delete everything before "authorizing"

Page 1, line 18, delete "353A.09, subdivision 5;"

Page 1, line 19, delete "423A.02, subdivision 1;"

Page 1, line 20, delete everything after the second semicolon

Page 1, line 21, delete "subdivision 1;"

Page 1, lines 24 and 25, delete "471.56, by adding a subdivision;"

Page 1, line 29, after "475.79;" insert "Laws 1971, chapter 773, section 4, as amended;"

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. 2: A bill for an act relating to the environment; automobile emissions; providing that a vehicle need not be inspected until the year of its registration is five years more than its model year; changing the inspection fee; providing a contingent expiration date for the inspection program; amending Minnesota Statutes 1994, sections 116.61, subdivision 1, and by adding a subdivision; 116.64, subdivision 1.

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

Page 2, line 6, delete "of its next registration" and insert "in which it is being registered"

Page 2, delete sections 4 and 5 and insert:

"Sec. 4. [REPORT ON NEED FOR VEHICLE EMISSION INSPECTION PROGRAM.]

(a) The commissioner of the pollution control agency, in consultation with the United States Environmental Protection Agency, shall take all reasonable steps to enable the state, by July 1, 1998, to comply with the federal Clean Air Act without having to continue the motor vehicle emission inspection program.

(b) By December 15, 1997, the commissioner shall submit to the chairs of the environment and natural resources committees of the legislature a report that includes:

(1) a description of the commissioner's efforts under paragraph (a) and the results of those efforts;

(2) an analysis of the state's attainment status under the federal Clean Air Act as it relates to the need for a motor vehicle emission inspection program; and

(3) recommendations regarding continuation of the motor vehicle emission inspection program after July 1, 1998."

Amend the title as follows:

Page 1, line 5, delete from "providing" through page 1, line 7, to "program" and insert "requiring a report"

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. 1122: A bill for an act relating to the environment; establishing a program for funding response actions to address environmental contamination from drycleaning facilities; 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 2, line 36, delete "and"

Page 3, line 1, before the period, insert "; and

(4) for administrative costs of the commissioner of revenue"

Page 3, lines 9, 10, and 11, before "employees" insert "full-time equivalent"

Page 3, line 14, after "revenue" insert "in a manner prescribed by the commissioner of revenue"

Page 3, line 32, after the period, insert "The commissioner shall notify the commissioner of revenue of an adjustment under this paragraph no later than March 1 of the year in which the adjustment is to become effective. The adjustment is effective for sales of drycleaning solvents made, and annual registration fees due, beginning on July 1 of the same year."

Page 5, after line 13, insert:

"Sec. 6. [APPROPRIATION.]

\$29,000 is appropriated from the general fund to the commissioner of revenue for the purposes of this act, to be available until June 30, 1997, and must be reimbursed to the general fund from the drycleaner environmental response and reimbursement account by that date."

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 4, 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. 503: A bill for an act relating to civil actions; providing for the Minnesota collection enterprise; imposing duties and providing powers; providing for the disclosure of certain data; imposing a collection penalty; providing for venue of conciliation court actions; authorizing certain appearances; appropriating money; amending Minnesota Statutes 1994, sections 8.16, by adding a subdivision; 16D.02, subdivision 6, and by adding a subdivision; 16D.04, subdivisions 1 and 3; 16D.06; 16D.08, subdivision 2; 491A.01, subdivision 8; and 491A.02, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 16D.

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

Page 5, line 14, before "A" insert "As determined by the commissioner,"

Page 5, line 19, after "penalty" insert "under this section and the debtor's right to cancellation of the penalty under subdivision 3"

Page 5, line 26, after the period, insert "Penalties collected by private agencies are appropriated to the referring agency to pay the collection fees charged by the private agency. Penalty collections in excess of collection agency fees must be deposited in the general fund as nondedicated receipts."

Page 6, line 15, after "enterprise" insert "or collection agency"

Page 13, line 9, delete "set a goal to place" and insert "issue a request for proposals and place at least"

Page 13, line 12, delete "September 1, 1995" and insert "January 1, 1996"

Page 13, line 18, delete "1996" and insert "1997"

Page 13, line 20, delete "2 to 5" and insert "1 to 6, 11, 14, and 15"

Page 13, line 24, after the period, insert "Sections 9, 10, 12, and 13 are effective July 1, 1995."

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. 446: A bill for an act relating to occupations and professions; establishing licensure for acupuncture practitioners by the board of medical practice; providing penalties; proposing coding for new law as Minnesota Statutes, chapter 147B.

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

Page 14, after line 17, insert:

"Sec. 10. [APPROPRIATION.]

\$10,000 in fiscal year 1996 and \$10,000 in fiscal year 1997 are appropriated from the state government special revenue fund to the state board of medical practice to license acupuncture practitioners under this act."

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 4, after "practice;" 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. 1103: A bill for an act relating to children's services; establishing the department of children, families, and learning; making related changes; amending Minnesota Statutes 1994, section 256F.13, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 119A.

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

Page 4, line 1, delete "(1)" and insert "(3)"

Page 4, line 36, delete "section" and insert "sections" and before the semicolon, insert "to 257.807"

Page 5, line 4, delete "257.803" and insert "256.01"

Page 5, line 10, before the period, insert ", subdivision 1"

Page 6, line 4, before the period, insert "and 299A.40"

Page 8, line 6, after "119A.04" insert "and programs transferred from the abolished department of education"

Page 8, line 10, delete "5a" and insert "6"

Page 8, line 18, delete "6" and insert "7"

Page 8, line 22, delete "7" and insert "8"

Page 13, line 32, delete "annually beginning" and insert "by"

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. 1089: A bill for an act relating to traffic regulations; exempting highways, freeways, and expressways from noise limits; requiring noise abatement study and measures for freeways and expressways contingent on available funding; requiring annual noise abatement report; providing for disposition of proceeds of fines collected for violation of work zone speed limits;

amending Minnesota Statutes 1994, sections 116.07, subdivision 2a; 160.02, by adding a subdivision; 161.125, subdivision 1; and 169.14, subdivision 5d.

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

Page 3, line 34, strike "The" and delete the new language

Page 3, lines 35 and 36, strike the old language and delete the new language

Page 4, lines 1 to 3, strike the old language and delete the new language

Amend the title as follows:

Page 1, line 6, delete from "providing" through page 1, line 8, to "limits;"

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. 493: A bill for an act relating to retirement; various local public employee pension plans; providing for various benefit modifications and related changes that require local governing body approval; repealing Laws 1969, chapter 1088; Laws 1971, chapter 114; Laws 1978, chapters 562, section 32; and 753; Laws 1979, chapters 97; 109, section 1; and 201, section 27; Laws 1981, chapters 157, section 1; and 224, sections 250 and 254; Laws 1985, chapter 259, section 3; and Laws 1990, chapter 570, article 7, section 4.

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

Page 2, delete line 27 and insert "before July 1, 1995."

Page 3, line 18, before the period, insert ", as determined by an actuary selected by the legislative commission on pensions and retirement"

Page 7, after line 3, insert:

"Sec. 7. [REPEALER.]

Minnesota Statutes 1994, section 423B.02, is repealed effective March 1, 1995."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, before "Laws" insert "Minnesota Statutes 1994, section 423B.02;"

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. 217: A bill for an act relating to family law; providing for enforcement of child support obligations; expanding enforcement remedies for child support; authorizing programs; providing for resolution of custody and visitation disputes; creating a central child support payment center; modifying child support data collection and publication; imposing penalties; adding provisions relating to recognition of parentage; adding provisions for administrative proceedings; appropriating money; amending Minnesota Statutes 1994, sections 13.46, subdivision 2; 168A.05, subdivisions 2, 3, 7, and by adding a subdivision; 168A.16; 168A.20, by adding a subdivision; 168A.21; 168A.29, subdivision 1; 214.101, subdivisions 1 and 4; 256.87, subdivision 5; 256.978, subdivision 1; 257.34, subdivision 1, and by adding a subdivision; 257.55, subdivision 1; 257.57, subdivision 2; 257.60; 257.67, subdivision 1; 257.75, subdivision 3, and by adding a subdivision; 518.171, subdivision 2a; 518.24; 518.551, subdivision 12, and by adding subdivisions; 518.5511, subdivisions 1, 2, 3, 4, 5, 7, and 9; 518.575; 518.611, subdivisions 1, 2, 5, and 8a; 518.613, subdivisions 1 and 2; 518.614, subdivision 1; 518.64, subdivision 4, and by adding a subdivision; 518C.310; 548.15; and 609.375, subdivision 1; proposing coding for new

law in Minnesota Statutes, chapters 171; 256; 257; and 518; repealing Minnesota Statutes 1994, sections 214.101, subdivisions 2 and 3; 518.561; 518.611, subdivision 8; and 518.64, subdivision 6.

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

Page 11, line 15, delete "The"

Page 11, delete lines 16 to 19

Page 13, line 29, delete "participant" and insert "child support obligor participating"

Page 13, line 32, delete "of \$1,000 or less"

Page 13, line 34, delete "if" and insert "whether" and delete "claim is valid and"

Page 13, line 35, delete "if" and insert "claimed injury occurred, whether the claimed medical expenses are reasonable, and whether" and after the period, insert "If insurance coverage is established, the county agency shall submit the claim to the appropriate insurance entity for payment."

Page 13, line 36, after "claims" insert ", in the amount net of any insurance payments,"

Page 14, line 1, after the period, insert:

"(c) The commissioner of human services shall submit all claims for impairment compensation to the commissioner of labor and industry. The commissioner of labor and industry shall review all submitted claims and recommend to the commissioner of human services an amount of compensation comparable to what would be provided under the impairment compensation schedule of section 176.101, subdivision 3b.

(d) The commissioner of human services shall approve a claim of \$1,000 or less for payment if appropriated funds are available, if the county agency responsible for supervising the work has made the determinations required by this section, and if the work program was operated in compliance with the safety provisions of this section.

Page 14, line 2, after "claim" insert "of \$1,000 or less"

Page 14, line 6, after "claims" insert "of \$1,000 or less"

Page 14, line 7, delete "that are to" and insert "and shall"

Page 14, line 8, after "for" insert "any"

Page 14, line 13, delete "A claim" and insert "On or before February 1 of each year, the commissioner shall submit to the appropriate committees of the senate and the house of representatives a list of claims" and delete the second "claim" and insert "list of claims of \$1,000 or less" and delete "was" and insert "were submitted to but"

Page 14, line 14, delete "may" and insert "of human services, together with any recommendations of appropriate compensation. These claims shall" and delete "presented to," and delete the second comma

Page 14, delete lines 18 to 24

Page 14, line 25, delete "(d)" and insert "(e)"

Page 14, line 26, after the first "for" insert "reasonable" and delete "compensation for"

Page 14, line 27, delete "disability as" and delete "or death" and insert "for disability in like amounts as allowed in section 176.101, subdivision 3b. Compensation for injuries resulting in death shall include reasonable medical expenses and burial expenses in addition to payment to the participant's estate in the amount of \$200,000"

Page 14, line 28, delete "or" and insert a comma

Page 14, line 29, after "wages" insert ", or other benefits provided in chapter 176"

Page 14, line 35, delete "(e)" and insert "(f)"

Page 15, line 5, delete "(f)" and insert "(g)"

Page 15, line 7, after "verify" insert "to the commissioner of human services"

Page 29, line 14, after "25." insert "[WAIVERS.]

Subdivision 1."

Page 29, line 15, delete the paragraph coding and delete "shall" and insert "may"

Page 29, line 18, after "assurance" insert "when enhanced federal funds at the rate of 90 percent are available to support such a demonstration project"

Page 29, after line 21, insert:

"Subd. 2. [COOPERATION FOR THE CHILDREN.] The commissioner of human services shall seek a waiver from the secretary of the United States Department of Health and Human Services to enable the department of human services to operate the cooperation for the children demonstration project.

Subd. 3. [OBLIGOR COMMUNITY SERVICE WAIVER.] The commissioner of human services shall seek a waiver from the secretary of the United States Department of Health and Human Services to enable the department of human services to operate the child support obligor community service work experience program."

Pages 29 and 30, delete section 26

Page 61, after line 14, insert:

"ARTICLE 6 APPROPRIATIONS

Section 1. [APPROPRIATIONS.]

Subdivision 1. [CHILD SUPPORT OBLIGOR COMMUNITY SERVICE WORK EXPERIENCE PROGRAM.] \$119,000 is appropriated from the general fund to the commissioner of human services to fund the child support obligor community service work experience program in article 1, section 14, to be available until June 30, 1997.

Subd. 2. [MOTOR VEHICLE CERTIFICATES OF TITLE AND LICENSE SUSPENSION.] \$50,000 is appropriated from the general fund to the commissioner of public safety to fund the necessary changes to the existing computer system to allow for memorialization of liens on motor vehicle certificates of title and to allow for suspension of drivers' licenses, to be available until June 30, 1997.

Subd. 3. [SUSPENSION OF DRIVERS' LICENSES.] \$24,000 is appropriated from the general fund to the commissioner of human services to allow the commissioner to seek the suspension of drivers' licenses under Minnesota Statutes, section 518.551, subdivision 13, to be available until June 30, 1997.

Subd. 4. [EMPLOYMENT REGISTRY.] \$350,000 is appropriated from the general fund to the commissioner of human services to allow the commissioner to implement the employment registry under article 1, section 15, to be available until June 30, 1997.

Subd. 5. [PUBLIC EDUCATION.] \$150,000 is appropriated from the general fund to the commissioner of human services for transfer to the attorney general for continuance of the child support public education campaign, to be available until June 30, 1997.

Subd. 6. [COOPERATION FOR THE CHILDREN PROGRAM.] \$100,000 is appropriated from the general fund to the commissioner of human services for purposes of developing and

implementing the cooperation for the children program under article 1, section 13, and for the purpose of providing the requested funding to the office of administrative hearings to develop and implement the cooperation for the children program under article 1, section 13, to be available until June 30, 1997.

Subd. 7. [MOTOR VEHICLE LIENS.] \$24,000 is appropriated from the general fund to the commissioner of human services to allow the commissioner to memorialize liens on motor vehicle certificates of title under Minnesota Statutes, section 518.551, subdivision 14, to be available until June 30, 1997.

Subd. 8. [OCCUPATIONAL LICENSE SUSPENSION.] \$10,000 is appropriated from the general fund to the commissioner of human services to implement the occupational license suspension procedures under Minnesota Statutes, section 518.551, subdivision 12, to be available until June 30, 1997.

Subd. 9. [CHILD SUPPORT PAYMENT CENTER.] \$668,000 is appropriated from the general fund to the commissioner of human services to create and maintain the child support payment center under Minnesota Statutes, section 518.5851, to be available until June 30, 1997.

Subd. 10. [PUBLICATION OF NAMES.] \$275,000 is appropriated from the general fund to the commissioner of human services to publish the names of delinquent child support obligors under Minnesota Statutes, section 518.575, to be available until June 30, 1997.

Subd. 11. [ADMINISTRATIVE PROCESS.] \$1,250,000 is appropriated from the general fund to the commissioner of human services to develop and implement the contested administrative process under Minnesota Statutes, section 518.5511, to be available until June 30, 1997.

Subd. 12. [WAIVERS.] \$138,000 is appropriated from the general fund to the commissioner of human services to seek the waivers required by this legislation, to be available until June 30, 1997.

Subd. 13. [CHILDREN'S VISITATION CENTERS.] \$96,000 in fiscal year 1996 and \$96,000 in fiscal year 1997 are appropriated from the state government special revenue fund to the commissioner of human services for supervised visitation facilities under Minnesota Statutes, section 256F.09.

ARTICLE 7

CHILDREN'S SUPERVISED VISITATION FACILITIES

Section 1. Minnesota Statutes 1994, section 256F.09, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] The commissioner shall issue a request for proposals from existing local nonprofit, nongovernmental, or governmental organizations, to use existing local facilities as pilot children's safety centers supervised visitation facilities, which may also be used for visitation exchanges. The commissioner shall award grants in amounts up to \$50,000 for the purpose of creating or maintaining children's safety centers supervised visitation facilities in an effort 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 children's supervised visitation facilities and to locate them to provide for the broadest possible geographic distribution of the centers facilities throughout the state.

Each children's safety center supervised visitation facility 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 facilities must be available for use by district courts who may order visitation to occur at a safety center supervised visitation facility.

The centers facilities 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 facility must provide sufficient security to ensure a safe visitation environment for children

and their parents. A grantee must demonstrate the ability to provide a 25 percent local match, which may include in-kind contributions.

Sec. 2. Minnesota Statutes 1994, section 256F.09, is amended by adding a subdivision to read:

Subd. 1a. [COUNTY INVOLVEMENT.] Each county or group of counties is encouraged to provide supervised visitation services in an effort to fill the gap in the court system that orders supervised visitation, but does not provide a facility to accomplish the supervised visitation as ordered. Each county or group of counties is encouraged to either financially contribute to an existing supervised visitation center in the area, or establish a new facility if there is not one in the area, possibly through county social services. In creating a new facility, the county may collaborate with other counties, other supervised visitation facilities, family services collaboratives, court services, and any other entity or organization. The goal is to provide supervised visitation facilities statewide. The county shall apply for funding that may be available through the federal government, specifically for family preservation or family reunification purposes, or any other source of funding that will aid in developing and maintaining this vital service.

Sec. 3. Minnesota Statutes 1994, section 256F.09, subdivision 2, is amended to read:

Subd. 2. [PRIORITIES FUNDING.] The commissioner may award grants to create or maintain children's supervised visitation facilities.

In awarding grants to maintain a children's supervised visitation facility, the commissioner may award a grant to a facility that can demonstrate a 35 percent local match, provided the facility is diligently exploring and pursuing all available funding options in an effort to become self-sustaining, and those efforts are reported to the commissioner.

In awarding grants under the program to create a children's supervised visitation facility, the commissioner shall give priority to:

(1) areas of the state where no other children's safety-center supervised visitation facility or similar facility exists;

(2) applicants who demonstrate that private funding for the center facility 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.

Sec. 4. Minnesota Statutes 1994, section 256F.09, subdivision 3, is amended to read:

Subd. 3. [ADDITIONAL SERVICES.] Each ~~center~~ supervised visitation facility 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.

Sec. 5. Minnesota Statutes 1994, section 256F.09, is amended by adding a subdivision to read:

Subd. 5. [ADMINISTRATION.] In administering the grants authorized by this section, the commissioner shall ensure that the term "children's supervised visitation facility" is used in all future applications, publicity releases, requests for proposals, and other materials of like nature. Materials published prior to the enactment of this legislation which use different terms may be distributed by the commissioner until supplies are gone.

Sec. 6. Minnesota Statutes 1994, section 517.08, subdivision 1b, is amended to read:

Subd. 1b. [TERM OF LICENSE; FEE.] The court administrator shall examine upon oath the party applying for a license relative to the legality of the contemplated marriage. If at the expiration of a five-day period, on being satisfied that there is no legal impediment to it, the court administrator shall issue the license, containing the full names of the parties before and after marriage, and county and state of residence, with the district court seal attached, and make a

record of the date of issuance. The license shall be valid for a period of six months. In case of emergency or extraordinary circumstances, a judge of the county court or a judge of the district court of the county in which the application is made, may authorize the license to be issued at any time before the expiration of the five days. The court administrator shall collect from the applicant a fee of \$65 \$68 for administering the oath, issuing, recording, and filing all papers required, and preparing and transmitting to the state registrar of vital statistics the reports of marriage required by this section. If the license should not be used within the period of six months due to illness or other extenuating circumstances, it may be surrendered to the court administrator for cancellation, and in that case a new license shall issue upon request of the parties of the original license without fee. A court administrator who knowingly issues or signs a marriage license in any manner other than as provided in this section shall pay to the parties aggrieved an amount not to exceed \$1,000.

Sec. 7. Minnesota Statutes 1994, section 517.08, subdivision 1c, is amended to read:

Subd. 1c. [DISPOSITION OF LICENSE FEE.] Of the marriage license fee collected pursuant to subdivision 1b, the court administrator shall pay \$50 \$53 to the state treasurer to be deposited in ~~the general fund~~ as follows: \$50 in the general fund, and \$3 in the special revenue fund to be appropriated to the commissioner of human services for supervised visitation facilities under section 256F.09.

Sec. 8. [REPEALER.]

Minnesota Statutes 1994, section 256F.09, subdivision 4, is repealed.

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 10, after the semicolon, insert "modifying children's supervised visitation facilities;"

Page 1, line 16, after "1;" insert "256F.09, subdivisions 1, 2, 3, and by adding subdivisions;"

Page 1, line 20, after the first semicolon, insert "517.08, subdivisions 1b and 1c;"

Page 1, line 29, after "3;" insert "256F.09, subdivision 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. 1020: A bill for an act relating to workers' compensation; providing for comprehensive reform of the workers' compensation system; providing a group insurance mechanism; regulating benefits; providing safety incentives and assistance; strengthening antifraud tools; regulating independent contractors; regulating the reinsurance association; appropriating money; amending Minnesota Statutes 1994, sections 13.69, subdivision 1; 79.085; 79.211, subdivision 1; 79.34, subdivision 2; 79.35; 79A.01, by adding subdivisions; 79A.02, subdivisions 1 and 4; 79A.03, subdivisions 2, 6, 7, 8, 9, and 11; 79A.08; 175.16; 176.011, subdivision 18; 176.021, subdivisions 3 and 3a; 176.041, subdivision 1; 176.061, subdivision 10; 176.101, subdivisions 1, 2, 6, and by adding a subdivision; 176.105, subdivisions 2 and 4; 176.106, subdivision 7; 176.132, subdivision 2; 176.135, subdivision 2; 176.179; 176.181, subdivision 8; 176.185, subdivision 1; 176.191, subdivisions 5, 7, and by adding a subdivision; 176.221, subdivisions 1 and 6a; 176.232; 176.238, subdivision 6; 268.08, subdivision 3; 299C.46, subdivision 2; 626.05, subdivision 2; 626.11; 626.13; and 626.84, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 79; and 176; proposing coding for new law as Minnesota Statutes, chapter 79B; repealing Minnesota Statutes 1994, sections 79.01, subdivision 8; 79.50; 79.51; 79.52; 79.53; 79.54; 79.55; 79.56; 79.57; 79.58; 79.59; 79.60; 79.61; 79.62; 176.011, subdivisions 25 and 26; 176.101, subdivisions 3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 3k, 3l, 3m, 3n, 3o, 3p, 3q, 3r, 3s, 3t, and 3u; Laws 1990, chapter 521, section 4.

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

Page 8, line 31, delete "level" and insert "limit"

Page 38, delete sections 7 and 8

Pages 96 and 97, delete section 18

Page 97, after line 8, insert:

"ARTICLE 13
APPROPRIATIONS

Section 1. [DEPARTMENT OF COMMERCE.]

Subdivision 1. [SPECIAL COMPENSATION FUND.] \$926,000 for fiscal year 1996 and \$961,000 for fiscal year 1997 are appropriated from the special compensation fund to the department of commerce for the purposes of this act.

Subd. 2. [ASSIGNED RISK SAFETY ACCOUNT.] \$300,000 is appropriated from the assigned risk safety account in the special compensation fund to the commissioner of commerce for the biennium ending June 30, 1997, for the purpose of article 3, section 5.

Sec. 2. [DEPARTMENT OF LABOR AND INDUSTRY.]

\$151,000 in fiscal year 1996 and \$136,000 in fiscal year 1997 are appropriated from the special compensation fund to the department of labor and industry for the purposes of this act.

Sec. 3. [OFFICE OF ATTORNEY GENERAL.]

\$105,000 in fiscal year 1996 and \$105,000 in fiscal year 1997 are appropriated from the special compensation fund to the office of attorney general for the purposes of this act.

Sec. 4. [UNIVERSITY OF MINNESOTA.]

\$200,000 is appropriated for the biennium ending June 30, 1997, from the assigned risk safety account in the special compensation fund to the board of regents of the University of Minnesota for the purpose of article 3, section 6."

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. 512: A bill for an act relating to human services; licensing; administrative hearings; vulnerable adults reporting act; imposing criminal penalties; appropriating money; amending Minnesota Statutes 1994, sections 13.46, subdivision 4; 13.82, subdivision 10, and by adding subdivisions; 13.88; 13.99, subdivision 113; 144.4172, subdivision 8; 144.651, subdivisions 14 and 21; 144A.103, subdivision 1; 144A.612; 144B.13; 148B.68, subdivision 1; 214.10, subdivision 2a; 245A.04, subdivisions 3 and 3b; 253B.02, subdivision 4a; 256.045, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, and by adding a subdivision; 256E.03, subdivision 2; 256E.081, subdivision 4; 268.09, subdivision 1; 325F.692, subdivision 2; 525.703, subdivision 3; 609.224, subdivision 2; 609.268, subdivisions 1 and 2; 609.72, by adding a subdivision; 609.7495, subdivision 1; 626.556, subdivision 12; and 626.557, subdivisions 1, 3, 3a, 4, 5, 6, 7, 8, 9, 10, 14, 16, 17, 18, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 144; 609; and 626; repealing Minnesota Statutes 1994, sections 609.23; 609.231; and 626.557, subdivisions 2, 10a, 11, 11a, 12, 13, 15, and 19.

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

Page 45, line 17, after the period, insert "The commissioner is not required to conduct a study of an individual at the time of reapplication for a license, other than a family day care or foster care license, if (i) a study of the individual was conducted either at the time of initial licensure or when the individual became affiliated with the license holder; (ii) the individual has been

continuously affiliated with the license holder since the last study was conducted; and (iii) the procedure described in paragraph (b) has been implemented and was in effect continuously since the last study was conducted."

Page 45, after line 19, insert:

"(b) If an individual who is affiliated with a department of human services or department of health program is convicted of a crime constituting a disqualification under Minnesota Rules, parts 9543.3000 to 9543.3090, the probation officer or corrections agent shall notify the commissioner of the conviction. The commissioner, in consultation with the commissioner of corrections, shall develop forms and information necessary to implement this paragraph and shall provide the forms and information to the commissioner of corrections for distribution to local probation officers and corrections agents. The commissioner shall inform individuals subject to a background study that criminal convictions for disqualifying crimes will be reported to the commissioner by the corrections system. A probation officer, corrections agent, or corrections agency is not civilly or criminally liable for disclosing or failing to disclose the information required by this paragraph. This paragraph does not apply to family day care and foster care programs."

Page 45, line 20, strike "(b)" and insert "(c)"

Page 45, line 32, strike "(c)" and insert "(d)"

Page 46, line 17, strike "(d)" and insert "(e)"

Page 46, line 26, strike "(e)" and insert "(f)"

Page 46, line 29, strike "(f)" and insert "(g)"

Page 46, line 33, strike "(g)" and insert "(h)"

Page 47, line 1, strike "(h)" and insert "(i)"

Page 47, line 3, strike "(i)" and insert "(j)"

Page 47, line 7, strike "(j)" and insert "(k)"

Page 47, line 15, delete "(k)" and insert "(l)"

Page 47, line 22, delete "(l)" and insert "(m)"

Page 58, after line 16, insert:

"Sec. 16. Minnesota Statutes 1994, section 631.40, is amended by adding a subdivision to read:

Subd. 3. [DEPARTMENT OF HUMAN SERVICES AND HEALTH LICENSEES.] When a person who is affiliated with a department of human services or department of health program is convicted of a disqualifying crime, the probation officer or corrections agent shall notify the commissioner of human services of the conviction, as provided in section 245A.04, subdivision 3, paragraph (b).

Sec. 17. [REPORT.]

By January 15, 1997, the commissioner of human services shall report to the legislature on the implementation of the process for reporting convictions under Minnesota Statutes, section 245A.04, subdivision 3, paragraph (b). The report must include an analysis of any reduction in the cost of performing background studies resulting from implementing the process and any recommendations for modification of the fee increases in article 4, section 22, based on a reduction in costs."

Page 77, line 14, before the semicolon, insert "above the level set by S.F. No. 1110"

Page 77, delete section 1 and insert:

"Section 1. [APPROPRIATION.]

Subdivision 1. The sums set forth in this section are appropriated from the state government special revenue fund to the agencies named in this section to implement articles 1 and 3 and is available for the fiscal year ending June 30 in the years indicated.

	<u>1996</u>	<u>1997</u>
<u>Subd. 2. COMMISSIONER OF HEALTH</u>	<u>\$1,043,000</u>	<u>\$1,088,000</u>
<u>Subd. 3. COMMISSIONER OF HUMAN SERVICES</u>	<u>445,000</u>	<u>445,000</u>
<u>Subd. 4. ATTORNEY GENERAL</u>	<u>20,000</u>	<u>20,000</u>
<u>Subd. 5. COMMISSIONER OF PUBLIC SAFETY</u>	<u>14,000</u>	<u>7,000 "</u>

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 18, delete "and"

Page 1, line 20, after the semicolon, insert "and 631.40, 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. 871: A bill for an act relating to state government; administrative rulemaking; revising the procedures for the adoption and review of agency rules; appropriating money; amending Minnesota Statutes 1994, sections 3.842, subdivisions 2, 4, and by adding a subdivision; 14.04; 14.05, subdivision 2, and by adding a subdivision; 14.06; 14.08; 14.09; 14.131; 14.14, subdivision 1a; 14.15, subdivisions 3 and 4; 14.16, subdivision 1; 14.19; 14.22, subdivision 1; 14.23; 14.24; 14.25; 14.26; 14.365; 14.48; 14.51; 16A.1285, subdivision 2; 17.84; 43A.04, by adding a subdivision; 62N.05, by adding a subdivision; and 84.027, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 14; and 97A; repealing Minnesota Statutes 1994, sections 3.846; 14.10; 14.11; 14.115; 14.12; 14.1311; 14.235; 14.29; 14.30; 14.305; 14.31; 14.32; 14.33; 14.34; 14.35; 14.36; and 17.83.

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

Page 4, after line 1, insert:

"Sec. 4. Minnesota Statutes 1994, section 4A.05, subdivision 2, is amended to read:

Subd. 2. [FEES.] The director shall set fees under section ~~16A.128, subdivision 2,~~ 16A.1285 reflecting the actual costs of providing the center's information products and services to clients. Fees collected must be deposited in the state treasury and credited to the land management information center revolving account. Money in the account is appropriated to the director for operation of the land management information system, including the cost of services, supplies, materials, labor, and equipment, as well as the portion of the general support costs and statewide indirect costs of the office that is attributable to the land management information system. The director may require a state agency to make an advance payment to the revolving fund sufficient to cover the agency's estimated obligation for a period of 60 days or more. If the revolving fund is abolished or liquidated, the total net profit from operations must be distributed to the funds from which purchases were made. The amount to be distributed to each fund must bear to the net profit the same ratio as the total purchases from each fund bear to the total purchases from all the funds during a period of time that fairly reflects the amount of net profit each fund is entitled to receive under this distribution."

Page 5, line 36, after the period, insert "This paragraph does not apply to the public utilities commission."

Page 22, line 14, delete "or"

Page 22, line 16, before the period, insert ";

(16) game and fish rules of the commissioner of natural resources adopted under section 84.027, subdivision 13, or sections 97A.0451 to 97A.0459; or

(17) experimental and special management waters designated by the commissioner of natural resources under sections 97C.001 and 97C.005"

Page 23, line 18, delete "or"

Page 23, line 20, before the period, insert ";

(16) game and fish rules of the commissioner of natural resources adopted under section 84.027, subdivision 13, or sections 97A.0451 to 97A.0459; or

(17) experimental and special management waters designated by the commissioner of natural resources under sections 97C.001 and 97C.005"

Page 26, delete section 30 and insert:

"Sec. 31. Minnesota Statutes 1994, section 16A.1285, subdivision 2, is amended to read:

Subd. 2. [POLICY.] Unless otherwise provided by law, specific charges falling within definitions stipulated in subdivision 1 must be set in the manner prescribed in this subdivision provided that: ~~(1) agencies, when setting, adjusting, or authorizing any charge for goods or services that are of direct, immediate, and primary benefit to an individual, business, or other nonstate entity, shall set the charges at a level that neither significantly over recovers nor under recovers costs, including overhead costs, involved in providing the services; or (2) that agencies, when setting, adjusting, or establishing regulatory, licensure, or other charges that are levied, in whole or in part, in the public interest shall recover, but are not limited to, the costs involved in performance and administration of the functions involved.~~

In setting, adjusting, or authorizing charges that in whole or in part recover previously unrecovered costs, recovery is limited to those unrecovered costs incurred during the two fiscal years immediately preceding the setting, adjustment, or authorization.

Sec. 32. Minnesota Statutes 1994, section 16A.1285, subdivision 4, is amended to read:

Subd. 4. [RULEMAKING.] (a) Unless otherwise exempted or unless specifically set by law, all charges for goods and services, licenses, and regulation must be established or adjusted as provided in chapter 14; except that agencies may establish or adjust ~~individual~~ the following kinds of charges when:

(1) charges for goods and services are provided for the direct and primary use of a private individual, business, or other similar entity;

(2) ~~charges are nonrecurring charges;~~

(3) charges that would produce insignificant revenues;

(4) charges are billed within or between state agencies; ~~or~~

(5) charges are for admissions to or for use of public facilities operated by the state, if the charges are set according to prevailing market conditions to recover operating costs:

~~(b) In addition to the exceptions in paragraph (a), agencies may adjust charges, with the approval of the commissioner of finance, if the; or~~

(6) proposed adjustments to charges that are within consumer price level (CPI) ranges stipulated by the commissioner of finance, if the adjustments and do not change the type or purpose of the item being adjusted.

~~(c) Any (b) Departmental earnings changes or adjustments authorized by the commissioner of~~

finance or listed in paragraph (a), clause (1), (5), or (6), must be reported by the commissioner of finance to the chairs of the senate committee on finance and the house ways and means committee before ~~August 1~~ November 30 of each year.

Sec. 33. Minnesota Statutes 1994, section 16A.1285, subdivision 5, is amended to read:

Subd. 5. [PROCEDURE.] The commissioner of finance shall review and comment on all departmental charges submitted for approval under chapter 14. The commissioner's comments and recommendations must be included in the statement of need and reasonableness and must address any fiscal and policy concerns raised during the review process."

Page 27, after line 11, insert:

"Sec. 35. Minnesota Statutes 1994, section 18E.03, subdivision 3, is amended to read:

Subd. 3. [DETERMINATION OF RESPONSE AND REIMBURSEMENT FEE.] (a) The commissioner shall determine the amount of the response and reimbursement fee under subdivision 4 after a public hearing, ~~but notwithstanding section 16A.128~~, based on:

- (1) the amount needed to maintain an unencumbered balance in the account of \$1,000,000;
- (2) the amount estimated to be needed for responses to incidents as provided in subdivision 2, clauses (1) and (2); and
- (3) the amount needed for payment and reimbursement under section 18E.04.

(b) The commissioner shall determine the response and reimbursement fee so that the total balance in the account does not exceed \$5,000,000.

(c) Money from the response and reimbursement fee shall be deposited in the treasury and credited to the agricultural chemical response and reimbursement account."

Page 29, line 32, delete "97A.0451 to 97A.0459" and insert "14.14 to 14.28"

Page 32, after line 36, insert:

"Sec. 48. Minnesota Statutes 1994, section 116.07, subdivision 4d, is amended to read:

Subd. 4d. [PERMIT FEES.] (a) The agency may collect permit fees in amounts not greater than those necessary to cover the reasonable costs of reviewing and acting upon applications for agency permits and implementing and enforcing the conditions of the permits pursuant to agency rules. Permit fees shall not include the costs of litigation. The agency shall adopt rules under section 16A.128 establishing the amounts and methods of collection of any permit fees collected under this subdivision. The fee schedule must reflect reasonable and routine permitting, implementation, and enforcement costs. The agency may impose an additional enforcement fee to be collected for a period of up to two years to cover the reasonable costs of implementing and enforcing the conditions of a permit under the rules of the agency. Any money collected under this paragraph shall be deposited in the special revenue account.

(b) Notwithstanding paragraph (a), ~~and section 16A.128, subdivision 1~~, the agency shall collect an annual fee from the owner or operator of all stationary sources, emission facilities, emissions units, air contaminant treatment facilities, treatment facilities, potential air contaminant storage facilities, or storage facilities subject to the requirement to obtain a permit under Title V of the federal Clean Air Act Amendments of 1990, Public Law Number 101-549, Statutes at Large, volume 104, pages 2399 et seq., or section 116.081. The annual fee shall be used to pay for all direct and indirect reasonable costs, including attorney general costs, required to develop and administer the permit program requirements of Title V of the federal Clean Air Act Amendments of 1990, Public Law Number 101-549, Statutes at Large, volume 104, pages 2399 et seq., and sections of this chapter and the rules adopted under this chapter related to air contamination and noise. Those costs include the reasonable costs of reviewing and acting upon an application for a permit; implementing and enforcing statutes, rules, and the terms and conditions of a permit; emissions, ambient, and deposition monitoring; preparing generally applicable regulations; responding to federal guidance; modeling, analyses, and demonstrations; preparing inventories

and tracking emissions; providing information to the public about these activities; and, after June 30, 1992, the costs of acid deposition monitoring currently assessed under section 116C.69, subdivision 3.

(c) The agency shall adopt fee rules in accordance with the procedures in section ~~16A.128, subdivisions 1a and 2a,~~ 16A.1285 that will result in the collection, in the aggregate, from the sources listed in paragraph (b), of the following amounts:

(1) in fiscal years 1992 and 1993, the amount appropriated by the legislature from the air quality account in the environmental fund for the agency's air quality program;

(2) for fiscal year 1994 and thereafter, an amount not less than \$25 per ton of each volatile organic compound; pollutant regulated under United States Code, title 42, section 7411 or 7412 (section 111 or 112 of the federal Clean Air Act); and each pollutant, except carbon monoxide, for which a national primary ambient air quality standard has been promulgated; and

(3) for fiscal year 1994 and thereafter, the agency fee rules may also result in the collection, in the aggregate, from the sources listed in paragraph (b), of an amount not less than \$25 per ton of each pollutant not listed in clause (2) that is regulated under Minnesota Rules, chapter 7005, or for which a state primary ambient air quality standard has been adopted.

The agency must not include in the calculation of the aggregate amount to be collected under the fee rules any amount in excess of 4,000 tons per year of each air pollutant from a source.

(d) To cover the reasonable costs described in paragraph (b), the agency shall provide in the rules promulgated under paragraph (c) for an increase in the fee collected in each year beginning after fiscal year 1993 by the percentage, if any, by which the Consumer Price Index for the most recent calendar year ending before the beginning of the year the fee is collected exceeds the Consumer Price Index for the calendar year 1989. For purposes of this paragraph the Consumer Price Index for any calendar year is the average of the Consumer Price Index for all-urban consumers published by the United States Department of Labor, as of the close of the 12-month period ending on August 31 of each calendar year. The revision of the Consumer Price Index that is most consistent with the Consumer Price Index for calendar year 1989 shall be used.

(e) Any money collected under paragraphs (b) to (d) must be deposited in an air quality account in the environmental fund and must be used solely for the activities listed in paragraph (b).

(f) Persons who wish to construct or expand an air emission facility may offer to reimburse the agency for the costs of staff overtime or consultant services needed to expedite permit review. The reimbursement shall be in addition to fees imposed by paragraphs (a) to (d). When the agency determines that it needs additional resources to review the permit application in an expedited manner, and that expediting the review would not disrupt air permitting program priorities, the agency may accept the reimbursement. Reimbursements accepted by the agency are appropriated to the agency for the purpose of reviewing the permit application. Reimbursement by a permit applicant shall precede and not be contingent upon issuance of a permit and shall not affect the agency's decision on whether to issue or deny a permit, what conditions are included in a permit, or the application of state and federal statutes and rules governing permit determinations.

Sec. 49. Minnesota Statutes 1994, section 144.98, subdivision 3, is amended to read:

Subd. 3. [FEES.] (a) An application for certification under subdivision 1 must be accompanied by the annual fee specified in this subdivision. The fees are for:

(1) base certification fee, \$250; and

(2) test category certification fees:

Test Category	Certification Fee
Bacteriology	\$100
Inorganic chemistry, fewer than four constituents	\$ 50
Inorganic chemistry, four or more constituents	\$150
Chemistry metals, fewer than four constituents	\$100
Chemistry metals, four or more constituents	\$250

Volatile organic compounds	\$300
Other organic compounds	\$300

(b) The total annual certification fee is the base fee plus the applicable test category fees. The annual certification fee for a contract laboratory is 1.5 times the total certification fee.

(c) Laboratories located outside of this state that require an on-site survey will be assessed an additional \$1,200 fee.

(d) The commissioner of health may adjust fees under section ~~16A.128, subdivision 2~~ 16A.1285 without rulemaking. Fees must be set so that the total fees support the laboratory certification program. Direct costs of the certification service include program administration, inspections, the agency's general support costs, and attorney general costs attributable to the fee function.

Sec. 50. Minnesota Statutes 1994, section 221.0335, is amended to read:

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,~~ 16A.1285 to cover the costs of administering and enforcing this section and the costs of hazardous materials incident response capability under sections 299A.48 to 299A.52 and 299K.095. All fees collected under this section must be deposited in the general fund.

Sec. 51. Minnesota Statutes 1994, section 326.2421, subdivision 3, is amended to read:

Subd. 3. [ALARM AND COMMUNICATION CONTRACTOR'S LICENSES.] No person may lay out, install, maintain, or repair alarm and communication systems, unless the person is licensed as an alarm and communication contractor under this subdivision, or is a licensed electrical contractor under section 326.242, subdivision 6, or is an employee of the contractor. The board of electricity shall issue an alarm and communication contractor's license to any individual, corporation, partnership, sole proprietorship, or other business entity that provides adequate proof that a bond and insurance in the amounts required by section 326.242, subdivision 6, have been obtained by the applicant. The board ~~may initially~~ shall set license fees ~~without rulemaking,~~ pursuant to section ~~16A.128~~ 16A.1285. Installation of alarm and communication systems are subject to inspection and inspection fees as provided in section 326.244, subdivision 1a.

Sec. 52. Minnesota Statutes 1994, section 341.10, is amended to read:

341.10 [LICENSE FEES.]

The board shall have authority to collect and require the payment of a license fee in an amount set by the board from the owners of franchises or licenses. ~~Notwithstanding section 16A.128, subdivision 1a,~~ The fee is not subject to approval by the commissioner of finance and need not recover all costs. The board shall require the payment of the fee at the time of the issuance of the license or franchise to the owner. The moneys so derived shall be collected by the board and paid to the state treasurer. The board shall have authority to license all boxers, managers, seconds, referees and judges and may require them to pay a license fee. All moneys collected by the board from such licenses shall be paid to the state treasurer."

Page 33, line 4, delete "45" and insert "54"

Page 33, line 5, before the period, insert "and must be reimbursed to the general fund by June 30, 1997" and delete everything after the period

Page 33, delete lines 6 and 7

Page 33, delete lines 11 to 13

Page 34, line 12, delete "4; 6; 7; 10; 15; 26; 31; 47" and insert "3; 5; 7; 8; 11; 16; 27; 34; 56"

Page 34, line 13, delete "25 and 29" and insert "26 and 30"

Page 34, line 14, delete "11" and insert "12"

Page 34, line 16 delete "30" and insert "31"

Page 34, line 17, delete "Section 44 is" and insert "Sections 4, 31 to 33, 35, and 48 to 53 are"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the first semicolon, insert "requiring fees to cover costs;"

Page 1, line 6, after the first semicolon, insert "4A.05, subdivision 2;"

Page 1, line 11, delete "subdivision 2" and insert "subdivisions 2, 4, and 5"

Page 1, line 12, after the first semicolon, insert "18E.03, subdivision 3;"

Page 1, line 13, delete "and"

Page 1, line 14, after the semicolon, insert "116.07, subdivision 4d; 144.98, subdivision 3; 221.0335; 326.2421, subdivision 3; and 341.10;"

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. 1406: A bill for an act relating to employment; establishing and modifying certain salary limits; appropriating money; amending Minnesota Statutes 1994, sections 3.855, subdivision 3; 15A.081, subdivision 8; 15A.083, subdivisions 5, 6a, and 7; 43A.17, subdivisions 1, 3, and by adding a subdivision; 85A.02, subdivision 5a; and 298.22, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 15A; repealing Minnesota Statutes 1994, sections 15A.081, subdivisions 1, 7, and 7b; and 43A.18, 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 1994, section 3.855, subdivision 3, is amended to read:

Subd. 3. [OTHER SALARIES AND COMPENSATION PLANS.] The commission shall also:

(a) review and approve, reject, or modify recommendations of the commissioner of employee relations for increasing salary rates under section 43A.17, subdivision 3a;

(b) review and approve, reject, or modify a plan for compensation, terms and conditions of employment prepared and submitted by the commissioner of employee relations under section 43A.18, subdivision 2, covering all state employees who are not represented by an exclusive bargaining representative and whose compensation is not provided for by chapter 43A or other law;

~~(b) (c) review and approve, reject or modify a plan for total compensation and terms and conditions of employment for employees in positions identified as being managerial under section 43A.18, subdivision 3, whose salaries and benefits are not otherwise provided for in law or other plans established under chapter 43A; and~~

~~(e) review and approve, reject or modify recommendations for salaries submitted by the governor under section 43A.18, subdivision 5, covering agency head positions listed in section 15A.081;~~

~~(d) review and approve, reject, or modify recommendations for salaries of officials of higher education systems under section 15A.081, subdivision 7b; and~~

(e) (d) review and approve, reject, or modify plans for compensation, terms, and conditions of employment proposed under section 43A.18, subdivision 4.

Sec. 2. Minnesota Statutes 1994, section 15A.081, subdivision 8, is amended to read:

Subd. 8. [EXPENSE ALLOWANCE.] Notwithstanding any law to the contrary, positions listed in ~~subdivision 1~~ section 15A.0815, subdivisions 3 and 4, and constitutional officers, ~~and the commissioner of iron range resources and rehabilitation~~ are authorized an annual expense allowance not to exceed \$1,500 for necessary expenses in the normal performance of their duties for which no other reimbursement is provided. The expenditures under this subdivision are subject to any laws and rules relating to budgeting, allotment and encumbrance, preaudit and postaudit. The commissioner of finance may ~~promulgate~~ adopt rules to assure the proper expenditure of these funds, and to provide for reimbursement.

Sec. 3. [15A.0815] [SALARY LIMITS FOR CERTAIN EMPLOYEES.]

Subdivision 1. [SALARY LIMITS.] For purposes of subdivisions 2 to 4, the governor's salary is as established under section 15A.082.

The appointing authority, as defined in section 43A.02, subdivision 5, shall establish salaries for the positions within the prescribed limits as specified in subdivisions 2 to 5. In establishing individual salaries, the appointing authority shall consider the criteria established in section 43A.18, subdivision 8, and the performance of individual incumbents. The performance evaluation must include a review of an incumbent's progress toward attainment of affirmative action goals. If the appointing authority is not the governor, the salary proposed by the appointing authority is not effective unless approved by the commissioner of employee relations.

The appointing authority shall set the initial salary of a head of a new agency or a chair of a new metropolitan board or commission whose salary is not specifically prescribed by law. If the appointing authority is not the governor, the salary proposed by the appointing authority is not effective unless approved by the commissioner of employee relations. The amount of the new salary must be comparable to the salary of an agency head or commission chair having similar duties and responsibilities.

Subd. 2. [HIGHER EDUCATION SYSTEM LIMITS.] The salary of the chancellor of Minnesota state colleges and universities may not exceed 95 percent of the salary of the governor. For purposes of this subdivision, "salary" does not include:

(1) employee benefits that are also provided for the majority of all other full-time state employees, vacation and sick leave allowances, health and dental insurance, disability insurance, term life insurance, and pension benefits or like benefits the cost of which is borne by the employee or which is not subject to tax as income under the Internal Revenue Code of 1986;

(2) dues paid to organizations that are of a civic, professional, educational, or governmental nature;

(3) reimbursement for actual expenses incurred by the employee that the appointing authority determines to be directly related to the performance of job responsibilities, including any relocation expenses paid during the initial year of employment; or

(4) a housing allowance that is comparable to housing allowances provided to chancellors and university presidents in similar higher education systems nationwide.

Subd. 3. [GROUP I SALARY LIMITS.] The salaries for positions in this subdivision may not exceed 85 percent of the salary of the governor:

Commissioner of administration;

Commissioner of agriculture;

Commissioner of commerce;

Commissioner of corrections;

Commissioner of economic security;
Commissioner of education;
Commissioner of employee relations;
Commissioner of finance;
Commissioner of health;
Executive director, higher education coordinating board;
Commissioner, housing finance agency;
Commissioner of human rights;
Commissioner of human services;
Executive director, state board of investment;
Commissioner of labor and industry;
Commissioner of natural resources;
Commissioner of office of strategic and long-range planning;
Commissioner, pollution control agency;
Commissioner of public safety;
Commissioner, department of public service;
Commissioner of revenue;
Commissioner of trade and economic development;
Commissioner of transportation;
Commissioner of veterans affairs;
Administrator of zoological gardens.

Subd. 4. [GROUP II SALARY LIMITS.] The salaries for positions in this subdivision may not exceed 75 percent of the salary of the governor:

Ombudsman for corrections;
Director of office of environmental assistance;
Executive director of gambling control board;
Commissioner of iron range resources and rehabilitation board;
Commissioner, bureau of mediation services;
Ombudsman for mental health and retardation;
Chair, metropolitan council;
Executive director of pari-mutuel racing;
Executive director, public employees retirement association;
Commissioner, public utilities commission;
Executive director, state retirement system;

Executive director, teacher's retirement association;

Member, transportation regulation board.

Subd. 5. [GROUP III SALARY LIMITS.] The salary for a position in this subdivision may not exceed 25 percent of the salary of the governor:

Chair, metropolitan airports commission.

Subd. 6. [METROPOLITAN COUNCIL MEMBER SALARIES.] The salary of a member of the metropolitan council is \$20,000 a year.

Sec. 4. Minnesota Statutes 1994, section 15A.083, subdivision 5, is amended to read:

Subd. 5. [TAX COURT.] ~~Salaries~~ The salary of judges a judge of the tax court are is the same as the base salary for a district judges court judge as set under section 15A.082, subdivision 3.

Sec. 5. Minnesota Statutes 1994, section 15A.083, subdivision 6a, is amended to read:

Subd. 6a. [ADMINISTRATIVE LAW JUDGE; ~~MAXIMUM SALARY SALARIES.~~] The maximum salary of an administrative law judge in the classified service employed by the office of administrative hearings is 90 percent of the salary of a district court judges judge as set under section 15A.082, subdivision 3. The salary of the chief administrative law judge is the same as the salary of a district court judge as set under section 15A.082. The salaries of the assistant chief administrative law judge and the administrative law judge supervisor are 95 percent of the salary of a district court judge as set under section 15A.082.

Sec. 6. Minnesota Statutes 1994, section 15A.083, subdivision 7, is amended to read:

Subd. 7. [WORKERS' COMPENSATION COURT OF APPEALS AND COMPENSATION JUDGES.] ~~Salaries~~ The salary of judges a judge of the workers' compensation court of appeals are is the same as the salary for a district judges court judge as set under section 15A.082, subdivision 3. Salaries ~~The salary of a compensation judges are 75 judge is 90 percent of the salary of a district court judges judge.~~ The chief workers' compensation settlement judge at the department of labor and industry may be paid an annual salary that is up to five percent greater than the salary of a workers' compensation settlement judges judge at the department of labor and industry.

Sec. 7. Minnesota Statutes 1994, section 43A.17, subdivision 1, is amended to read:

Subdivision 1. [SALARY LIMITS.] As used in subdivisions 1 to 9, "salary" means hourly, monthly, or annual rate of pay including any lump-sum payments and cost-of-living adjustment increases but excluding payments due to overtime worked, shift or equipment differentials, work out of class as required by collective bargaining agreements or plans established under section 43A.18, and back pay on reallocation or other payments related to the hours or conditions under which work is performed rather than to the salary range or rate to which a class is assigned. For presidents of state universities, "salary" does not include a housing allowance provided through a compensation plan approved under section 43A.18, subdivision 3a.

The salary, as established in section 15A.081 15A.0815, of the head of a state agency in the executive branch is the upper limit of compensation on the salaries of individual employees in the agency. The salary of the commissioner of labor and industry is the upper limit of compensation salaries of employees in the bureau of mediation services. However, if an agency head is assigned a salary that is lower than the current salary of another agency employee, the employee retains the salary, but may not receive an increase in salary as long as the salary is above that of the agency head. The commissioner may grant exemptions from these upper limits as provided in subdivisions 3 3a and 4.

Sec. 8. Minnesota Statutes 1994, section 43A.17, subdivision 3, is amended to read:

Subd. 3. [UNUSUAL EMPLOYMENT SITUATIONS.] Upon the request of the appointing authority, and when the commissioner determines that changes in employment situations create difficulties in attracting or retaining employees, the commissioner may approve an unusual employment situation increase to advance an employee within the compensation plan. Such action

will be consistent with applicable provisions of collective bargaining agreements or plans pursuant to section 43A.18. The commissioner shall review each proposal giving due consideration to salary rates paid to other employees in the same class and agency and may approve any request which in the commissioner's judgment is in the best interest of the state. ~~If the commissioner determines that the position requires special expertise necessitating a higher salary to attract or retain qualified persons, the commissioner may grant an exemption not to exceed 120 percent of the base salary of the head of the agency.~~

Sec. 9. Minnesota Statutes 1994, section 43A.17, is amended by adding a subdivision to read:

Subd. 3a. [SALARY LIMIT WAIVERS.] The commissioner may increase the limitation 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 and nation. The commissioner may not increase the limitation until the increase has been approved by the legislative commission on employee relations under section 3.855, subdivisions 2 and 3.

Sec. 10. Minnesota Statutes 1994, section 43A.18, subdivision 4, is amended to read:

Subd. 4. [PLANS NOT ESTABLISHED BUT APPROVED BY COMMISSIONER.] (a) Notwithstanding any other law to the contrary, terms and conditions of employment for employees listed in this subdivision must be set by appointing authorities within the limits of compensation plans that have been approved by the commissioner before becoming effective. Compensation plans established under paragraphs (c) and (d), must be reviewed and approved, modified, or rejected by the legislature and the legislative commission on employee relations under section 3.855, subdivision 2, before becoming effective.

(b) Total compensation for employees who are not covered by a collective bargaining agreement in the offices of the governor, lieutenant governor, attorney general, secretary of state, state auditor, and state treasurer must be determined by the governor, lieutenant governor, attorney general, secretary of state, state auditor, and state treasurer, respectively.

~~(c) Total compensation for classified administrative law judges in the office of administrative hearings must be determined by the chief administrative law judge.~~

~~(d) Total compensation for unclassified positions not covered by a collective bargaining agreement in the higher education coordinating board must be determined by the higher education coordinating board.~~

Sec. 11. Minnesota Statutes 1994, section 85A.02, subdivision 5a, is amended to read:

Subd. 5a. [EMPLOYEES.] (a) The board shall appoint an administrator who shall serve as the executive secretary and principal administrative officer of the board and, subject to its approval, ~~the administrator shall operate the Minnesota zoological garden and enforce all rules and policy decisions of the board. The administrator must be chosen solely on the basis of training, experience, and other qualifications appropriate to the field of zoo management and development. The board shall set the compensation for the administrator within the limits established for the commissioner of agriculture in section 15A.081, subdivision 1.~~ The administrator shall perform duties assigned by the board and ~~shall serve~~ serves in the unclassified service at the pleasure of the board. The administrator, with the participation of the board, shall appoint a development director in the unclassified service or contract with a development consultant to establish mechanisms to foster community participation in and community support for the Minnesota zoological garden. The board may employ other necessary professional, technical, and clerical personnel. Employees of the zoological garden are eligible for salary supplement in the same manner as employees of other state agencies. The commissioner of finance shall determine the amount of salary supplement based on available funds.

(b) The board may contract with individuals to perform professional services and may contract for the purchases of necessary species exhibits, supplies, services, and equipment. The board may also contract for the construction and operation of entertainment facilities on the zoo grounds that are not directly connected to ordinary functions of the zoological garden. The zoo board ~~shall~~ may

not enter into ~~any~~ a final agreement for construction of ~~any~~ an entertainment facility that is not directly connected to the ordinary functions of the zoo until after final construction plans have been submitted to the chairs of the senate finance and house appropriations committees for their recommendations.

The zoo may not contract for entertainment during the period of the Minnesota state fair that would directly compete with entertainment at the Minnesota state fair.

Sec. 12. Minnesota Statutes 1994, section 298.22, subdivision 1, is amended to read:

Subdivision 1. (1) ~~The office of governor shall appoint the commissioner of iron range resources and rehabilitation is created. The commissioner shall be appointed by the governor under the provisions of section 15.06.~~

(2) The commissioner may hold ~~such~~ other positions or appointments as that are not incompatible with duties as commissioner of iron range resources and rehabilitation. The commissioner may appoint a deputy commissioner. All expenses of the commissioner, including the payment of such assistance as may be necessary, ~~shall~~ must be paid out of the amounts appropriated by section 298.28. ~~The compensation of the commissioner shall be set by the legislative coordinating commission and may not exceed the maximum salary set for the commissioner of administration under section 15A.081, subdivision 1.~~

(3) When the commissioner ~~shall determine~~ determines that distress and unemployment exists or may exist in the future in any county by reason of the removal of natural resources or a possibly limited use ~~thereof~~ of natural resources in the future and ~~the any~~ resulting decrease in employment ~~resulting therefrom, now or hereafter~~, the commissioner may use ~~such~~ whatever amounts of the appropriation made to the commissioner of revenue in section 298.28 ~~as that are determined to be necessary and proper in the development of the remaining resources of said the county and in the vocational training and rehabilitation of its residents, except that the amount needed to cover cost overruns awarded to a contractor by an arbitrator in relation to a contract awarded by the commissioner or in effect after July 1, 1985, is appropriated from the general fund. For the purposes of this section, "development of remaining resources" includes, but is not limited to, the promotion of tourism.~~

Sec. 13. [EVALUATION.]

The commissioner of employee relations shall complete an evaluation of the relative responsibilities of the heads of state agencies and report to the president of the senate and the speaker of the house of representatives by January 1, 1997.

Sec. 14. [COMPENSATION COUNCIL RECOMMENDATIONS.]

(a) The salaries of constitutional officers, judges, and legislators are increased on January 6, 1997, by the lesser of:

(1) the April 1, 1995, recommendation of the compensation council to take effect in 1997; or

(2) the lowest across-the-board increase for the fiscal year ending June 30, 1996, included in a collective bargaining agreement or arbitration award for state employees that has been ratified by the legislature in 1996. The commissioner of employee relations shall certify the across-the-board increases included in each contract or arbitration award as it is presented to the legislative commission on employee relations.

(b) The salaries of constitutional officers, judges, and legislators are increased on January 1, 1998, by the lesser of:

(1) the April 1, 1995, recommendation of the compensation council to take effect in 1998; or

(2) the lowest across-the-board increase for the fiscal year ending June 30, 1997, included in a collective bargaining agreement or arbitration award for state employees that has been ratified by the legislature in 1996. The commissioner of employee relations shall certify the across-the-board increases included in each contract or arbitration award as it is presented to the legislative commission on employee relations.

The recommendation dated April 1, 1995, of the compensation council regarding salary increases to take effect on January 1, 1996, is adopted.

Sec. 15. [PHASE-IN OF SALARY INCREASES.]

(a) Notwithstanding Minnesota Statutes, section 15A.083, subdivision 6a, the salary of an administrative law judge in the classified service employed by the office of administrative hearings is 80 percent of the salary of a district court judge as set under Minnesota Statutes, section 15A.082, effective July 1, 1995, and 85 percent of that salary effective July 1, 1996. After June 30, 1997, the salary of an administrative law judge in the classified service employed by the office of administrative hearings is governed by Minnesota Statutes, section 15A.083, subdivision 6a.

(b) Notwithstanding Minnesota Statutes, section 15A.083, subdivision 6a, the salary of the assistant chief administrative law judge and the administrative law judge supervisor in the office of administrative hearings is 85 percent of the salary of a district court judge as set under Minnesota Statutes, section 15A.082, effective July 1, 1995, and 90 percent of that salary effective July 1, 1996. After June 30, 1997, the salary of the assistant chief administrative law judge and the administrative law judge supervisor is governed by Minnesota Statutes, section 15A.083, subdivision 6a.

(c) Notwithstanding Minnesota Statutes, section 15A.083, subdivision 7, the salary of a compensation judge is 80 percent of the salary of a district court judge as set under Minnesota Statutes, section 15A.082, effective July 1, 1995, and 85 percent of that salary effective July 1, 1996. After June 30, 1997, the salary of a compensation judge is governed by Minnesota Statutes, section 15A.083, subdivision 7.

Sec. 16. [REVISOR INSTRUCTION.]

The revisor of statutes shall substitute the reference "section 15A.0815" for each reference to sections 15A.081, subdivisions 1, 7, and 7b, and 43A.18, subdivision 5, wherever they occur in the next edition of Minnesota Statutes and Minnesota Rules.

Sec. 17. [REPEALER.]

Minnesota Statutes 1994, sections 15A.081, subdivisions 1, 7, and 7b; and 43A.18, subdivision 5, are repealed.

Sec. 18. [EFFECTIVE DATE.]

This act is effective July 1, 1995."

Delete the title and insert:

"A bill for an act relating to employment; establishing and modifying certain salary limits; requiring an evaluation of agency head responsibilities; amending Minnesota Statutes 1994, sections 3.855, subdivision 3; 15A.081, subdivision 8; 15A.083, subdivisions 5, 6a, and 7; 43A.17, subdivisions 1, 3, and by adding a subdivision; 43A.18, subdivision 4; 85A.02, subdivision 5a; and 298.22, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 15A; repealing Minnesota Statutes 1994, sections 15A.081, subdivisions 1, 7, and 7b; and 43A.18, subdivision 5."

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1136, 1551, 979, 1314, 604, 1246, 877, 900, 339, 429, 1393, 1122, 503, 1103, 1089, 217, 1020, 512, 871 and 1406 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 617, 1246, 2, 446 and 493 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. 1000: Messrs. Pogemiller, Knutson, Mses. Robertson, Krentz and Mr. Langseth.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Mr. Novak was excused from the Session of today. Mr. Bertram was excused from the Session of today from 10:00 to 11:07 a.m. Mr. Dille was excused from the Session of today from 10:00 to 11:20 a.m. Mr. Vickerman was excused from the Session of today from 10:30 to 11:25 a.m. Mr. Oliver was excused from the Session of today from 10:00 to 11:55 a.m. Mr. Johnson, D.E. was excused from the Session of today from 11:30 a.m. to 12:00 noon. Ms. Wiener was excused from the Session of today from 11:30 a.m. to 1:00 p.m. Ms. Johnston was excused from the Session of today from 11:45 a.m. to 12:00 noon and from 1:45 to 2:00 p.m. Ms. Reichgott Junge was excused from the Session of today from 10:00 to 10:30 a.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Tuesday, May 2, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTY-FIRST DAY

St. Paul, Minnesota, Tuesday, May 2, 1995

The Senate met at 9:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Ms. Reichgott Junge 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. John Estrem.

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

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

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 File, herewith returned: S.F. No. 973.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 1, 1995

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1856:

H.F. No. 1856: A bill for an act relating to education; appropriating money for education and related purposes to the higher education services office, the state board of technical colleges, state board for community colleges, state university board, board of regents of the University of

Minnesota, and Mayo Medical Foundation, with certain conditions; altering requirements for the youth works program; modifying appropriations for instructional services; imposing conditions on participation in post-secondary enrollment options; removing requirements for certain reports; establishing a semester system and common calendar; requiring administrative interaction with students; modifying use of education institution data; extending time for POST board funding change; requiring review of Akita program; requiring efficiency in use of facilities; establishing a model instruction program in translating and interpreting services; requiring distribution of career planning and job placement information; prohibiting student discipline for speech or communication; abolishing the higher education coordinating board and transferring its duties; creating the higher education service office and higher education administrators council; prescribing changes in certain financial assistance programs; repealing the merger of the community colleges, state universities, and technical colleges; abolishing the higher education board; amending Minnesota Statutes 1994, sections 121.707, subdivisions 2 and 3; 121.709; 126.56; 126.663, subdivision 3; 126A.02, subdivision 2; 135A.031, subdivision 2; 135A.12, subdivision 1; 135A.15, subdivision 1; 135A.153, subdivision 1; 136.172; 136A.01; 136A.03; 136A.07; 136A.08; 136A.101, subdivisions 2, 3, 5, 7, 8, and 10; 136A.121, subdivisions 5, 6, and 9; 136A.125, subdivision 6; 136A.1359, subdivisions 1, 2, and 3; 136A.15, subdivisions 3 and 4; 136A.16, subdivision 1; 136A.233, subdivision 2; 136A.26, subdivisions 1 and 2; 136A.42; 136A.62, subdivision 2; 136A.63; 136A.69; 136A.81, subdivision 1; 141.25, subdivision 8; 144.1487, subdivision 1; 144.1488, subdivisions 1 and 4; 144.1489, subdivisions 1, 3, and 4; 144.1490; 144.1491, subdivision 2; 298.2214, subdivision 5; and 363.03, subdivision 5; Laws 1986, chapter 398, article 1, section 18, as amended; and Laws 1993, First Special Session chapter 2, article 1, section 2, subdivision 3, and section 9, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; and 136E; repealing Minnesota Statutes 1994, sections 135A.052, subdivisions 2 and 3; 135A.08; 135A.09; 135A.10; 135A.11; 135A.12, subdivision 5; 136A.02; 136A.04; 136A.041; 136A.125, subdivision 5; 136A.1352; 136A.1353; 136A.1354; 136A.16, subdivision 11; 136A.85; 136A.86; 136A.87; 136A.88; 136E.01; 136E.02; 136E.021; 136E.03; 136E.04; 136E.05; 136E.31; 136E.395; 136E.525; 136E.692; 137.31, subdivision 6; 137.35, subdivision 4; 137.38; 144.1488, subdivision 2; and 148.236; Laws 1991, chapter 356, article 9, as amended; and Laws 1994, chapter 532, articles 5, sections 1, 2, and 3; and 7, section 9.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Kinkel, Kelso, Pelowski, Dehler and Leppik have been appointed as such committee on the part of the House.

House File No. 1856 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 May 1, 1995

Mr. Stumpf moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1856, 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. 365:

H.F. No. 365: A bill for an act relating to insurance; no-fault auto; regulating priorities of coverage for taxis; amending Minnesota Statutes 1994, section 65B.47, subdivision 1a.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Jennings, Simoneau and Molnau have been appointed as such committee on the part of the House.

House File No. 365 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 May 1, 1995

Mr. Chandler moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 365, 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 acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 5 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1678: A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative and administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; amending Minnesota Statutes 1994, sections 3.9741, subdivision 2; 5.14; 15.50, subdivision 2; 15.91, subdivision 2; 16B.39, by adding a subdivision; 16B.42, subdivision 3; 16B.88, subdivisions 1, 2, 3, and 4; 126A.01; 126A.02; 126A.04; 197.05; 240A.08; 309.501, by adding a subdivision; and 349A.08, subdivision 5; Laws 1993, chapter 224, article 12, section 33; proposing coding for new law in Minnesota Statutes, chapters 16B; and 43A.

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

Rukavina; Jefferson; Johnson, R.; Kahn and Rostberg.

Senate File No. 1678 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 1, 1995

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 5 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1670: A bill for an act relating to the organization and operation of state government; appropriating money for community development and certain agencies of state government, with certain conditions; establishing and modifying certain programs; providing for regulation of certain activities and practices; providing for accounts, assessments, and fees; requiring studies and reports; amending Minnesota Statutes 1994, sections 116J.873, subdivision 3, and by adding subdivisions; 116M.16, subdivision 2; 116M.18, subdivisions 4, 5, and by adding a subdivision; 116N.03, subdivision 2; 116N.08, subdivisions 5, 6, and by adding a subdivision; 124.85, by adding a subdivision; 175.171; 268A.01, subdivisions 4, 5, 6, 9, and 10; 268A.03; 268A.06, subdivision 1; 268A.07; 268A.08, subdivisions 1 and 2; 268A.13; 462A.201, subdivision 2; 462A.204, subdivision 1; and 462A.21, subdivisions 3b, 8b, 21, and by adding a subdivision; Laws 1994, chapter 643, section 19, subdivision 9; proposing coding for new law in Minnesota Statutes, chapters 178; 268A; and 462A; repealing Minnesota Statutes 1994, sections 116J.874, subdivision 6; 268A.01, subdivisions 7, 11, and 12; and 268A.09.

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

Rice, Clark, Mahon, Leighton and Ozment.

Senate File No. 1670 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 1, 1995

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 536:

H.F. No. 536: A bill for an act relating to commerce; residential building contractors; regulating licensees; providing a clarification; amending Minnesota Statutes 1994, sections 326.83, subdivision 5, and by adding a subdivision; 326.84, subdivision 3; 326.91, subdivision 1; 326.95, subdivision 2; and 326.975, subdivision 1.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Entenza, Sarna and Pellow have been appointed as such committee on the part of the House.

House File No. 536 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 May 1, 1995

Mr. Limmer moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 536, 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. 1055:

H.F. No. 1055: A bill for an act relating to waters; eliminating the position of board of water and soil resources secretary; increasing board members' compensation; duties of advisory committees; rule approval procedure; guidelines for management plans; exemptions from review; appeals from rules, permit decisions, and orders; informal dispute resolution; assessment basis; amending Minnesota Statutes 1994, sections 103D.011, subdivision 21; 103D.101, subdivision 4; 103D.205, subdivisions 1 and 4; 103D.221, subdivision 2; 103D.255, subdivision 1; 103D.261, subdivision 1; 103D.271, subdivisions 2 and 4; 103D.305, subdivision 1; 103D.311, subdivision 4; 103D.315, subdivisions 1, 8, and 11; 103D.321, subdivision 2; 103D.331; 103D.335, subdivisions 5, 6, and 13; 103D.341, subdivision 2; 103D.351; 103D.401, subdivisions 1 and 2; 103D.405, subdivision 1; 103D.515, subdivision 4; 103D.531; 103D.535, subdivisions 1, 4, and 5; 103D.537; 103D.611, subdivisions 1, 4, and 5; 103D.621, subdivision 4; 103D.625, subdivisions 3 and 4; 103D.631, subdivision 2; 103D.635, subdivisions 1 and 3; 103D.705, subdivision 1; 103D.711, subdivision 2; 103D.715, subdivision 3; 103D.721, subdivision 2; 103D.741, subdivision 1; 103D.745, subdivisions 2 and 3; 103D.811, subdivisions 1 and 3; 103D.901, subdivisions 2, 4, and 5; 103D.905, subdivisions 3 and 5; 103D.921, subdivisions 1 and 3; and 103D.925; proposing coding for new law in Minnesota Statutes, chapter 103D.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Dauner, Olson, E. and Finseth have been appointed as such committee on the part of the House.

House File No. 1055 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 May 1, 1995

Mr. Price moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1055, 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. 778:

H.F. No. 778: A bill for an act relating to human services; modifying certain asset and income requirements for medical assistance; modifying the verification requirements for Minnesota supplemental aid; amending Minnesota Statutes 1994, sections 256B.056, by adding subdivisions; and 256D.405, by adding a subdivision; repealing Minnesota Statutes 1994, section 256D.425, subdivision 3.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Orenstein, Marko and Girard have been appointed as such committee on the part of the House.

House File No. 778 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 May 1, 1995

Mr. Riveness moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 778, 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. 1159:

H.F. No. 1159: A bill for an act relating to real property; authorizing municipalities to establish trust or escrow accounts for proceeds from losses arising from fire or explosion of certain insured real property; authorizing municipalities to utilize escrowed funds to secure, repair, or demolish damaged or destroyed structures; proposing coding for new law in Minnesota Statutes, chapter 65A.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Jefferson, Clark and Rostberg have been appointed as such committee on the part of the House.

House File No. 1159 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 May 1, 1995

Mr. Kroening moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1159, 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. 1132:

H.F. No. 1132: A bill for an act relating to alcoholic beverages; providing restrictions on brewers who have retail on-sale licenses; imposing licensing and permitting requirements;

requiring a license for charging for possession of alcoholic beverages; requiring a permit to allow consumption and display of all alcoholic beverages; authorizing additional licenses in Minneapolis; authorizing Clay and St. Louis counties to issue on-sale licenses; requiring a study of application of primary source law; defining home brewing equipment; listing items that may be sold in exclusive liquor stores; repealing requirement for permit for transportation of alcoholic beverages; amending Minnesota Statutes 1994, sections 340A.101, subdivision 10, and by adding a subdivision; 340A.301, subdivisions 6 and 7; 340A.401; 340A.404, subdivision 2; 340A.408, subdivision 2; 340A.412, by adding a subdivision; and 340A.414, subdivision 1; repealing Minnesota Statutes 1994, sections 340A.301, subdivision 10; and 340A.32.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Jennings, Sarna and Holsten have been appointed as such committee on the part of the House.

House File No. 1132 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 May 1, 1995

Mr. Solon moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1132, 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 Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1134: A bill for an act relating to financial institutions; regulating notices, electronic financial terminals, mergers with subsidiaries, the powers and duties of the commissioner of commerce, reporting and records requirements, lending powers, the powers and duties of institutions, detached facilities, and interstate banking; making technical changes; regulating mortgage prepayments; allowing written waivers of the right to prepay without penalty under certain circumstances; clarifying definition of franchise; permitting a delinquency and collection charge; amending Minnesota Statutes 1994, sections 46.04, subdivision 1, and by adding a subdivision; 46.041, subdivision 4; 46.046, subdivision 1; 46.048, subdivision 1, and by adding subdivisions; 47.10, subdivision 3; 47.11; 47.20, subdivisions 5 and 10; 47.28, subdivision 1; 47.52; 47.56; 47.58, subdivision 2; 47.61, subdivision 3; 47.62, subdivisions 2, 3, and by adding subdivisions; 47.67; 47.69, subdivisions 3 and 5; 47.78; 48.16; 48.194; 48.24, subdivision 5; 48.475, subdivision 3; 48.48, subdivisions 1 and 2; 48.49; 48.61, subdivision 7, and by adding a subdivision; 48.65; 48.90, subdivision 1; 48.91; 48.92, subdivisions 1, 2, 6, 7, 8, 9, and by adding a subdivision; 48.93, subdivisions 1, 3, and 4; 48.96; 48.99, subdivision 1; 49.01, subdivision 3; 51A.02, subdivisions 6, 26, and 40; 51A.19, subdivision 9; 51A.50; 51A.58; 52.04, subdivision 2a; 52.05, subdivision 2; 53.015, subdivision 4; 53.04, subdivisions 3a, 3c, 4a, and 5a; 53.09, subdivisions 1, 2, and by adding a subdivision; 56.11; 56.12; 56.125, subdivisions 1, 2, and 3; 56.131, subdivisions 1, 2, 4, and 6; 56.132; 56.14; 56.155, subdivision 1; 56.17; 59A.06, subdivision 2; 61A.09, subdivision 3; 62B.04, subdivision 1; 62B.08, subdivision 2; 80C.01, subdivision 4; 300.20, subdivision 1; 327B.04, subdivision 1; 327B.09, subdivision 1; 332.23, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 45; 47; 48; 51A; 52; and 334; repealing Minnesota Statutes 1994, sections 46.03; 47.80; 47.81; 47.82; 47.83; 47.84; 47.85; 48.1585; 48.512, subdivision 6; 48.611; 48.95; 48.97; 48.98; 48.991; and 51A.385.

Senate File No. 1134 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 1, 1995

Mr. Solon moved that the Senate do not concur in the amendments by the House to S.F. No.

1134, 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 refuses to concur in the Senate amendments to House File No. 96:

H.F. No. 96: A bill for an act relating to insurance; health plans; prohibiting provisions that grant the health carrier a subrogation right, except where the covered person has been fully compensated from another source; proposing coding for new law in Minnesota Statutes, chapter 62A.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Bishop, Van Dellen and Pugh have been appointed as such committee on the part of the House.

House File No. 96 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 May 1, 1995

Mr. Hottinger moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 96, 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. 1864:

H.F. No. 1864: A bill for an act relating to the financing of government in this state; adopting federal income tax law changes; providing for deferment of certain property taxes for senior citizens; providing for an income tax credit; modifying certain tax rates, credits, refunds, bases, and exemptions; providing for deduction of property tax refunds from property taxes; modifying and restricting certain requirements or uses of tax increment financing; providing for dedication of certain revenues; modifying certain motor vehicle registration taxes; establishing a sales tax advisory council; authorizing certain local taxes, special districts and other local authority; creating a local government review panel; modifying revenue recapture rules; changing the property tax treatment of certain wind property; allowing pass through of certain utility taxes; requiring studies; adjusting the amount of the budget reserve and debt limit; changing certain aids to local governments; appropriating money; amending Minnesota Statutes 1994, sections 14.61; 14.62, by adding a subdivision; 16A.152, subdivisions 1 and 2; 60A.15, subdivision 1; 69.021, subdivision 2; 124.918, subdivisions 1 and 2; 168.012, subdivision 9; 168.013, subdivision 1a; 168.017, subdivision 3, and by adding a subdivision; 216B.16, by adding a subdivision; 216C.01, subdivisions 1a and 1b; 270.273, subdivisions 1 and 2; 270A.03, subdivision 7; 270A.04, subdivision 2; 270A.06; 270A.07, subdivision 2; 270A.09, by adding a subdivision; 270A.11; 270B.12, by adding a subdivision; 272.02, subdivision 1; 273.124, subdivision 13; 273.13, subdivisions 24 and 25; 273.1398, subdivision 1; 273.1399, subdivisions 1, 2, 6, and by adding a subdivision; 273.37, by adding a subdivision; 275.065, subdivisions 1 and 3; 276.09; 276.111; 279.01, subdivision 1, and by adding subdivisions; 289A.50, by adding a subdivision; 289A.60, subdivision 12; 290.01, subdivisions 19, 19a, and by adding a subdivision; 290.06, by adding a subdivision; 290A.02; 290A.03, subdivisions 6, 13, and by adding a subdivision; 290A.04, subdivisions 2h, 3, and by adding subdivisions; 290A.07; 290A.09; 290A.10; 290A.15; 290A.18; 290A.23, subdivision 3; 296.01, subdivisions 30, 34, and by adding subdivisions; 296.02, subdivisions 1, 1a, and 1b; 296.025, subdivisions 1, 1a, and by adding a subdivision; 296.0261, by adding a subdivision; 297A.01, subdivision 3, and by adding a subdivision; 297A.02, subdivision 4; 297A.135, subdivision 1; 297A.25, subdivisions 11, 57, 59, and by adding subdivisions;

297A.45; 297B.02, subdivision 3; 297B.025, subdivision 2; 297B.032; 298.28, subdivision 9a; 298.75, subdivision 1; 349.12, subdivision 25; 375.192, by adding a subdivision; 375.83; 469.174, subdivisions 4, 12, 19, 21, and by adding subdivisions; 469.175, subdivisions 1, 3, 5, 6, and 6a; 469.176, subdivisions 4b, 4c, and 7; 469.1763, subdivisions 2 and 4; 469.177, subdivisions 1, 1a, 2, 6, 9, and by adding a subdivision; 469.1771, subdivision 1; 469.179, by adding subdivisions; 477A.013, subdivision 9; and 477A.0132; Laws 1985, chapter 302, section 2, subdivision 1, as amended; Laws 1986, chapter 400, section 44; Laws 1991, chapter 291, article 8, section 28, subdivision 1; Laws 1993, chapter 375, article 5, section 40, subdivision 3; Laws 1994, chapter 587, articles 5, section 27; 9, section 10, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 3; 8; 13; 16A; 272; 273; 276; 282; 290A; 297; 469; 473; and 477A; repealing Minnesota Statutes 1994, sections 168.013, subdivision 1j; 296.0261, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, and 9; 297A.136; and 469.175, subdivision 7a.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Rest, Winter, Dawkins, Milbert and Goodno have been appointed as such committee on the part of the House.

House File No. 1864 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 May 1, 1995

Mr. Moe, R.D., for Mr. Johnson, D.J., moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1864, 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 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. 1110: A bill for an act relating to human services; appropriating money for the department of human services and health, for the veterans nursing homes board, for the health-related boards, for the council on disability, for the ombudsman for mental health and mental retardation, and for the ombudsman for families; modifying day training and habilitation services; creating the consumer support program; modifying child care programs; defining and including essential persons in determining AFDC eligibility; modifying the Minnesota Supplemental Aid program by making it consistent with the federal SSI program; modifying group residential housing; limiting the admission of certain high-functioning persons to nursing facilities; modifying hospital inflation and requiring inflation adjustments to reflect prior overpayments; modifying medical assistance disproportionate share payments; establishing hospital peer groups; establishing long-term hospital rates; modifying treatment of certain trusts; modifying treatment of assets and income for institutionalized persons; reducing the pharmacy dispensing fee; establishing pharmacy copayments in medical assistance and general assistance medical care; establishing a service allowance for certain persons denied admission to a nursing facility; increasing reimbursement rates for certain home care services provided in Anoka county; modifying certain intergovernmental transfers; clarifying the county nursing home payment adjustment; requiring a discount in general assistance medical care prepaid contracts; eliminating payment for gender reassignment services under general assistance medical care; providing a two percent rate increase for certain providers; authorizing certain demonstration projects; modifying certain parental fees; modifying medical assistance eligibility criteria for certain disabled children; modifying requirements for personal care assistants and personal care assistant organizations; modifying coverage for personal care services and reducing maximum hours of service; expanding certain services under medical assistance managed care for disabled children; authorizing certain studies; authorizing exceptions to the nursing home moratorium and modifying reimbursements for legislatively-approved exceptions; modifying requirements for hospital-attached nursing

facility status; modifying nursing facility reimbursement and inflationary adjustments; establishing a contractual alternative payment system for nursing facilities; modifying reimbursement for intermediate care facilities for persons with mental retardation or related conditions; establishing transition mental health services; modifying chemical dependency treatment programs; providing Faribault and Cambridge regional human services center downsizing agreements; decreasing certain license and permit fees; modifying the licensing and inspecting of hotel, restaurant, and other food and lodging establishments; amending Minnesota Statutes 1994, sections 62A.045; 62A.046; 62A.048; 62A.27; 144.0721, by adding subdivisions; 144.122; 144.226, subdivision 1; 144A.071, subdivision 4a; 144A.33, subdivision 3; 144A.43, subdivision 3; 144A.47; 147.01, subdivision 6; 157.03; 198.003, subdivisions 3 and 4; 245.4882, subdivision 5; 245.4886, by adding a subdivision; 246.18, subdivision 4, and by adding a subdivision; 246.23, subdivision 2; 252.27, subdivision 2a; 252.292, subdivision 4; 252.46, subdivision 6, and by adding a subdivision; 254A.17, subdivision 3; 254B.05, subdivision 4; 256.025, subdivisions 1 and 2; 256.026; 256.73, subdivision 3a; 256.736, subdivisions 3 and 13; 256.74, subdivision 1; 256.9365; 256.9657, subdivision 3; 256.9685, subdivision 1b, and by adding subdivisions; 256.969, subdivisions 1, 9, 24, and by adding subdivisions; 256B.055, subdivision 12; 256B.056, by adding a subdivision; 256B.0575; 256B.0625, subdivisions 8, 8a, 13, 19a, and by adding subdivisions; 256B.0627, subdivisions 1, 2, 4, and 5; 256B.0641, subdivision 1; 256B.0911, subdivisions 4 and 7; 256B.0913, by adding subdivisions; 256B.0915, subdivision 2, and by adding a subdivision; 256B.092, subdivision 4; 256B.15, subdivisions 1a, 2, and by adding a subdivision; 256B.19, subdivisions 1c and 1d; 256B.431, subdivisions 2b, 2j, 17, 23, and by adding subdivisions; 256B.49, subdivision 1, and by adding subdivisions; 256B.501, subdivisions 3, 3c, and by adding a subdivision; 256B.69, subdivisions 4, 5, 6, 9, and by adding subdivisions; 256D.03, subdivisions 3b, 4, and by adding a subdivision; 256D.051, subdivision 6; 256D.36, subdivision 1; 256D.385; 256D.405, subdivision 3; 256D.425, subdivision 1, and by adding a subdivision; 256D.435, subdivisions 1, 3, 4, 5, 6, and by adding a subdivision; 256D.44, subdivisions 1, 2, 3, 4, 5, and 6; 256D.45, subdivision 1; 256D.48, subdivision 1; 256H.03, subdivision 4; 256H.05, subdivision 6; 256I.04, subdivision 3; 256I.05, subdivision 1a; 393.07, subdivision 10; 501B.89, subdivision 1, and by adding a subdivision; and Laws 1993, First Special Session chapter 1, article 8, section 51, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 157; 256; and 256B; proposing coding for new law as Minnesota Statutes, chapter 144D; repealing Minnesota Statutes 1994, sections 38.161; 38.162; 144.0723, subdivision 5; 157.01; 157.02; 157.031; 157.04; 157.045; 157.05; 157.08; 157.12; 157.13; 157.14; 252.47; 256.851; 256B.501, subdivisions 3d, 3e, and 3f; 256D.35, subdivisions 14 and 19; 256D.36, subdivision 1a; 256D.37; 256D.425, subdivision 3; 256D.435, subdivisions 2, 7, 8, 9, and 10; 256D.44, subdivision 7; 256E.06, subdivisions 12 and 13; 256I.04, subdivision 1b; and Minnesota Rules, part 9500.1452, subpart 2, item B.

Senate File No. 1110 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 1, 1995

Mr. Moe, R.D., for Mr. Samuelson, moved that the Senate do not concur in the amendments by the House to S.F. No. 1110, 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 to be 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 re-referred

S.F. No. 255: A bill for an act relating to elevators; regulating persons who may do elevator work; appropriating money; amending Minnesota Statutes 1994, sections 183.355, subdivision 3; 183.357, subdivisions 1, 2, and 4; and 183.358; proposing coding for new law in Minnesota Statutes, chapter 183.

Reports the same back with the recommendation that the bill do pass. 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. 806: A bill for an act relating to retirement; higher education supplemental retirement and individual retirement plans; revising laws governing certain faculty in the state university and community college systems who return to teaching part time after retirement; part-time faculty program participation; investment options; amending Minnesota Statutes 1994, sections 136.90; 354.445; 354.66, by adding a subdivision; 354B.05, subdivisions 2 and 3; 354B.07, subdivisions 1 and 2; and 354B.08, subdivision 2.

Reports the same back with the recommendation that the report from the Committee on Governmental Operations and Veterans, shown in the Journal for April 12, 1995, 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.

SECOND READING OF SENATE BILLS

S.F. No. 255 was read the second time.

MOTIONS AND RESOLUTIONS

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Samuelson moved that the following members be excused for a Conference Committee on H.F. No. 5 at 9:00 a.m.:

Mr. Betzold, Mses. Hanson, Piper, Robertson and Mr. Samuelson. The motion prevailed.

Ms. Reichgott Junge introduced--

Senate Resolution No. 62: A Senate resolution observing the 20th anniversary of the Parent-Child Center and honoring Delores Fletcher on her retirement.

Referred to the Committee on Rules and Administration.

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. Spear in the chair.

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

H.F. No. 1678, which the committee recommends to pass with the following amendment offered by Mr. Stumpf:

Page 1, delete lines 14 to 18 and insert:

"Subd. 2. [JOINT BOARD.] The boards of commissioners of Red Lake and Polk counties shall appoint from their members a joint board consisting of an equal number of members from each board."

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

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. Spear in the chair.

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

S.F. Nos. 877, 1362, 1079, 1503, 979, 1122, 1173 and H.F. No. 1371, which the committee recommends to pass.

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

Mr. Murphy moved that H.F. No. 1207 be taken from the table. The motion prevailed.

H.F. No. 1207: A bill for an act relating to traffic regulations; increasing maximum length of certain combinations of vehicles from 65 to 70 feet; amending Minnesota Statutes 1994, section 169.81, subdivision 3.

Mr. Dille moved to amend H.F. No. 1207, as amended pursuant to Rule 49, adopted by the Senate April 18, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 571.)

Page 3, after line 36, insert:

"Sec. 2. Minnesota Statutes 1994, section 169.81, subdivision 3c, is amended to read:

Subd. 3c. [RECREATIONAL VEHICLE COMBINATIONS.] Notwithstanding subdivision 3, a recreational vehicle combination may be operated without a permit if:

(1) the combination does not consist of more than three vehicles, and the towing rating of the pickup truck is equal to or greater than the total weight of all vehicles being towed;

(2) the combination does not exceed 60 feet in length;

(3) the camper-semitrailer in the combination does not exceed ~~26~~ 28 feet in length;

(4) the operator of the combination is at least 18 years of age;

(5) the trailer carrying a watercraft meets all requirements of law;

(6) the trailers in the combination are connected to the pickup truck and each other in conformity with section 169.82; and

(7) the combination is not operated within the seven-county metropolitan area, as defined in section 473.121, subdivision 2, during the hours of 6:00 a.m. to 9:00 a.m. and 4:00 p.m. to 7:00 p.m. on Mondays through Fridays."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 1207 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 3, as follows:

Those who voted in the affirmative were:

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

Mr. Finn, Ms. Johnston and Mr. Merriam voted in the negative.

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. 1310 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1310: A bill for an act relating to state government; providing for the development of a long-range expenditure plan for state expenditures; amending Minnesota Statutes 1994, section 16A.152, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 16A.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

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. 617 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 617: A bill for an act relating to retirement; various public pension plans; providing for the suspension or forfeiture of certain survivor benefits in the event of certain felonious deaths; making various individual and small group pension accommodations; making various pension plan administrative changes; recodifying the individual retirement account plan and making various other modifications; amending Minnesota Statutes 1994, sections 11A.23, subdivision 4; 352.12, subdivisions 1, 2, 2a, and 6; 352B.105; 352D.02, subdivision 1; 354.05, subdivisions 2a, 5, 35, and 40; 354.06, subdivision 4; 354.44, by adding a subdivision; 354.52, subdivision 4a; 354A.011, subdivision 27, and by adding a subdivision; 354A.12, subdivision 3d; 354A.31, by adding a subdivision; 355.61; 356.215, subdivisions 4d and 4g; 356.24, subdivision 1; 383B.48; and 383B.49; proposing coding for new law in Minnesota Statutes, chapters 354B; 354C and 356; repealing Minnesota Statutes 1994, sections 352D.02, subdivision 1a; 354B.01; 354B.015; 354B.02; 354B.035; 354B.04; 354B.045; 354B.05; 354B.06; 354B.07; 354B.08; 354B.085; 354B.09; and 354B.15; Laws 1990, chapter 570, article 3, sections 10 and 11, as amended; Laws 1993, chapters 192, section 89, and 239, article 5, section 2; and Laws 1994, chapters 508, article 1, section 14; and 572, sections 11 and 12.

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:

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

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 308 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 308

A bill for an act relating to crime prevention; authorizing special registration plates for certain persons subject to an impoundment order; expanding the definition of prior license revocation; amending Minnesota Statutes 1994, sections 168.042, subdivision 8; and 169.121, subdivision 3.

April 24, 1995

The Honorable Allan H. Spear
President of the Senate

The Honorable Irv Anderson
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 308, 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. 308 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 168.042, subdivision 8, is amended to read:

Subd. 8. [REISSUANCE OF REGISTRATION PLATES.] (a) The commissioner shall rescind the impoundment order of a person subject to an order under this section, other than the violator, if a:

(1) the violator had a valid driver's license on the date of the violation and the person subject to an impoundment order under this section, other than the violator, files with the commissioner an acceptable sworn statement containing the following information:

(1) (i) that the person is the registered owner of the vehicle from which the plates have been impounded under this section;

(2) (ii) that the person is the current owner and possessor of the vehicle used in the violation;

(3) (iii) the date on which the violator obtained the vehicle from the registered owner;

(4) (iv) the residence addresses of the registered owner and the violator on the date the violator obtained the vehicle from the registered owner;

(5) (v) that the person was not a passenger in the vehicle at the time of the violation; and

(6) (vi) that the person knows that the violator may not drive, operate, or be in physical control of a vehicle without a valid driver's license; or

(2) the violator did not have a valid driver's license on the date of the violation and the person made a report to law enforcement before the violation stating that the vehicle had been taken from the person's possession or was being used without permission.

(b) The commissioner may not rescind the impoundment order nor reissue registration plates to a registered owner if the owner knew or had reason to know that the violator did not have a valid driver's license on the date the violator obtained the vehicle from the owner. A person who has failed to make a report as provided in paragraph (a), clause (2), may be issued special registration plates under subdivision 12 for a period of one year from the effective date of the impoundment order. At the next registration renewal following this period, the person may apply for regular registration plates.

(c) If the order is rescinded, the owner shall receive new registration plates at no cost, if the plates were seized and destroyed.

Sec. 2. Minnesota Statutes 1994, section 168.042, is amended by adding a subdivision to read:

Subd. 13a. [ACQUIRING ANOTHER VEHICLE.] If during the effective period of the plate impoundment the violator applies to the commissioner for registration plates for any vehicle, the commissioner shall not issue registration plates unless the violator qualifies for special registration plates under subdivision 12 and unless the plates issued are special plates as described in subdivision 12.

Sec. 3. Minnesota Statutes 1994, section 169.121, subdivision 3, is amended to read:

Subd. 3. [CRIMINAL PENALTIES.] (a) As used in this subdivision:

(1) "prior impaired driving conviction" means a prior conviction under this section; section 84.91, subdivision 1, paragraph (a); 86B.331, subdivision 1, paragraph (a); 169.129; 360.0752; 609.21, subdivision 1, clauses (2) to (4); 609.21, subdivision 2, clauses (2) to (4); 609.21, subdivision 2a, clauses (2) to (4); 609.21, subdivision 3, clauses (2) to (4); 609.21, subdivision 4, clauses (2) to (4); or an ordinance from this state, or a statute or ordinance from another state in conformity with any of them. A prior impaired driving conviction also includes a prior juvenile adjudication that would have been a prior impaired driving conviction if committed by an adult; and

(2) "prior license revocation" means a driver's license suspension, revocation, or cancellation under this section; section 169.123; 171.04; 171.14; 171.16; 171.17; or 171.18 because of an alcohol-related incident; 609.21, subdivision 1, clauses (2) to (4); 609.21, subdivision 2, clauses (2) to (4); 609.21, subdivision 2a, clauses (2) to (4); 609.21, subdivision 3, clauses (2) to (4); or 609.21, subdivision 4, clauses (2) to (4); or an ordinance from this state, or a statute or ordinance from another state in conformity with any of them.

(b) A person who violates subdivision 1 or 1a, or an ordinance in conformity with either of them, is guilty of a misdemeanor.

(c) A person is guilty of a gross misdemeanor under any of the following circumstances:

(1) the person violates subdivision 1 within five years of a prior impaired driving conviction, or within ten years of the first of two or more prior impaired driving convictions;

(2) the person violates subdivision 1a within five years of a prior license revocation, or within ten years of the first of two or more prior license revocations;

(3) the person violates section 169.26 while in violation of subdivision 1; or

(4) the person violates subdivision 1 or 1a while a child under the age of 16 is in the vehicle, if the child is more than 36 months younger than the violator.

(d) The attorney in the jurisdiction in which the violation occurred who is responsible for prosecution of misdemeanor violations of this section shall also be responsible for prosecution of gross misdemeanor violations of this section.

(e) The court must impose consecutive sentences when it sentences a person for a violation of this section or section 169.29 arising out of separate behavioral incidents. The court also must impose a consecutive sentence when it sentences a person for a violation of this section or section 169.129 and the person, at the time of sentencing, is on probation for, or serving, an executed sentence for a violation of this section or section 169.29 and the prior sentence involved a separate behavioral incident. The court also may order that the sentence imposed for a violation of this section or section 169.29 shall run consecutively to a previously imposed misdemeanor, gross misdemeanor or felony sentence for a violation other than this section or section 169.129.

(f) When an attorney responsible for prosecuting gross misdemeanors under this section requests criminal history information relating to prior impaired driving convictions from a court, the court must furnish the information without charge.

(g) A violation of subdivision 1a may be prosecuted either in the jurisdiction where the arresting officer observed the defendant driving, operating, or in control of the motor vehicle or in the jurisdiction where the refusal occurred."

Delete the title and insert:

"A bill for an act relating to crime prevention; authorizing special registration plates for certain persons subject to an impoundment order; clarifying definition of prior license revocation; amending Minnesota Statutes 1994, sections 168.042, subdivision 8, and by adding a subdivision; and 169.121, subdivision 3."

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

Senate Conferees: (Signed) John Marty, Jane B. Ranum, David L. Knutson

House Conferees: (Signed) Wesley J. "Wes" Skoglund, Matt Entenza, Doug Swenson

Mr. Marty moved that the foregoing recommendations and Conference Committee Report on S.F. No. 308 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. 308 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 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

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. 1303 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1303: A bill for an act relating to the city of Richfield; authorizing the formation of nonprofit corporations for the purpose of owning low and moderate income housing developments.

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:

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

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 358 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 358: A bill for an act relating to utilities; clarifying that public utilities commission

may extend deadline for rate suspension period by 20 days when necessary to first make final determination on another, previously filed rate case; allowing exemption from rate regulation for small electric utility franchise; allowing longer review time for granting petition for rehearing by public utilities commission; amending Minnesota Statutes 1994, sections 216B.16, subdivision 2, and by adding a subdivision; and 216B.27, subdivision 4.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1256 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1256: A bill for an act relating to energy; adopting federal energy standards for air conditioners, certain gas-burning equipment, lamps, showerheads, and faucets; amending Minnesota Statutes 1994, section 216C.19, subdivisions 13, 14, 16, and 19.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1246 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1246: A bill for an act relating to child care; requiring child care for school age children not operated by a school to be licensed; changing the definition of toddler and preschooler for family day care programs serving siblings; amending Minnesota Statutes 1994, sections 245A.02, by adding subdivisions; 245A.03, subdivision 2; 245A.10; and 245A.14, 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 59 and nays 3, as follows:

Those who voted in the affirmative were:

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

Messrs. Chmielewski, Finn and Scheevel voted in the negative.

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 265 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 265: A bill for an act relating to gambling; making technical amendments to eliminate references to teleracing facilities; regulating testing facilities for the testing of gambling devices; regulating bingo and lawful purpose expenditures, and credit and sales to delinquent organizations; providing for contributions to certain compulsive gambling programs; amending Minnesota Statutes 1994, sections 240.01, subdivisions 18 and 23; 240.10; 240.19; 240.23; 240.27, subdivisions 2, 3, 4, and 5; 299L.01, subdivision 1; 299L.03, subdivision 1; 299L.07, subdivisions 1, 2, 4, 5, 6, and by adding a subdivision; 349.12, subdivision 25, and by adding a subdivision; 349.17, subdivision 1; 349.191, -subdivision 1a; and 349.211, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 299L; repealing Minnesota Statutes 1994, section 240.01, subdivisions 17 and 21.

Mr. Berg moved to amend H.F. No. 265, as amended pursuant to Rule 49, adopted by the Senate April 19, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 619.)

Page 11, line 12, strike everything after "(i)"

Page 11, line 13, strike "rule on rent" and after "bingo" insert ", the amount which an organization may expend under board rules on rent for bingo" and strike "or" and insert "and"

Page 11, line 14, strike "\$15,000 per year"

Page 11, line 15, before the semicolon, insert ":

(A) 100 percent of the real estate taxes and assessments for premises constructed, acquired, or expanded, if the construction, acquisition, or expansion was started before August 1, 1990; and

(B) for other premises, \$35,000 per year"

Page 13, after line 15, insert:

"Sec. 21. Minnesota Statutes 1994, section 349.162, subdivision 1, is amended to read:

Subdivision 1. [STAMP REQUIRED.] (a) A distributor may not sell, transfer, furnish, or otherwise provide to a person, and no person may purchase, borrow, accept, or acquire from a distributor gambling equipment for use within the state unless the equipment has been registered with the board and has a registration stamp affixed, except for gambling equipment not stamped by the manufacturer pursuant to section 349.163, subdivision 5 or 8. The board shall charge a fee of five cents for each stamp. Each stamp must bear a registration number assigned by the board. A distributor or manufacturer is entitled to a refund for unused registration stamps and replacement for registration stamps which are defective or canceled by the distributor or manufacturer.

(b) A manufacturer must return all unused registration stamps in its possession to the board by February 1, 1995. No manufacturer may possess unaffixed registration stamps after February 1, 1995.

(c) After February 1, 1996, no person may possess any unplayed pull-tab or tipboard deals with a registration stamp affixed to the flare or any unplayed paddleticket cards with a registration stamp affixed to the master flare. This paragraph shall not apply to unplayed pull-tab or tipboard deals with a registration stamp affixed to the flare or to unplayed paddleticket cards with a registration stamp affixed to the master flare that are identified on a list of existing inventory submitted by a licensed organization or a licensed distributor to the commissioner of revenue on or before February 1, 1996. The list of existing inventory must be submitted in a format prescribed by the commissioner of revenue. Gambling equipment kept in violation of this paragraph is contraband under section 349.2125.

Sec. 22. Minnesota Statutes 1994, section 349.17, subdivision 1, is amended to read:

Subdivision 1. [BINGO OCCASIONS.] Not more than ~~seven~~ ten bingo occasions each week may be conducted by an organization. At least 15 bingo games must be held at each occasion and a bingo occasion must continue for at least 1-1/2 hours but not more than four consecutive hours.

Sec. 23. Minnesota Statutes 1994, section 349.191, subdivision 1a, is amended to read:

Subd. 1a. [CREDIT AND SALES TO DELINQUENT ORGANIZATIONS.] (a) If a distributor does not receive payment in full from an organization within ~~30~~ 35 days of the delivery of gambling equipment, the distributor must notify the board in writing of the delinquency.

(b) If a distributor who has notified the board under paragraph (a) has not received payment in full from the organization within 60 days of the notification under paragraph (a), the distributor must notify the board of the continuing delinquency.

(c) On receipt of a notice under paragraph (a), the board shall order all distributors that until further notice from the board, they may sell gambling equipment to the delinquent organizations only on a cash basis with no credit extended. On receipt of a notice under paragraph (b), the board shall order all distributors not to sell any gambling equipment to the delinquent organization.

(d) No distributor may extend credit or sell gambling equipment to an organization in violation of an order under paragraph (c) until the board has authorized such credit or sale.

Sec. 24. Minnesota Statutes 1994, section 349.211, subdivision 1, is amended to read:

Subdivision 1. [BINGO.] Except as provided in subdivision 2, prizes for a single bingo game may not exceed \$100 except prizes for a cover-all game, which may exceed \$100 if the aggregate value of all cover-all prizes in a bingo occasion does not exceed \$1,000. Total prizes awarded at a bingo occasion may not exceed \$2,500, unless a cover-all game is played in which case the limit is \$3,500. A prize may be determined based on the value of the bingo packet sold to the player. For

purposes of this subdivision, a cover-all game is one in which a player must cover all spaces except a single free space to win.

Sec. 25. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall change the words "lawful gambling" wherever they appear in Minnesota Statutes and Minnesota Rules to "nonprofit gambling."

Page 13, delete lines 20 and 21 and insert:

"Sections 1 to 9, 12, and 19 to 25 are effective the day following final enactment."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 8, after the semicolon, insert "modifying provisions related to bingo; changing the term lawful gambling to nonprofit gambling;"

Page 1, line 13, delete "and" and before "proposing" insert "349.162, subdivision 1; 349.17, subdivision 1; 349.191, subdivision 1a; and 349.211, subdivision 1;"

The motion prevailed. So the amendment was adopted.

H.F. No. 265 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 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

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. 1136 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1136: A bill for an act relating to human services; providing firearms background check; providing mental health services; adding provisions for paternity testing; adding provisions for paternity and child support; consolidating the prepaid medical assistance; providing penalties; amending Minnesota Statutes 1994, sections 245.041; 245.4871, subdivisions 12 and 33a; 245.4873, subdivision 6; 245.4874; 245.4875, subdivision 2; 245.4878; 245.4885, subdivision 2; 253B.091; 256.015, subdivision 7; 256.025, subdivisions 1 and 3; 256.12, subdivision 14; 256.74, by adding a subdivision; 256.76, subdivision 1; 256B.69, subdivisions 4, 6, and by adding subdivisions; 256E.08, subdivision 8; 257.55, subdivision 1; 257.57, subdivision 2; 257.62, subdivisions 1, 5, and 6; 257.64, subdivision 3; 257.69, subdivisions 1 and 2; 518.171, subdivisions 1, 3, 4, 5, 7, and 8; 518.611, subdivisions 2 and 4; 518.613, subdivision 7; and 518.615, subdivision 3; repealing Minnesota Statutes 1994, sections 62C.141; 62C.143; 62D.106; and 62E.04, subdivisions 9 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 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1078 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1078: A bill for an act relating to state finance; changing certain accounting procedures; changing the dollar threshold for approval of gifts to the state; changing procedures for collection of debt by the state; changing terminology for the petroleum tank release cleanup account; amending Minnesota Statutes 1994, sections 7.09, subdivision 1; 15.415; 16A.127, subdivision 8; 16A.129, subdivision 3; 16A.28, subdivisions 5 and 6; 16A.40; 16A.57; 16A.72; 115C.02, by adding a subdivision; and 115C.08, subdivisions 1, 2, and 4; proposing coding for new law in Minnesota Statutes, chapter 16D; repealing Minnesota Statutes 1994, section 115C.02, 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 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1103 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1103: A bill for an act relating to children's services; establishing the department of children, families, and learning; making related changes; amending Minnesota Statutes 1994, section 256F.13, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 119A.

CALL OF THE SENATE

Ms. Ranum imposed a call of the Senate for the balance of the proceedings on S.F. No. 1103. The Sergeant at Arms was instructed to bring in the absent members.

Ms. Ranum moved to amend S.F. No. 1103 as follows:

Page 5, line 9, delete "and"

Page 5, line 11, before the period, insert ";

(10) the early childhood care and education council under section 256H.195;

(11) the child care programs under sections 256H.01 to 256H.19;

(12) the migrant child care program under section 256.01;

(13) the child care resource and referral program under sections 256H.196 and 256H.20;

(14) the child care service development program under sections 256H.21 to 256H.24;

(15) the family preservation and family preservation bonus incentive programs under chapter 256F;

(16) the adoption assistance program under section 259.67;

(17) the child foster care program under chapter 257;

(18) the families first program under chapter 256F;

(19) the independent living program under section 256.01;

(20) the Asian youth and child welfare services program under section 256.485;

(21) the foster care program for unaccompanied refugee minors under section 256.01;

(22) the Asian youth intervention and prevention grants program under section 256.486;

(23) the Asian coalition for youth program under section 256.486;

(24) the minority families first program under chapter 256F;

(25) the children's mental health program under chapter 245; and

(26) the Indian family preservation program under sections 257.35 to 257.3579"

Page 12, delete lines 3 to 8

Page 12, line 9, delete everything before the period and insert:

"At least eight members must be parents and must represent a broad cross-section of income groups, racial and ethnic groups, and ages of children"

Page 16, after line 22, insert:

"Sec. 12. [REPORT ON INTEGRATION WITH OTHER INCOME MAINTENANCE AND ECONOMIC SECURITY PROGRAMS.]

The children's cabinet and the legislative commission on children, youth, and families shall prepare a report by November 15, 1996, examining the integration of programs in the department of children, families, and learning with income maintenance and economic security programs operated by other departments. The report shall make recommendations on the appropriate agency placement of the income maintenance and economic security programs reviewed."

Page 17, after line 9, insert:

"Sec. 14. [REPEALER.]

Minnesota Statutes 1994, section 3.873, is repealed effective June 30, 1997."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Samuelson requested division of the amendment as follows:

First portion:

Page 5, line 11, before the period, insert ";

(11) the child care programs under sections 256H.01 to 256H.19;

(14) the child care service development program under sections 256H.21 to 256H.24;

(19) the independent living program under section 256.01;"

Renumber the clauses in sequence

Second portion:

Page 5, line 11, before the period, insert ";

(25) the children's mental health program under chapter 245; and"

Renumber the clauses in sequence

Third portion:

Page 5, line 9, delete "and"

Page 5, line 11, before the period, insert ";

(10) the early childhood care and education council under section 256H.195;

(12) the migrant child care program under section 256.01;

(13) the child care resource and referral program under sections 256H.196 and 256H.20;

(15) the family preservation and family preservation bonus incentive programs under chapter 256F;

(16) the adoption assistance program under section 259.67;

(17) the child foster care program under chapter 257;

(18) the families first program under chapter 256F;

(20) the Asian youth and child welfare services program under section 256.485;

(21) the foster care program for unaccompanied refugee minors under section 256.01;

(22) the Asian youth intervention and prevention grants program under section 256.486;

(23) the Asian coalition for youth program under section 256.486;

(24) the minority families first program under chapter 256F;

(26) the Indian family preservation program under sections 257.35 to 257.3579"

Renumber the clauses in sequence

Page 12, delete lines 3 to 8

Page 12, line 9, delete everything before the period and insert:

"At least eight members must be parents and must represent a broad cross-section of income groups, racial and ethnic groups, and ages of children"

Page 16, after line 22, insert:

"Sec. 12. [REPORT ON INTEGRATION WITH OTHER INCOME MAINTENANCE AND ECONOMIC SECURITY PROGRAMS.]

The children's cabinet and the legislative commission on children, youth, and families shall prepare a report by November 15, 1996, examining the integration of programs in the department of children, families, and learning with income maintenance and economic security programs operated by other departments. The report shall make recommendations on the appropriate agency placement of the income maintenance and economic security programs reviewed."

Page 17, after line 9, insert:

"Sec. 14. [REPEALER.]

Minnesota Statutes 1994, section 3.873, is repealed effective June 30, 1997."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the third portion of the Ranum amendment.

The roll was called, and there were yeas 48 and nays 16, as follows:

Those who voted in the affirmative were:

Anderson	Johnson, D.J.	Lesewski	Olson	Runbeck
Belanger	Johnson, J.B.	Marty	Ourada	Scheevel
Chandler	Johnston	Merriam	Pappas	Solon
Cohen	Kelly	Metzen	Pariseau	Spear
Flynn	Knutson	Moe, R.D.	Piper	Stevens
Frederickson	Krentz	Mondale	Price	Stumpf
Hanson	Kroening	Morse	Ranum	Terwilliger
Hottinger	Laidig	Murphy	Reichgott Junge	Wiener
Janezich	Langseth	Neuville	Riveness	
Johnson, D.E.	Larson	Oliver	Robertson	

Those who voted in the negative were:

Beckman	Betzold	Finn	Kramer	Sams
Berg	Chmielewski	Kiscaden	Lessard	Samuelson
Berglin	Day	Kleis	Limmer	Vickerman
Bertram				

The motion prevailed. So the third portion of the Ranum amendment was adopted.

The question was taken on the first portion of the Ranum amendment. The motion prevailed. So the first portion of the Ranum amendment was adopted.

Ms. Ranum moved to amend the second portion of the Ranum amendment to S.F. No. 1103 as follows:

Page 1, line 29, delete everything after "(25)"

Page 1, line 30, delete "245" and insert "children's mental health act under sections 245.487 to 245.490, children's mental health integrated fund under sections 245.491 to 245.697, and the children's mental health service system under sections 245.70 to 245.771"

The question was taken on the adoption of the Ranum amendment to the second portion of the Ranum amendment.

The roll was called, and there were yeas 49 and nays 12, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Larson	Oliver	Robertson
Beckman	Janezich	Lesewski	Olson	Runbeck
Belanger	Johnson, D.E.	Marty	Ourada	Sams
Berg	Johnson, D.J.	Merriam	Pappas	Scheevel
Betzold	Johnson, J.B.	Metzen	Pariseau	Spear
Chandler	Johnston	Moe, R.D.	Piper	Stevens
Cohen	Kelly	Mondale	Price	Stumpf
Day	Knutson	Morse	Ranum	Terwilliger
Flynn	Krentz	Murphy	Reichgott Junge	Wiener
Frederickson	Laidig	Neuville	Riveness	

Those who voted in the negative were:

Berglin	Finn	Kleis	Langseth	Limmer
Bertram	Hanson	Kramer	Lessard	Samuelson
Chmielewski	Kiscaden			

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

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

The roll was called, and there were yeas 51 and nays 10, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Lesewski	Olson	Sams
Beckman	Janezich	Lessard	Ourada	Scheevel
Belanger	Johnson, D.E.	Marty	Pappas	Spear
Berg	Johnson, D.J.	Merriam	Pariseau	Stevens
Bertram	Johnston	Metzen	Piper	Stumpf
Betzold	Kelly	Moe, R.D.	Price	Terwilliger
Chandler	Knutson	Mondale	Ranum	Wiener
Cohen	Krentz	Morse	Reichgott Junge	
Day	Laidig	Murphy	Riveness	
Flynn	Langseth	Neuville	Robertson	
Frederickson	Larson	Oliver	Runbeck	

Those who voted in the negative were:

Berglin	Finn	Johnson, J.B.	Kleis	Limmer
Chmielewski	Hanson	Kiscaden	Kramer	Samuelson

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

Mr. Berg moved to amend S.F. No. 1103 as follows:

Page 5, delete lines 12 to 17

Re-number the subdivisions in sequence

Page 8, line 13, delete the comma and insert "and"

Page 8, line 14, delete ", and"

Page 8, delete line 15

Page 8, line 16, delete everything before "shall"

Page 8, line 17, delete "and the Head Start"

Page 8, line 18, delete "grantee"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 33, as follows:

Those who voted in the affirmative were:

Beckman	Cohen	Kelly	Merriam	Spear
Berg	Day	Kleis	Metzen	Stevens
Berglin	Finn	Kramer	Sams	Vickerman
Bertram	Frederickson	Langseth	Samuelson	
Betzold	Hanson	Larson	Scheevel	
Chmielewski	Johnson, J.B.	Limmer	Solon	

Those who voted in the negative were:

Anderson	Johnson, D.E.	Lesewski	Pappas	Robertson
Belanger	Johnson, D.J.	Marty	Pariseau	Runbeck
Chandler	Johnston	Moe, R.D.	Piper	Stumpf
Dille	Kiscaden	Mondale	Price	Terwilliger
Flynn	Knutson	Morse	Ranum	Wiener
Hottinger	Krentz	Neuville	Reichgott Junge	
Janezich	Laidig	Olson	Riveness	

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

S.F. No. 1103 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 15, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Laidig	Neuville	Robertson
Beckman	Hottinger	Langseth	Olson	Sams
Belanger	Janezich	Larson	Ourada	Solon
Betzold	Johnson, D.E.	Lesewski	Pappas	Spear
Chandler	Johnson, D.J.	Marty	Pariseau	Stevens
Cohen	Johnston	Metzen	Piper	Stumpf
Day	Kelly	Moe, R.D.	Price	Terwilliger
Dille	Knutson	Mondale	Ranum	Wiener
Flynn	Krentz	Morse	Reichgott Junge	
Frederickson	Kroening	Murphy	Riveness	

Those who voted in the negative were:

Berg	Chmielewski	Kiscaden	Lessard	Samuelson
Berglin	Finn	Kleis	Limmer	Scheevel
Bertram	Johnson, J.B.	Kramer	Merriam	Vickerman

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. 1279 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1279: A bill for an act relating to privacy; providing for the classification of and access to government data; clarifying data provisions; providing for survival of actions under the data practices act; computer matching; eliminating report requirements; imposing penalties; providing for the classification and release of booking photographs; conforming provisions dealing with financial assistance data; limiting the release of copies of videotapes of child abuse victims; requiring a court order in certain cases; amending Minnesota Statutes 1994, sections 13.03, subdivision 6; 13.06, subdivision 6; 13.072, subdivision 1, and by adding a subdivision;

13.08, subdivision 1; 13.10, subdivision 5; 13.31, subdivision 1; 13.32, subdivision 2; 13.43, subdivisions 2 and 5; 13.46, subdivision 2; 13.49; 13.50, subdivision 2; 13.551; 13.62; 13.671; 13.761; 13.77; 13.78; 13.79; 13.793; 13.82, subdivisions 3a, 5, 6, 10, and by adding a subdivision; 13.83, subdivision 2; 13.89, subdivision 1; 13.90; 13.99, subdivisions 1, 12, 20, 21a, 42a, 54, 55, 64, 78, 79, 112, and by adding subdivisions; 17.117, subdivision 12; 41.63; 41B.211; 116O.03, subdivision 7; 116S.02, subdivision 8; 144.225, by adding a subdivision; 144.335, subdivision 2; 144.3351; 144.651, subdivisions 21 and 26; 253B.03, subdivisions 3 and 4; 268.12, subdivision 12; 270B.02, subdivision 3; 270B.03, subdivision 1; 270B.12, subdivision 2; 270B.14, subdivisions 1 and 11; 336.9-407; 336.9-411; 383B.225, subdivision 6; and 446A.11, subdivision 11; proposing coding for new law in Minnesota Statutes, chapters 13; 13B; 270B; and 611A; repealing Minnesota Statutes 1994, sections 13.38, subdivision 4; 13.69, subdivision 2; 13.71, subdivisions 9, 10, 11, 12, 13, 14, 15, 16, and 17; 13.76, subdivision 1; 13B.04; and Laws 1990, chapter 566, section 9, as amended.

Mr. Finn moved to amend S.F. No. 1279 as follows:

Page 17, after line 28, insert:

"Sec. 25. Minnesota Statutes 1994, section 41B.211, is amended to read:

41B.211 [DATA PRIVACY.]

Subdivision 1. [DATA ON INDIVIDUALS.] Financial information, including credit reports, financial statements, and net worth calculations, received or prepared by the authority regarding any authority loan and the name of each individual who is the recipient of a loan are private data on individuals, under chapter 13, except that information obtained under the agricultural development bond program in sections 41C.01 to 41C.13 may be released as required by federal tax law.

Subd. 2. [DATA NOT ON INDIVIDUALS.] The following data submitted to the authority by businesses that are requesting financial assistance are nonpublic data as defined in section 13.02: financial information about the applicant, including credit reports, financial statements, net worth calculations, business plans, income and expense projections, customer lists, market and feasibility studies not paid for with public funds, tax returns, and financial reports provided to the authority after closing of the financial assistance."

Pages 31 to 36, delete article 2

Page 36, line 30, delete "3" and insert "2"

Page 44, line 31, delete "4" and insert "3"

Page 48, line 13, delete "5" and insert "4"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Finn then moved to amend S.F. No. 1279 as follows:

Page 6, after line 34, insert:

"Sec. 10. Minnesota Statutes 1994, section 13.46, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section:

(a) "Individual" means an individual pursuant to section 13.02, subdivision 8, but does not include a vendor of services.

(b) "Program" includes all programs for which authority is vested in a component of the welfare system pursuant to statute or federal law, including, but not limited to, aid to families with dependent children, medical assistance, general assistance, work readiness, and general assistance medical care, and child support collections.

(c) "Welfare system" includes the department of human services, local social services agencies, county welfare agencies, the public authority responsible for child support enforcement, human services boards, community mental health center boards, state hospitals, state nursing homes, the ombudsman for mental health and mental retardation, and persons, agencies, institutions, organizations, and other entities under contract to any of the above agencies to the extent specified in the contract.

(d) "Mental health data" means data on individual clients and patients of community mental health centers, established under section 245.62, mental health divisions of counties and other providers under contract to deliver mental health services, or the ombudsman for mental health and mental retardation.

(e) "Fugitive felon" means a person who has been convicted of a felony and who has escaped from confinement or violated the terms of probation or parole for that offense."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Price moved to amend S.F. No. 1279 as follows:

Page 5, after line 4, insert:

"Sec. 8. Minnesota Statutes 1994, section 13.32, subdivision 5, is amended to read:

Subd. 5. [DIRECTORY INFORMATION.] (a) Except as provided in paragraph (b), information designated as directory information pursuant to the provisions of United States Code, title 20, section 1232g and Code of Federal Regulations, title 34, section 99.37 which are in effect on July 1, 1993, is public data on individuals.

(b) A student's address and telephone number are private data on individuals. An educational agency or institution that designates other directory information as public data shall give individual parents and students a conspicuous notice of their right to refuse to let the agency or institution designate any or all of that information about the student as public directory information."

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 29 and nays 36, as follows:

Those who voted in the affirmative were:

Beckman	Hottinger	Langseth	Morse	Solon
Belanger	Johnson, J.B.	Larson	Pogemiller	Spear
Bertram	Kleis	Lessard	Price	Stevens
Chmielewski	Kramer	Limmer	Runbeck	Stumpf
Finn	Krentz	Merriam	Sams	Vickerman
Hanson	Kroening	Moe, R.D.	Samuelson	

Those who voted in the negative were:

Anderson	Flynn	Knutson	Oliver	Robertson
Berg	Frederickson	Laidig	Olson	Scheevel
Berglin	Janezich	Lesewski	Ourada	Terwilliger
Betzold	Johnson, D.E.	Marty	Pappas	Wiener
Chandler	Johnson, D.J.	Metzen	Pariseau	
Cohen	Johnston	Mondale	Piper	
Day	Kelly	Murphy	Ranum	
Dille	Kiscaden	Neuville	Riveness	

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

Mr. Betzold moved to amend S.F. No. 1279 as follows:

Page 17, after line 28, insert:

"Sec. 25. Minnesota Statutes 1994, section 144.0721, subdivision 2, is amended to read:

Subd. 2. [ACCESS TO DATA.] With the exception of summary data, data on individuals that is collected, maintained, used, or disseminated by the commissioner of health under subdivision 1 is private data on individuals and shall not be disclosed to others except:

- (1) under section 13.05;
- (2) under a valid court order;
- (3) to the nursing home or boarding care home in which the individual resided at the time the assessment was completed; or
- (4) to the commissioner of human services; or
- (5) to county home care staff for the purpose of assisting the individual to be discharged from a nursing home or boarding care home and returned to the community."

Renumber the sections 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. 1279 as follows:

Page 17, after line 28, insert:

"Sec. 25. Minnesota Statutes 1994, section 260.161, is amended by adding a subdivision to read:

Subd. 3a. [RELEASE FOR RESEARCH PURPOSES.] Notwithstanding subdivision 2 or 3, court records or peace officer records on juveniles that are not accessible to the public may be released to a person for purposes of research involving juvenile offender profiles and behavior patterns. The records may be released only if the person enters into a written agreement with the court or law enforcement agency that provides that:

(1) the records will be used only for bona fide academic research purposes and will not be accessible to the public or released or disclosed to any other person in a manner that identifies individual juveniles;

(2) the use of the records in individually identifiable form is necessary to accomplish the research; and

(3) the person has established and maintained adequate safeguards to protect the records from unauthorized disclosure.

The court or law enforcement agency may impose additional conditions on the release of records under this subdivision."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Anderson moved to amend S.F. No. 1279 as follows:

Page 6, after line 34, insert:

"Sec. 10. Minnesota Statutes 1994, section 13.43, is amended by adding a subdivision to read:

Subd. 9. [PEER COUNSELING DEBRIEFING DATA.] (a) Information or opinion acquired by a peer group member in a public safety peer counseling debriefing is private data on the person being debriefed.

(b) For purposes of this subdivision, "public safety peer counseling debriefing" means a group process oriented debriefing session held for peace officers, firefighters, medical emergency persons, dispatchers, or other persons involved with public safety emergency services, that is established by any agency providing public safety emergency services and is designed to help a person who has suffered an occupation-related traumatic event begin the process of healing and effectively dealing with posttraumatic stress."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Finn moved to amend the Anderson amendment to S.F. No. 1279 as follows:

Page 1, line 6, delete "Information or opinion" and insert "Data"

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

Mr. Finn then moved to amend the Anderson amendment to S.F. No. 1279 as follows:

Page 1, line 7, delete "is" and insert "are"

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

The question was taken on the Anderson amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Ms. Ranum moved to amend S.F. No. 1279 as follows:

Page 30, after line 34, insert:

"Sec. 36. Minnesota Statutes 1994, section 388.24, subdivision 4, is amended to read:

Subd. 4. [REPORTING OF DATA TO CRIMINAL JUSTICE INFORMATION SYSTEM (CJIS).] Effective August 1, 1997, every county attorney who establishes a diversion program under this section shall report the following information to the bureau of criminal apprehension:

(1) the name and date of birth of each diversion program participant and any other identifying information the superintendent considers necessary;

(2) the date on which the individual began to participate in the diversion program;

(3) the date on which the individual is expected to complete the diversion program;

(4) the date on which the individual successfully completed the diversion program, where applicable; and

(5) the date on which the individual was removed from the diversion program for failure to successfully complete the individual's goals, where applicable.

The superintendent shall cause the information described in this subdivision to be entered into and maintained in the criminal history file of the Minnesota criminal justice information system.

Sec. 37. Minnesota Statutes 1994, section 401.065, subdivision 3a, is amended to read:

Subd. 3a. [REPORTING OF DATA TO CRIMINAL JUSTICE INFORMATION SYSTEM (CJIS).] Effective August 1, 1997, every county attorney who establishes a diversion program under this section shall report the following information to the bureau of criminal apprehension:

(1) the name and date of birth of each diversion program participant and any other identifying information the superintendent considers necessary;

- (2) the date on which the individual began to participate in the diversion program;
- (3) the date on which the individual is expected to complete the diversion program;
- (4) the date on which the individual successfully completed the diversion program, where applicable; and
- (5) the date on which the individual was removed from the diversion program for failure to successfully complete the individual's goals, where applicable.

The superintendent shall cause the information described in this subdivision to be entered into and maintained in the criminal history file of the Minnesota criminal justice information system."

Page 31, after line 7, insert:

"Sec. 39. [CRIMINAL AND JUVENILE INFORMATION POLICY GROUP REPORT.]

By January 15, 1996, the criminal and juvenile information policy group shall report to the chairs of the senate crime prevention committee and house of representatives judiciary committee on recommendations for additional offenses to be subject to identification reporting requirements of Minnesota Statutes, section 299C.10, subdivision 1, and on processes for expungement, correction of inaccurate records, destruction of records, and other matters relating to the privacy interests of individuals as they relate to the development of the juvenile criminal history system, the statewide misdemeanor system, and the tracking system for domestic abuse orders for protection."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Kiscaden moved to amend S.F. No. 1279 as follows:

Page 48, after line 28, insert:

"Sec. 2. Minnesota Statutes 1994, 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:

(1) 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;

(2) to other providers within related health care entities when necessary for the current treatment of the patient; or

(3) to other providers when necessary for the current treatment of the patient, with documentation in the medical record of the patient's verbal consent to the release.

(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, 1996, 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.
- (f) Upon the written request of a spouse, parent, child, or sibling of a patient being evaluated for or diagnosed with mental illness, a provider shall inquire of a patient whether the patient wishes to authorize a specific individual to receive information regarding the patient's current and proposed course of treatment. If the patient so authorizes, the provider shall communicate to the designated individual the patient's current and proposed course of treatment. Paragraph (a) applies to consents given under this paragraph."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Knutson moved to amend S.F. No. 1279 as follows:

Page 11, line 3, delete "and" and insert a comma

Page 11, line 4, before the period, insert ", and any state agency that is under the direct control of the governor"

CALL OF THE SENATE

Mr. Finn imposed a call of the Senate for the balance of the proceedings on S.F. No. 1279. The Sergeant at Arms was instructed to bring in the absent members.

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

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

Those who voted in the affirmative were:

Betzold	Johnston	Lesewski	Neuville	Robertson
Day	Kiscaden	Limmer	Oliver	Runbeck
Dille	Kleis	Marty	Olson	Scheevel
Frederickson	Knutson	Merriam	Ourada	Spear
Janezich	Kramer	Moe, R.D.	Pariseau	Stevens
Johnson, D.E.	Laidig	Morse	Piper	Terwilliger
Johnson, J.B.	Langseth	Murphy	Price	Wiener

Those who voted in the negative were:

Anderson	Chandler	Hanson	Lessard	Reichgott Junge
Beckman	Chmielewski	Hottinger	Metzen	Riveness
Berg	Cohen	Johnson, D.J.	Mondale	Sams
Berglin	Finn	Krentz	Pappas	Solon
Bertram	Flynn	Kroening	Ranum	Vickerman

The motion prevailed. So the amendment was adopted.

S.F. No. 1279 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 3, as follows:

Those who voted in the affirmative were:

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

Messrs. Berg, Chmielewski and Dille voted in the negative.

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. 1246 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1246: A bill for an act relating to state government; abolishing periodic reports; repealing obsolete rules of the departments of agriculture, commerce, health, human services, public safety, public service, and revenue and the pollution control agency; removing internal references to repealed rules; providing a deadline for certain actions by state and local government agencies; clarifying statutory waiver requirements with respect to the housing finance agency for the civil service pilot project; requiring legislative review of certain agency reorganization efforts; establishing the office of citizen advocate in the department of administration; modifying provisions relating to data classification; workers' compensation premium collection; employment classifications and procedures; and benefits; providing penalties; establishing a task force to recommend a governmental structure for environmental and natural resource functions and services; requiring establishment of an employee participation committee before agency restructuring; abolishing the department of natural resources, the board of water and soil resources, the office of environmental assistance, the pollution control agency, the environmental quality board, the harmful substances compensation board, the petroleum tank release compensation board, and the agricultural chemical response board; providing for appointments; abolishing the transportation regulation board; transferring its functions to other agencies; amending Minnesota Statutes 1994, sections 13.67; 15A.081, subdivision 1; 43A.04, subdivision 1; 43A.08, subdivision 1; 43A.10, subdivision 8; 43A.13, subdivision 6; 43A.15, by adding a

subdivision; 43A.19, subdivision 1; 43A.191, subdivisions 1, 2, and 3; 43A.24, subdivision 2; 43A.27, subdivision 3; 43A.316; 43A.317, subdivision 5; 62J.45, subdivision 8; 174.02, subdivisions 4, 5, and by adding subdivisions; 174.06, by adding a subdivision; 174.10; 218.041, subdivision 6; 219.074, subdivisions 1 and 2; 256B.0644; and 356.87; Minnesota Rules, parts 1540.2140; 7001.0140, subpart 2; 7001.0180; 8130.3500, subpart 3; and 8130.6500, subpart 5; proposing coding for new law in Minnesota Statutes, chapters 15; 16B; and 174; repealing Minnesota Statutes 1994, sections 174A.01; 174A.02; 174A.03; 174A.04; 174.05; 174.06; 218.011, subdivision 7; and 218.041, subdivision 7; Minnesota Rules, parts 1540.0010, subparts 12, 18, 21, 22, and 24; 1540.0060; 1540.0070; 1540.0080; 1540.0100; 1540.0110; 1540.0120; 1540.0130; 1540.0140; 1540.0150; 1540.0160; 1540.0170; 1540.0180; 1540.0190; 1540.0200; 1540.0210; 1540.0220; 1540.0230; 1540.0240; 1540.0260; 1540.0320; 1540.0330; 1540.0340; 1540.0350; 1540.0370; 1540.0380; 1540.0390; 1540.0400; 1540.0410; 1540.0420; 1540.0440; 1540.0450; 1540.0460; 1540.0490; 1540.0500; 1540.0510; 1540.0520; 1540.0770; 1540.0780; 1540.0800; 1540.0810; 1540.0830; 1540.0880; 1540.0890; 1540.0900; 1540.0910; 1540.0920; 1540.0930; 1540.0940; 1540.0950; 1540.0960; 1540.0970; 1540.0980; 1540.0990; 1540.1000; 1540.1005; 1540.1010; 1540.1020; 1540.1030; 1540.1040; 1540.1050; 1540.1060; 1540.1070; 1540.1080; 1540.1090; 1540.1100; 1540.1110; 1540.1120; 1540.1130; 1540.1140; 1540.1150; 1540.1160; 1540.1170; 1540.1180; 1540.1190; 1540.1200; 1540.1210; 1540.1220; 1540.1230; 1540.1240; 1540.1250; 1540.1255; 1540.1260; 1540.1280; 1540.1290; 1540.1300; 1540.1310; 1540.1320; 1540.1330; 1540.1340; 1540.1350; 1540.1360; 1540.1380; 1540.1400; 1540.1410; 1540.1420; 1540.1430; 1540.1440; 1540.1450; 1540.1460; 1540.1470; 1540.1490; 1540.1500; 1540.1510; 1540.1520; 1540.1530; 1540.1540; 1540.1550; 1540.1560; 1549.1570; 1540.1580; 1540.1590; 1540.1600; 1540.1610; 1540.1620; 1540.1630; 1540.1640; 1540.1650; 1540.1660; 1540.1670; 1540.1680; 1540.1690; 1540.1700; 1540.1710; 1540.1720; 1540.1730; 1540.1740; 1540.1750; 1540.1760; 1540.1770; 1540.1780; 1540.1790; 1540.1800; 1540.1810; 1540.1820; 1540.1830; 1540.1840; 1540.1850; 1540.1860; 1540.1870; 1540.1880; 1540.1890; 1540.1900; 1540.1905; 1540.1910; 1540.1920; 1540.1930; 1540.1940; 1540.1950; 1540.1960; 1540.1970; 1540.1980; 1540.1990; 1540.2000; 1540.2010; 1540.2015; 1540.2020; 1540.2090; 1540.2100; 1540.2110; 1540.2120; 1540.2180; 1540.2190; 1540.2200; 1540.2210; 1540.2220; 1540.2230; 1540.2240; 1540.2250; 1540.2260; 1540.2270; 1540.2280; 1540.2290; 1540.2300; 1540.2310; 1540.2320; 1540.2325; 1540.2330; 1540.2340; 1540.2350; 1540.2360; 1540.2370; 1540.2380; 1540.2390; 1540.2400; 1540.2410; 1540.2420; 1540.2430; 1540.2440; 1540.2450; 1540.2490; 1540.2500; 1540.2510; 1540.2530; 1540.2540; 1540.2550; 1540.2560; 1540.2570; 1540.2580; 1540.2590; 1540.2610; 1540.2630; 1540.2640; 1540.2650; 1540.2660; 1540.2720; 1540.2730; 1540.2740; 1540.2760; 1540.2770; 1540.2780; 1540.2790; 1540.2800; 1540.2810; 1540.2820; 1540.2830; 1540.2840; 1540.3420; 1540.3430; 1540.3440; 1540.3450; 1540.3460; 1540.3470; 1540.3560; 1540.3600; 1540.3610; 1540.3620; 1540.3630; 1540.3700; 1540.3780; 1540.3960; 1540.3970; 1540.3980; 1540.3990; 1540.4000; 1540.4010; 1540.4020; 1540.4030; 1540.4040; 1540.4080; 1540.4190; 1540.4200; 1540.4210; 1540.4220; 1540.4320; 1540.4330; 1540.4340; 2642.0120, subpart 1; 2650.0100; 2650.0200; 2650.0300; 2650.0400; 2650.0500; 2650.0600; 2650.1100; 2650.1200; 2650.1300; 2650.1400; 2650.1500; 2650.1600; 2650.1700; 2650.1800; 2650.1900; 2650.2000; 2650.2100; 2650.3100; 2650.3200; 2650.3300; 2650.3400; 2650.3500; 2650.3600; 2650.3700; 2650.3800; 2650.3900; 2650.4000; 2650.4100; 2655.1000; 2660.0070; 2770.7400; 4610.2210; 7002.0410; 7002.0420; 7002.0430; 7002.0440; 7002.0450; 7002.0460; 7002.0470; 7002.0480; 7002.0490; 7047.0010; 7047.0020; 7047.0030; 7047.0040; 7047.0050; 7047.0060; 7047.0070; 7100.0300; 7100.0310; 7100.0320; 7100.0330; 7100.0335; 7100.0340; 7100.0350; 7510.6100; 7510.6200; 7510.6300; 7510.6350; 7510.6400; 7510.6500; 7510.6600; 7510.6700; 7510.6800; 7510.6900; 7510.6910; 7600.0100; 7600.0200; 7600.0300; 7600.0400; 7600.0500; 7600.0600; 7600.0700; 7600.0800; 7600.0900; 7600.1000; 7600.1100; 7600.1200; 7600.1300; 7600.1400; 7600.1500; 7600.1600; 7600.1700; 7600.1800; 7600.1900; 7600.2000; 7600.2100; 7600.2200; 7600.2300; 7600.2400; 7600.2500; 7600.2600; 7600.2700; 7600.2800; 7600.2900; 7600.3000; 7600.3100; 7600.3200; 7600.3300; 7600.3400; 7600.3500; 7600.3600; 7600.3700; 7600.3800; 7600.3900; 7600.4000; 7600.4100; 7600.4200; 7600.4300; 7600.4400; 7600.4500; 7600.4600; 7600.4700; 7600.4800; 7600.4900; 7600.5000; 7600.5100; 7600.5200; 7600.5300; 7600.5400; 7600.5500; 7600.5600; 7600.5700; 7600.5800; 7600.5900; 7600.6000; 7600.6100; 7600.6200; 7600.6300; 7600.6400; 7600.6500; 7600.6600; 7600.6700; 7600.6800; 7600.6900; 7600.7000; 7600.7100; 7600.7200; 7600.7210; 7600.7300; 7600.7400; 7600.7500; 7600.7600; 7600.7700; 7600.7750; 7600.7800; 7600.7900; 7600.8100; 7600.8200; 7600.8300; 7600.8400; 7600.8500; 7600.8600; 7600.8700; 7600.8800; 7600.8900; 7600.9000; 7600.9100; 7600.9200; 7600.9300; 7600.9400; 7600.9500; 7600.9600; 7600.9700; 7600.9800; 7600.9900;

7625.0100; 7625.0110; 7625.0120; 7625.0200; 7625.0210; 7625.0220; 7625.0230; 8120.1100, subpart 3; 8121.0500, subpart 2; 8130.9912; 8130.9913; 8130.9916; 8130.9920; 8130.9930; 8130.9956; 8130.9958; 8130.9968; 8130.9972; 8130.9980; 8130.9992; 8850.6900; 9540.0100; 9540.0200; 9540.0300; 9540.0400; 9540.0500; 9540.1000; 9540.1100; 9540.1200; 9540.1300; 9540.1400; 9540.1500; 9540.2000; 9540.2100; 9540.2200; 9540.2300; 9540.2400; 9540.2500; 9540.2600; and 9540.2700.

Mr. Riveness moved to amend S.F. No. 1246 as follows:

Page 3, line 36, delete the third comma

Page 3, line 37, delete everything before the first semicolon

Page 3, line 43, after the third semicolon, insert "14.47, subdivision 8;"

Page 3, line 44, after the first semicolon, insert "15.0599, subdivision 5;"

Page 4, line 23, after the first semicolon, insert "115A.411, subdivision 1;"

Page 4, line 32, after the second semicolon, insert "116N.06;"

Page 5, line 33, after the third semicolon, insert "473.149, subdivision 6;"

Page 5, line 35, after the second semicolon, insert "473.845, subdivision 4;"

Page 5, line 36, after the first semicolon, insert "480.15;"

Amend the title as follows:

Page 1, line 45, after "sections" insert "174.05; 174.06;"

Page 1, line 46, delete "174.05; 174.06;"

The motion prevailed. So the amendment was adopted.

Ms. Wiener moved to amend S.F. No. 1246 as follows:

Page 12, line 30, delete "land use" and insert "zoning, septic systems, or expansion of the metropolitan urban service area"

The motion prevailed. So the amendment was adopted.

Mr. Frederickson moved to amend S.F. No. 1246 as follows:

Page 45, line 30, delete "(a) The following powers and"

Page 45, delete lines 31 to 36

Page 46, delete lines 1 to 14

Reletter the paragraphs in sequence

The motion prevailed. So the amendment was adopted.

Mr. Riveness moved to amend S.F. No. 1246 as follows:

Page 60, after line 36, insert:

"ARTICLE 11

ABOLISHING COMMISSIONS

Section 1. Minnesota Statutes 1994, section 62J.04, subdivision 1a, is amended to read:

Subd. 1a. [ADJUSTED GROWTH LIMITS AND ENFORCEMENT.] (a) The commissioner shall publish the final adjusted growth limit in the State Register by January 31 of the year that the expenditure limit is to be in effect. The adjusted limit must reflect the actual regional consumer

price index for urban consumers for the previous calendar year, and may deviate from the previously published projected growth limits to reflect differences between the actual regional consumer price index for urban consumers and the projected Consumer Price Index for urban consumers. The commissioner shall report to the legislature by February 15 of each year on differences between the projected increase in health care expenditures, the actual expenditures based on data collected, and the impact and validity of growth limits within the overall health care reform strategy.

(b) The commissioner shall enforce limits on growth in spending and revenues for integrated service networks and for the regulated all-payer option. If the commissioner determines that artificial inflation or padding of costs or prices has occurred in anticipation of the implementation of growth limits, the commissioner may adjust the base year spending totals or growth limits or take other action to reverse the effect of the artificial inflation or padding.

(c) The commissioner shall impose and enforce overall limits on growth in revenues and spending for integrated service networks, with adjustments for changes in enrollment, benefits, severity, and risks. If an integrated service network exceeds the growth limits, the commissioner may reduce future limits on growth in aggregate premium revenues for that integrated service network by up to the amount overspent. If the integrated service network system exceeds a systemwide spending limit, the commissioner may reduce future limits on growth in premium revenues for the integrated service network system by up to the amount overspent.

(d) The commissioner shall set prices, utilization controls, and other requirements for the regulated all-payer option to ensure that the overall costs of this system, after adjusting for changes in population, severity, and risk, do not exceed the growth limits. If growth limits for a calendar year are exceeded, the commissioner may reduce reimbursement rates or otherwise recoup amounts exceeding the limit for all or part of the next calendar year. To the extent possible, the commissioner may reduce reimbursement rates or otherwise recoup amounts over the limit from individual providers who exceed the growth limits.

(e) The commissioner, in consultation with the Minnesota health care commission, shall research and make recommendations to the legislature regarding the implementation of growth limits for integrated service networks and the regulated all-payer option. The commissioner ~~must~~ shall consider both spending and revenue approaches and ~~will~~ report on the implementation of the interim limits as defined in sections 62P.04 and 62P.05. The commissioner ~~must~~ shall examine and make recommendations on the use of annual update factors based on volume performance standards as a mechanism for achieving controls on spending in the all-payer option. The commissioner ~~must~~ shall make recommendations regarding the enforcement mechanism and ~~must~~ shall consider mechanisms to adjust future growth limits as well as mechanisms to establish financial penalties for noncompliance. The commissioner ~~must~~ shall also address the feasibility of systemwide limits imposed on all integrated service networks.

~~(f) The commissioner shall report to the legislative commission on health care access by December 1, 1994, on trends in aggregate spending and premium revenue for health plan companies. The commissioner shall use data submitted under section 62P.04 and other available data to complete this report.~~

Sec. 2. Minnesota Statutes 1994, section 62Q.33, subdivision 5, is amended to read:

Subd. 5. [TIMELINE.] ~~(a) By October 1, 1994, the commissioner shall submit to the legislative commission on health care access the initial report and recommendations required by subdivisions 2 to 4.~~

~~(b) By February 15, 1995, the commissioner, in cooperation with the legislative commission on health care access, shall submit a final report to the legislature, with specific recommendations for capacity building and financing to be implemented over the period from January 1, 1996, through December 31, 1997.~~

~~(c) (b) By January 1, 1997, and by January 1 of each odd-numbered year thereafter, the commissioner shall present to the legislature an updated report and recommendations.~~

Sec. 3. Minnesota Statutes 1994, section 85.019, subdivision 2, is amended to read:

Subd. 2. [GRANTS FOR PARKS AND TRAILS.] The commissioner shall administer a program to provide grants to units of government located within standard metropolitan statistical areas, as designated by the United States Office of Management and Budget, but outside of the metropolitan area defined in section 473.121. The grants shall must be for acquisition and betterment by units of government of public land and improvements needed for parks, trails, conservatories, zoos, and other special use facilities having recreational significance for the entire population of the particular standard metropolitan statistical area. Appropriations made for this purpose shall must be expended with the approval of the governor after consultation with the legislative advisory commission. ~~The legislative commission on~~ division of Minnesota resources shall make recommendations to the legislative advisory commission regarding the expenditures. The local contribution required shall be not less than ten percent. The program shall must be administered so as to ensure the maximum possible use of available federal money.

Sec. 4. Minnesota Statutes 1994, section 115A.07, subdivision 3, is amended 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. 5. Minnesota Statutes 1994, section 115A.15, subdivision 5, is amended to read:

Subd. 5. [REPORTS.] (a) By January 1 of each odd-numbered year, the commissioner of administration shall submit a report to the governor ~~and to the legislative commission~~ summarizing past activities and proposed goals of the program for the following biennium. The report shall include at least:

- (1) a summary list of product and commodity purchases that contain recycled materials;
- (2) the results of any performance tests conducted on recycled products and agencies' experience with recycled products used;
- (3) a list of all organizations participating in and using the cooperative purchasing program; and
- (4) a list of products and commodities purchased for their recyclability and of recycled products reviewed for purchase.

(b) By July 1 of each even-numbered year, the commissioner of the pollution control agency and the commissioner of public service shall submit recommendations to the commissioner regarding the operation of the program.

Sec. 6. Minnesota Statutes 1994, section 115A.158, subdivision 2, is amended to read:

Subd. 2. [PROCEDURE; EVALUATION; REPORT.] In requesting proposals, the office shall inform potential developers of the assistance available to them in siting and establishing hazardous waste processing and collection facilities and services in the state and improved industrial waste management in the state, including the availability of sites listed on the office's inventory of preferred areas for hazardous waste processing facilities, the authority of the office to acquire sites and order the establishment of facilities in those areas, the policies and objectives of the hazardous waste management plan, and the availability of information developed by the office on hazardous or industrial waste generation and management in the state.

The office shall evaluate the proposals received in response to its request and determine the extent to which the proposals demonstrate the qualifications of the developers, the technical and economic feasibility of the proposed facility or service, and the extent to which the proposed facility or service will contribute in a significant way to the achievement of the policies and objectives of the hazardous waste management plan.

~~The office shall report to the legislative commission on the proposals that it has received and evaluated, and on the legislative, regulatory, and other actions needed to develop and operate the proposed facilities or services.~~

Sec. 7. Minnesota Statutes 1994, section 115A.165, is amended to read:

115A.165 [EVALUATION OF GRANT AND LOAN PROGRAMS; REPORT.]

By November 1 of each even-numbered year, the director shall evaluate the extent to which the programs provided in sections 115A.152 to 115A.159 have contributed to the achievement of the policies and objectives of the hazardous waste management plan and other related planning documents prepared by the director. The evaluation must consider the amount of waste reduction achieved by generators through the technical and research assistance and waste reduction grant programs and the progress in reducing the need for and practice of disposal achieved through the development grants and the request for proposal program. ~~The director shall report the results of the evaluation to the legislative commission with recommendations for further action.~~

Sec. 8. Minnesota Statutes 1994, section 115A.193, is amended to read:

115A.193 [REPORT ON FACILITY DEVELOPMENT.]

The director shall prepare a report concerning the development of a stabilization and containment facility. The report must include:

(a) a conceptual plan that describes and evaluates the proposed design and operation of the facility, including an evaluation of technical feasibility, a description and evaluation of the types and quantities of hazardous waste and nonhazardous residual waste from hazardous waste processing that the facility would be designed to accept, and a description and evaluation of technologies needed or desired at the facility for processing, stabilization, and containment, including above grade containment;

(b) procedures and standards for the operation of the facility that require the use of reduction, recycling, and recovery of any hazardous waste before the waste is accepted for stabilization when the alternative or additional management method is feasible and prudent and would materially reduce adverse impact on human health and the environment;

(c) evaluation of the design and use of the facility for processing, stabilization, or containment of industrial waste, including technical and regulatory issues and alternative management methods;

(d) evaluation of feasible and prudent technologies that may substantially reduce the possibility of migration of any hazardous constituents of wastes that the facility would be designed to accept;

(e) a general analysis of the necessary and desirable physical, locational, and other characteristics of a site for the facility;

(f) an evaluation of the prospects of and conditions required for the regulatory delisting of residual waste from hazardous waste processing;

(g) an evaluation of the feasibility of an interstate, regional approach to the management of hazardous waste; and

(h) an economic feasibility analysis of the development and operation of the facility, including the anticipated use of the facility by Minnesota generators from within and outside the state, and sources of private and public financing that may be available or necessary for development or operation.

~~The director shall submit a draft of the report to the office and the legislative commission on waste management by July 1, 1988, and before executing contracts under section 115A.191.~~

Sec. 9. Minnesota Statutes 1994, section 115A.22, subdivision 5, is amended to read:

Subd. 5. [DUTIES OF LOCAL COMMITTEES.] During the review, the local project review committee shall: inform affected local communities, government units, and residents of the

proposed land containment and stabilization and containment facilities and of the planning and environmental review process relating to the proposed facilities; solicit and record local attitudes and concerns respecting the proposed facilities and represent and communicate such attitudes and concerns to the board, ~~the legislative commission~~, the environmental quality board, the agency, and other units and agencies of government; and act as a forum for the exchange of local attitudes and concerns and the development, where possible, of local consensus.

Sec. 10. Minnesota Statutes 1994, section 115A.5501, subdivision 2, is amended to read:

Subd. 2. [MEASUREMENT; PROCEDURES.] To measure the overall percentage of packaging in the statewide solid waste stream, the director and the chair of the metropolitan council, in consultation with the commissioner, shall each conduct an annual 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.

The chair of the council shall submit the results from the metropolitan area to the director by May 1 of each year. The director shall average the nonmetropolitan and metropolitan results and ~~submit~~ determine the statewide percentage, along with a statistically reliable margin of error, ~~to the legislative commission on waste management by July 1 of each year. The 1994 report must include a discussion of the reliability of data gathered under this subdivision and the methodology used to determine a statistically reliable margin of error.~~

Sec. 11. Minnesota Statutes 1994, section 115A.5501, subdivision 4, is amended to read:

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~~ appropriate committees of the house of representatives and the senate 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. 12. Minnesota Statutes 1994, section 115A.551, subdivision 4, is amended to read:

Subd. 4. [INTERIM MONITORING.] The director, 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 goals in subdivisions 2 and 2a. The director shall report to the ~~legislative commission on waste management~~ appropriate committees of the house of representatives and the senate on the progress of the counties by July 1 of each year. The metropolitan council shall report to the ~~legislative commission on waste management~~ committees on the progress of the counties by July 1 of each year. If the director or the council finds that a county is not progressing toward the goals in subdivisions 2 and 2a, ~~it~~ the director or council shall negotiate with the county to develop and implement solid waste management techniques designed to assist the county in meeting the 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. The metropolitan council's progress report shall ~~must~~ be included in the report required by section 473.149.

Sec. 13. Minnesota Statutes 1994, 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 director or the metropolitan council finds that a county will be unable to meet the recycling goals established in

subdivisions 2 and 2a, the director or council shall, after consideration of the reasons for the county's inability to meet the goals, recommend legislation for consideration by the ~~legislative commission on waste management~~ appropriate committees of the house of representatives and the senate to establish mandatory recycling standards and to authorize the director or council to mandate appropriate solid waste management techniques designed to meet the standards in those counties that are unable to meet the goals.

Sec. 14. Minnesota Statutes 1994, section 115A.557, subdivision 4, is amended to read:

Subd. 4. [REPORT.] By July 1 of each year, the director shall report on how the money was spent and the resulting statewide improvements in solid waste management to the house of representatives ways and means committee and senate appropriations and finance committees and the legislative commission on waste management committee. In even-numbered years the report may be included in the solid waste management policy report required under section 115A.411.

Sec. 15. Minnesota Statutes 1994, section 115A.9157, subdivision 6, is amended to read:

Subd. 6. [LIST OF PARTICIPANTS.] A manufacturer or its representative organization shall inform the ~~legislative commission on waste management~~ director when ~~they begin the manufacturer or organization begins participating in the projects and programs and immediately if they withdraw upon withdrawal from participation.~~ The list of participants ~~shall~~ must be available to retailers, distributors, governmental agencies, and other interested persons who provide a self-addressed stamped envelope to the ~~commission~~ director.

Sec. 16. Minnesota Statutes 1994, section 115A.96, subdivision 2, is amended to read:

Subd. 2. [MANAGEMENT PROGRAM.] ~~(a)~~ The agency shall establish a statewide program to manage household hazardous wastes. The program must include:

- (1) the establishment and operation of collection sites; and
- (2) the provision of information, education, and technical assistance regarding proper management of household hazardous wastes.

~~(b) The agency shall report on its progress on establishing permanent collection sites to the legislative commission on waste management by November 1, 1991.~~

Sec. 17. Minnesota Statutes 1994, section 115A.961, subdivision 2, is amended to read:

Subd. 2. [PROGRAM.] (a) The director, in consultation with other state agencies, political subdivisions, and representatives of the household battery industry, may develop household battery programs. ~~The director must coordinate the programs with the legislative commission on Minnesota resources study on batteries.~~

(b) The director shall investigate options and develop guidelines for collection, processing, and disposal of household batteries. The options the director may investigate include:

- (1) establishing a grant program for counties to plan and implement household battery collection, processing, and disposal projects;
- (2) establishing collection and transportation systems;
- (3) developing and disseminating educational materials regarding environmentally sound battery management; and
- (4) developing markets for materials recovered from the batteries.

(c) The director may also distribute funds to political subdivisions to develop battery management plans and implement those plans.

Sec. 18. Minnesota Statutes 1994, section 115A.9651, subdivision 2, is amended to read:

Subd. 2. [TEMPORARY EXEMPTION.] (a) An item listed in subdivision 1 is exempt from this section until July 1, 1997, if the manufacturer of the item submits to the commissioner a written request for an exemption by August 1, 1994. The request must include at least:

- (1) an explanation of why compliance is not technically feasible at the time of the request;
- (2) how the manufacturer will comply by July 1, 1997; and
- (3) the name, address, and telephone number of a person the commissioner can contact for further information.

(b) By September 1, 1994, a person who uses an item listed in subdivision 1, into which one of the listed metals has been intentionally introduced, may submit, on behalf of the manufacturer, a request for temporary exemption only if the manufacturer fails to submit an exemption request as provided in paragraph (a). The request must include:

- (1) an explanation of why the person must continue to use the item and a discussion of potential alternatives;
- (2) an explanation of why it is not technically feasible at the time of the request to formulate or manufacture the item without intentionally introducing a listed metal;
- (3) that the person will seek alternatives to using the item by July 1, 1997, if it still contains an intentionally introduced listed metal; and
- (4) the name, address, and telephone number of a person the commissioner can contact for further information.

(c) A person who submits a request for temporary exemption under paragraph (b) may submit a request for a temporary exemption after September 1, 1994, for an item that the person will use as an alternative to the item for which the request was originally made as long as the new item has a total concentration level of all the listed metals that is significantly less than in the original item. An exemption under this paragraph expires July 1, 1997, and the person who requests it must submit the progress description required in paragraph (e).

~~(d) By October 1, 1994, and annually thereafter if requests are received under paragraph (c), the commissioner shall submit to the legislative commission on waste management a list of manufacturers and persons that have requested an exemption under this subdivision and the items for which exemptions were sought, along with copies of the requests.~~

(e) By July 1, 1996, each manufacturer on the list shall submit to the commissioner a description of the progress the manufacturer has made toward compliance with subdivision 1, and the date compliance has been achieved or the date on or before July 1, 1997, by which the manufacturer anticipates achieving compliance. By July 1, 1996, each person who has requested an exemption under paragraph (b) or (c) shall submit to the commissioner:

- (1) a description of progress made to eliminate the listed metal or metals from the item or progress made by the person to find a replacement item that does not contain an intentionally introduced listed metal; and
- (2) the date or anticipated date the item is or will be free of intentionally introduced metals or the date the person has stopped or will stop using the item.

By October 1, 1996, the commissioner shall submit to the legislative commission appropriate committees of the house of representatives and the senate a summary of the progress made by the manufacturers and other persons and any recommendations for appropriate legislative or other action to ensure that products are not distributed in the state after July 1, 1997, that violate subdivision 1.

Sec. 19. Minnesota Statutes 1994, section 115A.97, subdivision 5, is amended to read:

Subd. 5. [PLANS; REPORT.] A county solid waste plan, or revision of a plan, that includes incineration of mixed municipal solid waste must clearly state how the county plans to meet the goals in subdivision 1 of reducing the toxicity and quantity of incinerator ash and of reducing the quantity of processing residuals that require disposal. The director, in cooperation with the agency, the counties, and the metropolitan council, may develop guidelines for counties to use to identify ways to meet the goals in subdivision 1.

The director, in cooperation with the agency, the counties, and the metropolitan council, shall develop and propose statewide goals and timetables for the reduction of the noncombustible fraction of mixed municipal solid waste prior to incineration or processing into refuse-derived fuel and for the reduction of the toxicity of the incinerator ash. ~~By January 1, 1990, the director shall report to the legislative commission on waste management on the proposal goals and timetables with recommendations for their implementation.~~

Sec. 20. Minnesota Statutes 1994, section 115A.97, subdivision 6, is amended to read:

Subd. 6. [PERMITS; AGENCY REPORT.] An application for a permit to build or operate a mixed municipal solid waste incinerator, including an application for permit renewal, must clearly state how the applicant will achieve the goals in subdivision 1 of reducing the toxicity and quantity of incinerator ash and of reducing the quantity of processing residuals that require disposal. The agency, in cooperation with the director, the counties, and the metropolitan council, may develop guidelines for applicants to use to identify ways to meet the goals in subdivision 1.

~~If, by January 1, 1990, the rules required by subdivision 3 are not in at least final draft form, the agency shall report to the legislative commission on waste management on the status of current incinerator ash management programs with recommendations for specific legislation to meet the goals of subdivision 1.~~

Sec. 21. Minnesota Statutes 1994, section 115B.20, subdivision 2, is amended to read:

Subd. 2. [PURPOSES FOR WHICH MONEY MAY BE SPENT.] Subject to appropriation by the legislature the money in the account may be spent for any of the following purposes:

(1) preparation by the agency and the commissioner of agriculture for taking removal or remedial action under section 115B.17, or under chapter 18D, including investigation, monitoring and testing activities, enforcement and compliance efforts relating to the release of hazardous substances, pollutants or contaminants under section 115B.17 or 115B.18, or chapter 18D;

(2) removal and remedial actions taken or authorized by the agency or the commissioner of the pollution control agency under section 115B.17, or taken or authorized by the commissioner of agriculture under chapter 18D including related enforcement and compliance efforts under section 115B.17 or 115B.18, or chapter 18D, and payment of the state share of the cost of remedial action which may be carried out under a cooperative agreement with the federal government pursuant to the Federal Superfund Act, under United States Code, title 42, section 9604(c)(3) for actions related to facilities other than commercial hazardous waste facilities located under the siting authority of chapter 115A;

(3) reimbursement to any private person for expenditures made before July 1, 1983, to provide alternative water supplies deemed necessary by the agency or the commissioner of agriculture and the department of health to protect the public health from contamination resulting from the release of a hazardous substance;

(4) removal and remedial actions taken or authorized by the agency or the commissioner of agriculture or the pollution control agency under section 115B.17, or chapter 18D, including related enforcement and compliance efforts under section 115B.17 or 115B.18, or chapter 18D, and payment of the state share of the cost of remedial action which may be carried out under a cooperative agreement with the federal government pursuant to the Federal Superfund Act, under United States Code, title 42, section 9604(c)(3) for actions related to commercial hazardous waste facilities located under the siting authority of chapter 115A;

(5) compensation as provided by law, after submission by the office of waste management of the report required under section 115A.08, subdivision 5, to mitigate any adverse impact of the location of commercial hazardous waste processing or disposal facilities located pursuant to the siting authority of chapter 115A;

(6) planning and implementation by the commissioner of natural resources of the rehabilitation, restoration, or acquisition of natural resources to remedy injuries or losses to natural resources resulting from the release of a hazardous substance;

(7) inspection, monitoring, and compliance efforts by the agency, or by political subdivisions

with agency approval, of commercial hazardous waste facilities located under the siting authority of chapter 115A;

(8) grants by the agency or the office of waste management to demonstrate alternatives to land disposal of hazardous waste including reduction, separation, pretreatment, processing and resource recovery, for education of persons involved in regulating and handling hazardous waste;

~~(9) intervention and environmental mediation by the legislative commission on waste management under chapter 115A; and~~

~~(10) grants by the agency to study the extent of contamination and feasibility of cleanup of hazardous substances and pollutants or contaminants in major waterways of the state;~~

~~(11) (10) acquisition of a property interest under section 115B.17, subdivision 15;~~

~~(12) (11) reimbursement, in an amount to be determined by the agency in each case, to a political subdivision that is not a responsible person under section 115B.03, for reasonable and necessary expenditures resulting from an emergency caused by a release or threatened release of a hazardous substance, pollutant, or contaminant; and~~

~~(13) (12) reimbursement to a political subdivision for expenditures in excess of the liability limit under section 115B.04, subdivision 4.~~

Sec. 22. Minnesota Statutes 1994, section 115B.20, subdivision 5, is amended to read:

Subd. 5. [RECOMMENDATION.] ~~The legislative commission on waste management and~~ The commissioner of agriculture shall make recommendations to the standing legislative committees on finance and ~~appropriations~~ ways and means regarding appropriations from the account.

Sec. 23. Minnesota Statutes 1994, section 115B.20, subdivision 6, is amended to read:

Subd. 6. [REPORT TO LEGISLATURE.] Each year, the commissioner of agriculture and the agency shall submit to the senate finance committee, the house ways and means committee, the environmental quality board, and the legislative water commission, ~~and the legislative commission on waste management~~ a report detailing the activities for which money from the account has been spent during the previous fiscal year.

Sec. 24. Minnesota Statutes 1994, section 116C.712, subdivision 5, is amended to read:

Subd. 5. [ASSESSMENT.] (a) A person, firm, corporation, or association in the business of owning or operating a nuclear fission electrical generating plant in this state shall pay an assessment to cover the cost of:

(1) monitoring the federal high-level radioactive waste program under the Nuclear Waste Policy Act, United States Code, title 42, sections 10101 to 10226;

(2) advising the governor and the legislature on policy issues relating to the federal high-level radioactive waste disposal program;

(3) surveying existing literature and activity relating to radioactive waste management, including storage, transportation, and disposal, in the state;

(4) an advisory task force on low-level radioactive waste deregulation, created by a law enacted in 1990 until July 1, 1996; and

(5) other general studies necessary to carry out the purposes of this subdivision.

The assessment must not be more than the appropriation to the office of strategic and long-range planning for these purposes.

(b) The office shall bill the owner or operator of the plant for the assessment at least 30 days before the start of each quarter. The assessment for the second quarter of each fiscal year must be adjusted to compensate for the amount by which actual expenditures by the office for the preceding year were more or less than the estimated expenditures previously assessed. The billing

may be made as an addition to the assessments made under section 116C.69. The owner or operator of the plant must pay the assessment within 30 days after receipt of the bill. The assessment must be deposited in the state treasury and credited to the special revenue fund.

(c) The authority for this assessment terminates when the department of energy eliminates Minnesota from further siting consideration for high-level radioactive waste by starting construction of a high-level radioactive waste disposal site in another state. The assessment required for any quarter must be reduced by the amount of federal grant money received by the office of strategic and long-range planning for the purposes listed in this section.

~~(d) The director of the office of strategic and long-range planning must report annually by July 1 to the legislative commission on waste management on activities assessed under paragraph (a).~~

Sec. 25. Minnesota Statutes 1994, section 116J.555, subdivision 2, is amended to read:

Subd. 2. [APPLICATION CYCLES; REPORTING TO LCWM.] (a) In making grants, the commissioner shall establish regular application deadlines in which grants will be authorized from all or part of the available appropriations of money in the account.

(b) After each cycle in which grants are awarded, the commissioner shall report to the ~~legislative commission on waste management~~ appropriate committees of the house of representatives and the senate the grants awarded and appropriate supporting information describing each grant made. This report must be made within 30 days after the grants are awarded.

(c) The commissioner shall annually report to the legislative ~~commission~~ committees on the status of the cleanup projects undertaken under grants made under the programs. The commissioner shall include in the annual report information on the cleanup and development activities undertaken for the grants made in that and previous fiscal years. The commissioner shall make this report no later than 120 days after the end of the fiscal year.

Sec. 26. Minnesota Statutes 1994, section 256.9352, subdivision 3, is amended to read:

Subd. 3. [FINANCIAL MANAGEMENT.] (a) The commissioner shall manage spending for the MinnesotaCare program 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 for the remainder of the current fiscal year and for the following two fiscal years. The estimated expenditure ~~shall~~ must 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 ways and means 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 MinnesotaCare program; 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 MinnesotaCare program. 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.

The reserve referred to in this subdivision is appropriated to the commissioner but may only be used upon approval of the commissioner of finance, if estimated costs will exceed the forecasted amount of available revenues after all adjustments authorized under this subdivision have been made.

~~By February 1, 1995, the department of human services and the department of health shall develop a plan to adjust benefit levels, eligibility guidelines, or other steps necessary to ensure that expenditures for the MinnesotaCare program are contained within the two percent taxes imposed under section 295.52 and the gross premiums tax imposed under section 60A.15, subdivision 1, paragraph (e), for fiscal year 1997.~~

(b) Notwithstanding paragraph (a), the commissioner shall proceed with the enrollment of single adults and households without children in accordance with section 256.9354, subdivision 5, paragraph (a), even if the expenditures do not remain within the limits of available revenues through fiscal year 1997 to allow the departments of human services and health to develop the plan required under paragraph (a).

Sec. 27. Minnesota Statutes 1994, 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 facility. The salary adjustment per diem for each nursing facility must be determined as follows:

(1) for each nursing facility 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 facility's actual resident days; and

(2) for each nursing facility 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 facility that receives a salary adjustment per diem pursuant to this subdivision shall adjust nursing facility 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 facility complied with this requirement. ~~The commissioner shall report the extent to which each nursing facility 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. 28. Minnesota Statutes 1994, section 473.846, is amended to read:

473.846 [REPORT TO LEGISLATURE.]

The agency and metropolitan council shall submit to the senate finance committee, and the house ways and means committee, ~~and the legislative commission on waste management~~ separate reports describing the activities for which money from the landfill abatement account and contingency action trust fund has been spent. The agency shall report by November 1 of each year on expenditures during its previous fiscal year. The council shall report on expenditures during the previous calendar year and must incorporate its report in the report required by section 473.149, due July 1 of each year. The council shall make recommendations to the ~~legislative commission on waste management~~ committees on the future management and use of the metropolitan landfill abatement account.

Sec. 29. [REPEALER.]

(a) Minnesota Statutes 1994, sections 3.861; 3.887; 3.9222; 3.9227; 14.115, subdivision 8; 62J.04, subdivision 4; 62J.07; 62N.24; 103B.351; 115A.03, subdivision 16; 115A.08; 115A.14; 115A.29; 115A.38; 115A.411; 115A.913, subdivision 5; 115A.9157, subdivision 4; 115A.965, subdivision 7; 115A.981, subdivision 3; 115B.22, subdivision 8; 115B.43, subdivision 4; 116P.05, subdivision 1; 216C.051; 256B.504; 473.149, subdivisions 2c and 6; 473.845, subdivision 4; and 473.848, subdivision 4, are repealed effective June 30, 1996.

(b) Minnesota Statutes 1994, sections 3.873 and 3.885, are repealed effective June 30, 1997.

Sec. 30. [EFFECTIVE DATES.]

Sections 1 to 28 are effective June 30, 1996.

ARTICLE 12

MINNESOTA RESOURCES

Section 1. Minnesota Statutes 1994, section 4.071, subdivision 2, is amended to read:

Subd. 2. [MINNESOTA RESOURCES PROJECTS.] The legislature intends to appropriate one-half of the oil overcharge money for projects that have been reviewed and recommended by the ~~legislative commission on~~ division of Minnesota resources. A work plan must be prepared for each proposed project for review by the ~~commission~~ division. The ~~commission~~ division must recommend specific projects to the legislature.

Sec. 2. Minnesota Statutes 1994, section 84.0274, subdivision 7, is amended to read:

Subd. 7. [DISCLOSURE.] When the state proposes to purchase lands for natural resources purposes, the landowner ~~shall~~ must be given a written statement in lay terms of the rights and responsibilities provided for in subdivisions 5 and 6. Before a purchase can be made, the landowner must sign a statement acknowledging in writing that the statement has been provided and explained to the landowner. Within 60 days following the date of final approval of Laws 1980, Chapter 45B, the commissioner of natural resources shall submit a proposed form for the statement to the ~~legislative commission on~~ division of Minnesota resources. The ~~commission~~ division shall review the proposed form for compliance with the intent of this section and ~~shall~~ make any changes which it deems proper.

Sec. 3. Minnesota Statutes 1994, section 85.019, subdivision 2, is amended to read:

Subd. 2. [GRANTS FOR PARKS AND TRAILS.] The commissioner shall administer a program to provide grants to units of government located within standard metropolitan statistical areas, as designated by the United States Office of Management and Budget, but outside of the metropolitan area defined in section 473.121. The grants shall be for acquisition and betterment by units of government of public land and improvements needed for parks, trails, conservatories, zoos, and other special use facilities having recreational significance for the entire population of the particular standard metropolitan statistical area. Appropriations made for this purpose shall be expended with the approval of the governor after consultation with the legislative advisory commission. The ~~legislative commission on~~ division of Minnesota resources shall make recommendations to the legislative advisory ~~commission~~ regarding the expenditures. The local contribution required shall be not less than ten percent. The program shall must be administered so as to ensure the maximum possible use of available federal money.

Sec. 4. Minnesota Statutes 1994, section 86.72, subdivision 2, is amended to read:

Subd. 2. Money appropriated from the account shall must be expended for state land acquisition and development that is part of a natural resources acceleration activity, when the acquisition and development is deemed to be of an emergency or critical nature. In addition this money is available for studies initiated by the ~~legislative commission on~~ division of Minnesota resources that are found to be proper in order for the commission to carry out its legislative charge.

Sec. 5. Minnesota Statutes 1994, section 86.72, subdivision 3, is amended to read:

Subd. 3. Requests for allocation from the account for acquisition or development shall must be accompanied by a certificate signed by the commissioner of natural resources, showing a review of the application against chapter 86A. Copies of the certification shall must be submitted to the appropriate legislative committees and commissions. Appropriations from the account shall be expended with the approval of the governor after consultation with the legislative advisory commission. The ~~legislative commission on~~ division of Minnesota resources shall make recommendations to the legislative advisory ~~commission~~ regarding the expenditures.

Sec. 6. Minnesota Statutes 1994, section 89.022, subdivision 2, is amended to read:

Subd. 2. The commissioner of natural resources may apply to the ~~legislative commission on~~ division of Minnesota resources for an exemption from the exchange or sale requirements of subdivision 1 in instances where it can be demonstrated that unique recreational, historical or scientific values would be destroyed by the exchange or sale of tillable land or a farm homestead. Exemptions shall must be decided by the ~~commission~~ division on an individual basis. If the application for exemption is not decided by the ~~commission~~ division within 90 days, the application shall be is deemed to have been denied.

Sec. 7. Minnesota Statutes 1994, section 103A.43, is amended to read:

103A.43 [WATER ASSESSMENTS AND REPORTS.]

(a) The environmental quality board shall evaluate and report to the ~~legislative water commission and the legislative commission on~~ division of Minnesota resources on statewide water research needs and recommended priorities for addressing these needs. Local water research needs may also be included.

(b) The environmental quality board shall coordinate a biennial assessment of water quality, groundwater degradation trends, and efforts to reduce, prevent, minimize, and eliminate degradation of water.

(c) The environmental quality board shall coordinate an assessment of the quantity of surface and ground water in the state and the availability of water to meet the state's needs.

(d) The environmental quality board shall coordinate and submit a report on water policy to the ~~legislative water commission and the legislative commission on~~ division of Minnesota resources by September 15 of each even-numbered year. The report may include the groundwater policy report in section 103A.204.

Sec. 8. Minnesota Statutes 1994, section 103B.321, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] The board shall:

(1) develop guidelines for the contents of comprehensive water plans that provide for a flexible approach to meeting the different water and related land resources needs of counties and watersheds across the state;

(2) coordinate assistance of state agencies to counties and other local units of government involved in preparation of comprehensive water plans, including identification of pertinent data and studies available from the state and federal government;

(3) conduct an active program of information and education concerning the requirements and purposes of sections 103B.301 to 103B.355 in conjunction with the association of Minnesota counties;

(4) determine contested cases under section 103B.345;

(5) establish a process for review of comprehensive water plans that assures the plans are consistent with state law;

(6) report to the ~~legislative commission on~~ division of Minnesota resources as required by section 103B.351; and

(7) make grants to counties for comprehensive local water planning, implementation of priority actions identified in approved plans, and sealing of abandoned wells.

Sec. 9. Minnesota Statutes 1994, section 116P.02, is amended to read:

116P.02 [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 116P.01 to 116P.13.

Subd. 2. [ADVISORY COMMITTEE.] "Advisory committee" means the advisory committee created in section 116P.06.

Subd. 3. [BOARD.] "Board" means the state board of investment.

Subd. 4. [~~COMMISSION DIVISION.~~] "~~Commission~~" "Division" means the ~~legislative commission on~~ division of Minnesota resources.

Subd. 5. [NATURAL RESOURCES.] "Natural resources" includes the outdoor recreation system under section 86A.04 and regional recreation open space systems as defined under section 473.351, subdivision 1.

Subd. 6. [TRUST FUND.] "Trust fund" means the Minnesota environment and natural resources trust fund established under Minnesota Constitution, article XI, section 14.

Sec. 10. Minnesota Statutes 1994, section 116P.03, is amended to read:

116P.03 [TRUST FUND NOT TO SUPPLANT EXISTING FUNDING.]

(a) The trust fund may not be used as a substitute for traditional sources of funding environmental and natural resources activities, but the trust fund ~~shall~~ must supplement the traditional sources, including those sources used to support the criteria in section 116P.08, subdivision 1. The trust fund must be used primarily to support activities whose benefits become available only over an extended period of time.

(b) The ~~commission~~ must division shall determine the amount of the state budget spent from traditional sources to fund environmental and natural resources activities before and after the trust fund is established and include a comparison of the amount in the report under section 116P.09, subdivision 7.

Sec. 11. Minnesota Statutes 1994, section 116P.05, is amended by adding a subdivision to read:

Subd. 1a. [DIVISION OF MINNESOTA RESOURCES.] The division of Minnesota resources

is a division in the office of strategic and long-range planning headed by an assistant director appointed by the director to serve in the unclassified service. A state agency, the metropolitan council as defined in section 473.121, subdivision 3, or a metropolitan agency as defined in section 473.121, subdivision 5a, may not apply for money for programs subject to the division's approval, except:

(1) temporary projects to collect, assess, or produce ecological or other natural resource data to guide natural resource decision making; and

(2) cooperative projects involving federal, local, or private matching funds.

Sec. 12. Minnesota Statutes 1994, section 116P.05, subdivision 2, is amended to read:

Subd. 2. [DUTIES.] (a) The ~~commission~~ division shall recommend a budget plan for expenditures from the environment and natural resources trust fund and shall adopt a strategic plan as provided in section 116P.08.

(b) The ~~commission~~ division shall recommend expenditures to the legislature from the Minnesota future resources fund under section 116P.13.

(c) It is a condition of acceptance of the appropriations made from the Minnesota future resources fund, Minnesota environment and natural resources trust fund, and oil overcharge money under section 4.071, subdivision 2, that the agency or entity receiving the appropriation must submit a work program and semiannual progress reports in the form determined by the ~~legislative commission~~ division of Minnesota resources. None of the money provided may be spent unless the ~~commission~~ division has approved the pertinent work program.

(d) The peer review panel created under section 116P.08 must also review, comment, and report to the ~~commission~~ division on research proposals applying for an appropriation from the Minnesota resources fund and from oil overcharge money under section 4.071, subdivision 2.

(e) The ~~commission~~ division may adopt operating procedures to fulfill its duties under sections 116P.01 to 116P.13.

Sec. 13. Minnesota Statutes 1994, section 116P.06, is amended to read:

116P.06 [ADVISORY COMMITTEE.]

Subdivision 1. [MEMBERSHIP.] (a) The governor shall appoint an advisory committee of 11 citizen members ~~shall be appointed by the governor to advise the legislative commission on~~ division of Minnesota resources on project proposals to receive funding from the trust fund and the development of budget and strategic plans. The governor shall appoint at least one member from each congressional district. The governor shall appoint the chair.

(b) The governor's appointees must be confirmed with the advice and consent of the senate. The membership terms, compensation, removal, and filling of vacancies for citizen members of the advisory committee are governed by section 15.0575.

Subd. 2. [DUTIES.] (a) The advisory committee shall:

(1) prepare and submit to the ~~commission~~ division a draft strategic plan to guide expenditures from the trust fund;

(2) review the reinvest in Minnesota program during development of the draft strategic plan;

(3) gather input from the resources congress during development of the draft strategic plan;

(4) advise the ~~commission~~ division on project proposals to receive funding from the trust fund; and

(5) advise the ~~commission~~ division on development of the budget plan.

(b) The advisory committee may review all project proposals for funding and may make recommendations to the ~~commission~~ division on whether the projects:

- (1) meet the standards and funding categories set forth in sections 116P.01 to 116P.12;
- (2) duplicate existing federal, state, or local projects being conducted within the state; and
- (3) are consistent with the most recent strategic plan adopted by the ~~commission~~ division.

Sec. 14. Minnesota Statutes 1994, section 116P.07, is amended to read:

116P.07 [RESOURCES CONGRESS.]

The ~~commission~~ division must convene a resources congress at least once every biennium and shall develop procedures for the congress. The congress must be open to all interested individuals. The purpose of the congress is to collect public input necessary to allow the ~~commission~~ division, with the advice of the advisory committee, to develop a strategic plan to guide expenditures from the trust fund. The congress also may be convened to receive and review reports on trust fund projects. The congress shall also review the reinvest in Minnesota program.

Sec. 15. Minnesota Statutes 1994, section 116P.08, subdivision 3, is amended to read:

Subd. 3. [STRATEGIC PLAN REQUIRED.] (a) The ~~commission~~ division shall adopt a strategic plan for making expenditures from the trust fund, including identifying the priority areas for funding for the next six years. The strategic plan must be updated every two years. The plan is advisory only. The ~~commission~~ division shall submit the plan, as a recommendation, to the house of representatives ~~appropriations~~ ways and means and senate finance committees by January 1 of each odd-numbered year.

(b) The ~~commission~~ division may accept or modify the draft of the strategic plan submitted to it by the advisory committee before voting on the plan's adoption.

Sec. 16. Minnesota Statutes 1994, section 116P.08, subdivision 4, is amended to read:

Subd. 4. [BUDGET PLAN.] (a) Funding may be provided only for those projects that meet the categories established in subdivision 1.

(b) Projects submitted to the ~~commission~~ division for funding may be referred to the advisory committee for recommendation.

(c) The ~~commission~~ division must adopt a budget plan to make expenditures from the trust fund for the purposes provided in subdivision 1. The budget plan must be submitted to the governor for inclusion in the biennial budget and supplemental budget submitted to the legislature.

(d) Money in the trust fund may not be spent except under an appropriation by law.

Sec. 17. Minnesota Statutes 1994, section 116P.08, subdivision 5, is amended to read:

Subd. 5. [PUBLIC MEETINGS.] All advisory committee and ~~commission~~ meetings must be open to the public. ~~The commission shall attempt to meet at least once in each of the state's congressional districts during each biennium.~~

Sec. 18. Minnesota Statutes 1994, section 116P.08, subdivision 6, is amended to read:

Subd. 6. [PEER REVIEW.] (a) Research proposals must include a stated purpose, timeline, potential outcomes, and an explanation of the need for the research. All research proposals must be reviewed by a peer review panel before receiving an appropriation.

(b) In conducting research proposal reviews, the peer review panel shall:

(1) comment on the methodology proposed and whether it can be expected to yield appropriate and useful information and data;

(2) comment on the need for the research and about similar existing information available, if any; and

(3) report to the ~~commission~~ division and advisory committee on clauses (1) and (2).

(c) The peer review panel also must review completed research proposals that have received an appropriation and comment and report upon whether the project reached the intended goals.

Sec. 19. Minnesota Statutes 1994, section 116P.08, subdivision 7, is amended to read:

Subd. 7. [PEER REVIEW PANEL MEMBERSHIP.] (a) The peer review panel must consist of at least five members who are knowledgeable in general research methods in the areas of environment and natural resources. Not more than two members of the panel may be employees of state agencies in Minnesota.

(b) The commission division shall select a chair every two years who shall be responsible for convening meetings of the panel as often as is necessary to fulfill its duties as prescribed in this section. Compensation of panel members is governed by section 15.059, subdivision 3.

Sec. 20. Minnesota Statutes 1994, section 116P.09, is amended to read:

116P.09 [ADMINISTRATION.]

Subdivision 1. [ADMINISTRATIVE AUTHORITY.] The commission division may appoint legal and other personnel and consultants necessary to carry out functions and duties of the commission division. Permanent employees ~~shall be~~ are in the unclassified service. In addition, the commission division may request staff assistance and data from any other agency of state government as needed for the execution of the responsibilities of the commission division and advisory committee and an agency must promptly furnish it.

Subd. 2. [LIAISON OFFICERS.] The commission division shall request each department or agency head of all state agencies with a direct interest and responsibility in any phase of environment and natural resources to appoint, and the latter shall appoint for the agency, a liaison officer who shall work closely with the commission and its division staff.

Subd. 3. [APPRAISAL AND EVALUATION.] The commission division shall obtain and appraise information available through private organizations and groups, utilizing to the fullest extent possible studies, data, and reports previously prepared or currently in progress by public agencies, private organizations, groups, and others, concerning future trends in the protection, conservation, preservation, and enhancement of the state's air, water, land, forests, fish, wildlife, native vegetation, and other natural resources. Any data compiled by the commission shall division must be made available to any standing or interim committee of the legislature upon the request of the chair of the respective committee.

Subd. 4. [PERSONNEL.] Persons who are employed by a state agency to work on a project and are paid by an appropriation from the trust fund or Minnesota future resources fund are in the unclassified civil service, and their continued employment is contingent upon the availability of money from the appropriation. When the appropriation has been spent, their positions must be canceled and the approved complement of the agency reduced accordingly. Part-time employment of persons for a project is authorized. The use of classified employees is authorized when approved as part of the work program required by section 116P.05, subdivision 2, paragraph (c).

Subd. 5. [ADMINISTRATIVE EXPENSE.] The administrative expenses of the commission shall division must be paid from the various funds administered by the commission division as follows:

(1) Through June 30, 1993, the administrative expenses of the commission division and the advisory committee ~~shall~~ must be paid from the Minnesota future resources fund. After that time, the prorated expenses related to administration of the trust fund ~~shall~~ must be paid from the earnings of the trust fund.

(2) After June 30, 1993, the prorated expenses related to administration of the trust fund may not exceed an amount equal to four percent of the projected earnings of the trust fund for the biennium.

Subd. 6. [CONFLICT OF INTEREST.] A commission member employee, advisory committee member, or peer review panelist, ~~or an employee of the commission~~ may not participate in or vote on a decision of the commission division, advisory committee, or peer review panel relating to an

organization in which the member, panelist, or employee has either a direct or indirect personal financial interest. While serving on the ~~legislative commission~~, advisory committee, or peer review panel, or being an employee of the ~~commission~~ division, a person shall avoid any potential conflict of interest.

Subd. 7. [REPORT REQUIRED.] The ~~commission~~ division shall, by January 15 of each odd-numbered year, submit a report to the governor, the ~~chairs of the house appropriations ways and means and senate finance committees~~, and the chairs of the house and senate committees on environment and natural resources. Copies of the report must be available to the public. The report must include:

- (1) a copy of the current strategic plan;
- (2) a description of each project receiving money from the trust fund and Minnesota future resources fund during the preceding biennium;
- (3) a summary of any research project completed in the preceding biennium;
- (4) recommendations to implement successful projects and programs into a state agency's standard operations;
- (5) to the extent known by the ~~commission~~ division, descriptions of the projects anticipated to be supported by the trust fund and Minnesota future resources account during the next biennium;
- (6) the source and amount of all revenues collected and distributed by the ~~commission~~ division, including all administrative and other expenses;
- (7) a description of the assets and liabilities of the trust fund and the Minnesota future resources fund;
- (8) any findings or recommendations that are deemed proper to assist the legislature in formulating legislation;
- (9) a list of all gifts and donations with a value over \$1,000;
- (10) a comparison of the amounts spent by the state for environment and natural resources activities through the most recent fiscal year; and
- (11) a copy of the most recent compliance audit.

Sec. 21. Minnesota Statutes 1994, section 116P.10, is amended to read:

116P.10 [ROYALTIES, COPYRIGHTS, PATENTS.]

This section applies to projects supported by the trust fund, the Minnesota future resources fund, and the oil overcharge money referred to in section 4.071, subdivision 2, each of which is referred to in this section as a "fund." The fund owns and shall take title to the percentage of a royalty, copyright, or patent resulting from a project supported by the fund equal to the percentage of the project's total funding provided by the fund. Cash receipts resulting from a royalty, copyright, or patent, or the sale of the fund's rights to a royalty, copyright, or patent, must be credited immediately to the principal of the fund. Before a project is included in the budget plan, the ~~commission~~ division may vote to relinquish the ownership or rights to a royalty, copyright, or patent resulting from a project supported by the fund to the project's proposer when the amount of the original grant or loan, plus interest, has been repaid to the fund.

Sec. 22. Minnesota Statutes 1994, 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~~ division consists of the earnings generated from the trust fund. Earnings generated from the trust fund ~~shall~~ must equal the amount of interest on debt securities and dividends on equity securities. Gains and losses arising from the sale of securities ~~shall be~~ are apportioned as follows:

(1) if the sale of securities results in a net gain during a fiscal year, the gain ~~shall~~ must be apportioned in equal installments over the next ten fiscal years to offset net losses in those years. If any portion of an installment is not needed to recover subsequent losses identified in paragraph (b), it ~~shall~~ must be added to the principal of the fund; and

(2) if the sale of securities results in a net loss during a fiscal year, the net loss ~~shall~~ must be recovered from the gains in paragraph (a) apportioned to that fiscal year. If ~~such~~ the gains are insufficient, any remaining net loss ~~shall~~ must be recovered from interest and dividend income in equal installments over the following ten fiscal years.

(b) For funding projects until fiscal year 1997, the following additional amounts are available from the trust fund for the budget plans developed by the ~~commission~~ division:

(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;

(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 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. 23. Minnesota Statutes 1994, section 116P.12, is amended to read:

116P.12 [WATER SYSTEM IMPROVEMENT LOAN PROGRAM.]

Subdivision 1. [LOANS AUTHORIZED.] (a) If the principal of the trust fund equals or exceeds \$200,000,000, the ~~commission~~ division may vote to set aside up to five percent of the principal of the trust fund for water system improvement loans. The purpose of water system improvement loans is to offer below market rate interest loans to local units of government for the purposes of water system improvements.

(b) The interest on a loan ~~shall~~ must be calculated on the declining balance at a rate four percentage points below the secondary market yield of one-year United States treasury bills calculated according to section 549.09, subdivision 1, paragraph (c).

(c) An eligible project must prove that existing federal or state loans or grants have not been adequate.

(d) Payments on the principal and interest of loans under this section must be credited to the trust fund.

(e) Repayment of loans made under this section must be completed within 20 years.

(f) The Minnesota public facilities authority must report to the ~~commission~~ division each year on the loan program under this section.

Subd. 2. [APPLICATION AND ADMINISTRATION.] (a) The ~~commission~~ division must adopt a procedure for the issuance of the water system improvement loans by the public facilities authority.

(b) The ~~commission~~ division must also ~~must~~ ensure that the loans are administered according to its fiduciary standards and requirements.

Sec. 24. Minnesota Statutes 1994, section 116Q.02, is amended to read:

116Q.02 [STATE RECEIPTS FROM THE FUND.]

Subdivision 1. [GREAT LAKES PROTECTION ACCOUNT.] Any money received by the state from the Great Lakes protection fund, whether in the form of annual earnings or otherwise, must be deposited in the state treasury and credited to a special Great Lakes protection account. Money in the account ~~must~~ may be spent only as specifically appropriated by law for protecting water quality in the Great Lakes. Approved purposes include, but are not limited to, supplementing in a stable and predictable manner state and federal commitments to Great Lakes water quality programs by providing grants to finance projects that advance the goals of the regional Great Lakes toxic substances control agreement and the binational Great Lakes water quality agreement.

Subd. 2. [~~LCMR~~ DMR REVIEW.] The legislature intends not to appropriate money from the Great Lakes protection account until projects have been reviewed and recommended by the ~~legislative commission on~~ division of Minnesota resources. A work plan must be prepared for each project for review by the ~~commission~~ division. The ~~commission~~ division must recommend specific projects to the legislature.

Sec. 25. Minnesota Statutes 1994, section 290.431, is amended to read:

290.431 [NONGAME WILDLIFE CHECKOFF.]

Every individual who files an income tax return or property tax refund claim form may designate on ~~their~~ the individual's original return that \$1 or more ~~shall~~ must be added to the tax or deducted from the refund that would otherwise be payable by or to that individual and paid into an account to be established for the management of nongame wildlife. The commissioner of revenue shall, on the income tax return and the property tax refund claim form, notify filers of their right to designate that a portion of their tax or refund shall be paid into the nongame wildlife management account. The sum of the amounts ~~so~~ designated to be paid ~~shall~~ must be credited to the nongame wildlife management account for use by the nongame program of the section of wildlife in the department of natural resources. All interest earned on money accrued in the nongame wildlife management account ~~shall~~ must be credited to the account by the state treasurer. The commissioner of natural resources shall submit a work program for each fiscal year and semiannual progress reports to the ~~legislative commission on~~ division of Minnesota resources in the form determined by the ~~commission~~ division. None of the money provided in this section may be expended unless the ~~commission~~ division has approved the work program.

The state pledges and agrees with all contributors to the nongame wildlife management account to use the funds contributed solely for the management of nongame wildlife projects and further agrees that it will not impose additional conditions or restrictions that will limit or otherwise restrict the ability of the commissioner of natural resources to use the available funds for the most efficient and effective management of nongame wildlife.

Sec. 26. Minnesota Statutes 1994, section 290.432, is amended to read:

290.432 [CORPORATE NONGAME WILDLIFE CHECKOFF.]

A corporation that files an income tax return may designate on its original return that \$1 or more ~~shall~~ must be added to the tax or deducted from the refund that would otherwise be payable by or to that corporation and paid into the nongame wildlife management account established by section 290.431 for use by the section of wildlife in the department of natural resources for its nongame wildlife program. The commissioner of revenue shall, on the corporate tax return, notify filers of their right to designate that a portion of their tax return be paid into the nongame wildlife management account for the protection of endangered natural resources. All interest earned on money accrued in the nongame wildlife management account ~~shall~~ must be credited to the account by the state treasurer. The commissioner of natural resources shall submit a work program for each fiscal year to the ~~legislative commission on~~ division of Minnesota resources in the form determined by the ~~commission~~ division. None of the money provided in this section may be spent unless the ~~commission~~ division has approved the work program.

The state pledges and agrees with all corporate contributors to the nongame wildlife account to use the funds contributed solely for the nongame wildlife program and further agrees that it will not impose additional conditions or restrictions that will limit or otherwise restrict the ability of the commissioner of natural resources to use the available funds for the most efficient and effective management of those programs.

Sec. 27. [REPEALER.]

Minnesota Statutes 1994, section 116P.05, subdivision 1, is repealed, effective June 30, 1996.

Sec. 28. [EFFECTIVE DATE.]

Sections 1 to 27 are effective July 1, 1996."

Amend the title as follows:

Page 1, line 30, after the semicolon, insert "abolishing the legislative commission on children, youth, and their families, the legislative water commission, the legislative commission on the economic status of women, the legislative commission on child protection, the legislative commission on health care access, the legislative commission on long-term health care, the legislative commission on waste management, and the legislative tax study commission; transferring functions of the legislative commission on Minnesota resources to the office of strategic and long-range planning;"

Page 1, line 31, after "sections" insert "4.071, subdivision 2;"

Page 1, line 37, after the second semicolon, insert "62J.04, subdivision 1a;"

Page 1, line 38, after the semicolon, insert "62Q.33, subdivision 5; 84.0274, subdivision 7; 85.019, subdivision 2; 86.72, subdivisions 2 and 3; 89.022, subdivision 2; 103A.43; 103B.321, subdivision 1; 115A.07, subdivision 3; 115A.15, subdivision 5; 115A.158, subdivision 2; 115A.165; 115A.193; 115A.22, subdivision 5; 115A.5501, subdivisions 2 and 4; 115A.551, subdivisions 4 and 5; 115A.557, subdivision 4; 115A.9157, subdivision 6; 115A.96, subdivision 2; 115A.961, subdivision 2; 115A.9651, subdivision 2; 115A.97, subdivisions 5 and 6; 115B.20, subdivisions 2, 5, and 6; 116C.712, subdivision 5; 116J.555, subdivision 2; 116P.02; 116P.03; 116P.05, subdivision 2, and by adding a subdivision; 116P.06; 116P.07; 116P.08, subdivisions 3, 4, 5, 6, and 7; 116P.09; 116P.10; 116P.11; 116P.12; 116Q.02;"

Page 1, line 40, after the second semicolon, insert "256.9352, subdivision 3;"

Page 1, line 41, after the first semicolon, insert "256B.431, subdivision 2i; 290.431; 290.432;" and delete "and" and after the second semicolon, insert "and 473.846;"

Page 1, line 45, after "sections" insert "3.861; 3.873; 3.885; 3.887; 3.9222; 3.9227; 14.115, subdivision 8; 62J.04, subdivision 4; 62J.07; 62N.24; 103B.351; 115A.03, subdivision 16; 115A.08; 115A.14; 115A.29; 115A.38; 115A.411; 115A.913, subdivision 5; 115A.9157, subdivision 4; 115A.965, subdivision 7; 115A.981, subdivision 3; 115B.22, subdivision 8; 115B.43, subdivision 4; 116P.05, subdivision 1;"

Page 1, line 46, after the sixth semicolon, insert "216C.051;"

Page 2, line 1, delete "and" and after the second semicolon, insert "256B.504; 473.149, subdivisions 2c and 6; 473.845, subdivision 4; and 473.848, subdivision 4;"

The motion prevailed. So the amendment was adopted.

Mr. Riveness then moved to amend S.F. No. 1246 as follows:

Page 60, after line 36, insert:

"ARTICLE 11

DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING

Section 1. [119A.01] [ABOLISHMENT; ESTABLISHMENT; PURPOSE; AND GOALS.]

Subdivision 1. [ABOLISHMENT.] The position of commissioner of education and the department of education are abolished. The employees of the department of education are transferred to the department of children, families, and learning under section 15.039, subdivision 7.

Subd. 2. [ESTABLISHMENT.] The department of children, families, and learning is established.

Subd. 3. [PURPOSE.] The purpose in creating the department is to increase the capacity of Minnesota communities to measurably improve the well-being of children and families by:

(1) coordinating and integrating state funded and locally administered family and children program;

(2) improving flexibility in the design, funding, and delivery of programs affecting children and families;

(3) providing greater focus on strategies designed to prevent problems affecting the well-being of children and families;

(4) enhancing local decision-making, collaboration and the development of new governance models;

(5) improving public accountability through the provision of research, information, and the development of measurable program outcomes;

(6) increasing the capacity of communities to respond to the whole child by improving the ability of families to gain access to services;

(7) encouraging all members of a community to nurture all the children in the community; and

(8) supporting parents in their dual roles as breadwinners and parents.

Subd. 4. [GOALS.] The goals of the department are to:

(1) ensure that families provide a stable environment for their children;

(2) ensure that children are physically, emotionally, and intellectually healthy;

(3) ensure that communities are safe, friendly, and caring environments in which to nurture children;

(4) promote the life-long learning of children from birth to adulthood;

(5) ensure that Minnesotans excel in basic academic skills;

(6) ensure that Minnesotans have the advanced education and training to make them competitive in the global economy; and

(7) ensure that children do not live in poverty.

Sec. 2. [119A.02] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] The definitions in this section apply to this chapter.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of children, families, and learning.

Subd. 3. [DEPARTMENT.] "Department" means the department of children, families, and learning.

Subd. 4. [LOCAL GRANTEE.] "Local grantee" means a local unit of government or an agency or organization that receives funds under section 119A.04.

Sec. 3. [119A.03] [COMMISSIONER.]

Subdivision 1. [GENERAL.] The department is under the administrative control of the commissioner. The commissioner is appointed by the governor with the advice and consent of the senate. The commissioner must possess broad knowledge and experience in strengthening children and families. The commissioner has the general powers as provided in section 15.06, subdivision 6.

The commissioner's salary must be established according to the procedure in section 15A.081, subdivision 1, in the same range as that specified for the commissioner of finance.

Subd. 2. [DUTIES OF THE COMMISSIONER.] The commissioner shall:

(1) identify measurable outcomes by which programs administered by the department will be evaluated at the state and local level;

(2) develop linkages with other state departments to ensure coordination and consistent state policies promoting healthy development of children and families;

(3) prepare, in consultation with the children's cabinet, the commission on children, youth, and their families, and affected parties, prior to January 1, 1996, and prior to July 1 of each year thereafter, guidelines governing planning, reporting, and other procedural requirements necessary to administer this chapter;

(4) facilitate inclusive processes when designing or implementing guidelines and strategies to achieve agency goals for children and families listed in section 119A.01, subdivision 3;

(5) facilitate intergovernmental and public-private partnership strategies necessary to implement this chapter;

(6) submit to the federal government, or provide assistance to local governments and organizations in submitting, where appropriate and feasible, requests for federal waivers or recommendations for changes in federal law necessary to carry out the purposes of this chapter;

(7) coordinate review of all plans and other documents required under the guidelines provided for in clause (3);

(8) coordinate development of the management support system components required for implementation of this chapter;

(9) review other programs serving children and families to determine the feasibility for transfer to the department of children, families, and learning or the feasibility of inclusion in the funding consolidation process; and

(10) monitor local compliance with this chapter.

Sec. 4. [119A.04] [TRANSFERS FROM OTHER AGENCIES.]

Subdivision 1. [DEPARTMENT OF HEALTH.] The powers and duties of the department of health with respect to the following programs are transferred to the department of children, families, and learning under section 15.039. The programs needing federal approval to transfer shall be transferred when the federal government grants transfer authority to the commissioner:

(1) the home visitor program under section 145A.15;

(2) the dental health program under section 144.697, subdivision 1;

(3) the school health program under section 144.05;

(4) the special supplemental food program for women, infants, and children under section 144.05 and the Child Nutrition Act of 1966;

(5) the commodity supplemental food program for mothers and children under section 144.05 and the Agriculture Appropriation Act of 1966; and

(6) the maternal and child health program under sections 145.146, 145.88, 145.89, and title 5 of the Social Security Act.

Subd. 2. [DEPARTMENT OF HUMAN SERVICES.] The powers and duties of the department of human services with respect to the following programs are transferred to the department of children, families, and learning under section 15.039. The programs needing federal approval to transfer shall be transferred when the federal government grants transfer authority to the commissioner:

- (1) children's trust fund under sections 257.80 to 257.807;
- (2) the family services and community-based collaboratives under section 121.8355;
- (3) project empowerment under section 256.01;
- (4) the child abuse basic grant under section 256.01;
- (5) the children's justice program under section 256.01;
- (6) the crisis nurseries and respite care programs under sections 256F.11 and 256F.12;
- (7) the safe house program under section 256E.115;
- (8) the family safety center under section 256F.09;
- (9) maternal and child health under section 254A.17, subdivision 1;
- (10) the early childhood care and education council under section 256H.195;
- (11) the child care programs under sections 256H.01 to 256H.19;
- (12) the migrant child care program under section 256.01;
- (13) the child care resource and referral program under sections 256H.196 and 256H.20;
- (14) the child care service development program under sections 256H.21 to 256H.24;
- (15) the family preservation and family preservation bonus incentive programs under chapter 256F;
- (16) the adoption assistance program under section 259.67;
- (17) the child foster care program under chapter 257;
- (18) the families first program under chapter 256F;
- (19) the independent living program under section 256.01;
- (20) the Asian youth and child welfare services program under section 256.485;
- (21) the foster care program for unaccompanied refugee minors under section 256.01;
- (22) the Asian youth intervention and prevention grants program under section 256.486;
- (23) the Asian coalition for youth program under section 256.486;
- (24) the minority families first program under chapter 256F;
- (25) children's mental health act under sections 245.487 to 245.490, children's mental health integrated fund under sections 245.491 to 245.697, and the children's mental health service system under sections 245.70 to 245.771.

Subd. 3. [DEPARTMENT OF ECONOMIC SECURITY.] The powers and duties of the department of economic security with respect to the Head Start program, including Project Cornerstone, under sections 268.912 to 268.916, are transferred to the department of children, families, and learning under section 15.039 on July 1, 1997.

Subd. 4. [OFFICE OF STRATEGIC AND LONG-RANGE PLANNING.] The powers and duties of the office of strategic and long-range planning with respect to the following programs are transferred to the department of children, families, and learning under section 15.039. The programs needing federal approval to transfer shall be transferred when the federal government grants transfer authority to the commissioner:

- (1) the information redesign project under section 4A.01;

- (2) the action for children activity under section 4A.01;
- (3) the teen pregnancy prevention program under section 4A.01; and
- (4) the Minnesota children's initiative project under section 4A.01.

Subd. 5. [DEPARTMENT OF CORRECTIONS.] The powers and duties with respect to the following program is transferred to the department of children, families, and learning under section 15.039: child abuse and child victims services under chapter 611A.

Subd. 6. [DEPARTMENT OF PUBLIC SAFETY.] The powers and duties with respect to the following program is transferred to the department of children, families, and learning under section 15.039: drug policy and violence prevention and the community advisory violence prevention councils under sections 299A.29 to 299A.37 and 299A.40.

Sec. 5. [119A.05] [FUNDING CONSOLIDATION.]

Subdivision 1. [AUTHORITY FOR FUNDING CONSOLIDATION.] Notwithstanding existing law governing allocation of funds by local grantees, mode of service delivery, specific population and client groups to be served, grantee planning and reporting requirements, and other procedural requirements for the grant programs identified in this section, a local grantee may elect to consolidate all or a portion of funding received from the programs under subdivision 5 in a collaboration funding plan, if all conditions specified in this section are satisfied. County boards, school boards, or governing boards of other grantees may elect not to consolidate funding for a program.

For grantees electing consolidation, the commissioner may, in consultation with the legislative commission on children, youth and their families, waive all provisions of rules inconsistent with the intent of this section. This waiver authority does not apply to rules governing client protections, due process, or inclusion of clients, parents, cultures, and ethnicities in decision making. Funding to a local grantee must be determined according to the funding formulas or allocation rules governing the individual programs listed in section 119A.04.

Subd. 2. [ACCOUNT.] A consolidated funding account is established under the control of the commissioner of children, families, and learning. The purpose of this account is to clearly identify and provide accountability for funds previously distributed to local grantees through the individual categorical grant programs in subdivision 5. By direction of the commissioner, after consultation with the partnership planning team and, upon a finding that the conditions specified in this section have been satisfied, funds must be transmitted to this account and allocated to local grantees by the commissioner.

Subd. 3. [ELIGIBILITY; ACCOUNTABILITY.] To be eligible to receive funding for local consolidation, as provided for in this section, a grantee must meet the following requirements:

(1) demonstrate participation by counties and schools in a local collaborative process as defined in section 121.8355 or in a similar process of collaboration with other local governments and community organizations which satisfies the governance and planning guidelines published by the commissioner as provided for in this section;

(2) document consultation by counties and schools with community action agencies and private industry councils;

(3) complete and document, according to guidelines published by the commissioner, a collaborative planning process which clearly identifies:

(i) allocation of resources in the collaboration annual funding plan;

(ii) a description of the governance structure for the execution of the funding plan;

(iii) outcomes consistent with the statewide goals identified in this chapter and in statutes governing previous categorical funding included in the collaboration funding plan; and

(iv) indicators sufficient to measure improvement or decline in specified outcomes compared to baseline performance;

(4) agree to periodically report information concerning progress in addressing outcomes, as provided for in guidelines to be published by the commissioner, and

(5) execute a written agreement between the commissioner and the local grantees setting forth responsibilities, obligations, and conditions consistent with this section. The agreement must state that the funds that are being locally consolidated will be used collectively only to achieve the objectives of the separate programs being locally consolidated.

Subd. 4. [GEOGRAPHIC AREA.] The geographic area for a local consolidated funding process must be an entire county, a multicounty area, or, with the approval of the county board and commissioner, a subcounty area. The process may provide for coordination of service delivery in jurisdictions that extend across county boundaries.

Subd. 5. [PROGRAMS INCLUDED.] Grant programs transferred to the department of children, families, and learning in section 119A.04 and programs transferred from the abolished department of education are eligible for local funding consolidation. Eligibility of any federally funded programs for local funding consolidation is conditioned upon obtaining necessary federal waivers or changes in federal law.

Subd. 6. [MULTIAGENCY PLAN.] Money appropriated for learning readiness programs under section 121.821, early childhood family education programs under section 121.882, and Head Start programs, including Project Cornerstone, under sections 268.912 to 268.916, shall not be expended until the local school district or school districts and the Head Start grantee agree to a plan for coordinating local services under these programs.

Subd. 7. [ENTRY INTO PROGRAM.] Grantees who meet all requirements of this section may elect to begin using funding for a local consolidated funding process beginning January 1, 1996, or at each six-month interval.

Subd. 8. [SANCTIONS.] If the commissioner finds that a grantee has failed to comply with this section, the grantee becomes subject to all requirements of individual grant programs as specified in statutes and rules.

Sec. 6. Minnesota Statutes 1994, section 256F.13, subdivision 1, is amended to read:

Subdivision 1. [FEDERAL REVENUE ENHANCEMENT.] (a) [DUTIES OF THE COMMISSIONER OF HUMAN SERVICES.] The commissioner of human services may enter into an agreement with one or more family services collaboratives to enhance federal reimbursement under Title IV-E of the Social Security Act and federal administrative reimbursement under Title XIX of the Social Security Act. The commissioner may contract with the department of children, families, and learning for purposes of transferring the federal reimbursement to the commissioner of children, families, and learning to be distributed to the collaboratives according to clause (2). The commissioner shall have the following authority and responsibilities regarding family services collaboratives:

(1) the commissioner shall submit amendments to state plans and seek waivers as necessary to implement the provisions of this section;

(2) the commissioner shall pay the federal reimbursement earned under this subdivision to each collaborative based on their earnings. Notwithstanding section 256.025, subdivision 2, payments to collaboratives for expenditures under this subdivision will only be made of federal earnings from services provided by the collaborative;

(3) the commissioner shall review expenditures of family services collaboratives using reports specified in the agreement with the collaborative to ensure that the base level of expenditures is continued and new federal reimbursement is used to expand education, social, health, or health-related services to young children and their families;

(4) the commissioner may reduce, suspend, or eliminate a family services collaborative's obligations to continue the base level of expenditures or expansion of services if the commissioner determines that one or more of the following conditions apply:

(i) imposition of levy limits that significantly reduce available funds for social, health, or health-related services to families and children;

(ii) reduction in the net tax capacity of the taxable property eligible to be taxed by the lead county or subcontractor that significantly reduces available funds for education, social, health, or health-related services to families and children;

(iii) reduction in the number of children under age 19 in the county, collaborative service delivery area, subcontractor's district, or catchment area when compared to the number in the base year using the most recent data provided by the state demographer's office; or

(iv) termination of the federal revenue earned under the family services collaborative agreement;

(5) the commissioner shall not use the federal reimbursement earned under this subdivision in determining the allocation or distribution of other funds to counties or collaboratives;

(6) the commissioner may suspend, reduce, or terminate the federal reimbursement to a provider that does not meet the reporting or other requirements of this subdivision;

(7) the commissioner shall recover from the family services collaborative any federal fiscal disallowances or sanctions for audit exceptions directly attributable to the family services collaborative's actions in the integrated fund, or the proportional share if federal fiscal disallowances or sanctions are based on a statewide random sample; and

(8) the commissioner shall establish criteria for the family services collaborative for the accounting and financial management system that will support claims for federal reimbursement.

(b) [FAMILY SERVICES COLLABORATIVE RESPONSIBILITIES.] The family services collaborative shall have the following authority and responsibilities regarding federal revenue enhancement:

(1) the family services collaborative shall be the party with which the commissioner contracts. A lead county shall be designated as the fiscal agency for reporting, claiming, and receiving payments;

(2) the family services collaboratives may enter into subcontracts with other counties, school districts, special education cooperatives, municipalities, and other public and nonprofit entities for purposes of identifying and claiming eligible expenditures to enhance federal reimbursement, or to expand education, social, health, or health-related services to families and children;

(3) the family services collaborative must continue the base level of expenditures for education, social, health, or health-related services to families and children from any state, county, federal, or other public or private funding source which, in the absence of the new federal reimbursement earned under this subdivision, would have been available for those services, except as provided in subdivision 1, paragraph (a), clause (4). The base year for purposes of this subdivision shall be the four-quarter calendar year ending at least two calendar quarters before the first calendar quarter in which the new federal reimbursement is earned;

(4) the family services collaborative must use all new federal reimbursement resulting from federal revenue enhancement to expand expenditures for education, social, health, or health-related services to families and children beyond the base level, except as provided in subdivision 1, paragraph (a), clause (4);

(5) the family services collaborative must ensure that expenditures submitted for federal reimbursement are not made from federal funds or funds used to match other federal funds. Notwithstanding section 256B.19, subdivision 1, for the purposes of family services collaborative expenditures under agreement with the department, the nonfederal share of costs shall be provided by the family services collaborative from sources other than federal funds or funds used to match other federal funds;

(6) the family services collaborative must develop and maintain an accounting and financial management system adequate to support all claims for federal reimbursement, including a clear audit trail and any provisions specified in the agreement; and

(7) the family services collaborative shall submit an annual report to the commissioner as specified in the agreement.

Sec. 7. [PARTNERSHIP PLANNING TEAM AND FAMILY ADVISORY GROUP.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of children, families, and learning shall select not more than 15 persons knowledgeable about serving children and families to serve on the partnership planning team.

At least eight members must be parents and must represent a broad cross-section of income groups, racial and ethnic groups, and ages of children. The partnership planning team must include representatives from community-based organizations serving primarily communities of color, county boards, school boards, community action agencies, private industry councils, and other community-based organizations.

Subd. 2. [DUTIES.] The team shall advise the commissioner in the following areas:

(1) structure of the department;

(2) appropriate department advisory board structure;

(3) the appropriateness of specific applications for funding consolidation and the consistency of those applications with the purposes of chapter 119A;

(4) potential funding reductions; and

(5) technical refinements to the legislation establishing the new department and funding consolidation.

Subd. 3. [REPORT.] The team must also provide a report to the 1996 legislature that describes the new department structure, provides a summary of the ways in which the department is fulfilling the purposes and achieving the goals specified in Minnesota Statutes, section 119A.01, and provides a recommendation for technical refinements related to the legislation creating the department.

Sec. 8. [DEMONSTRATION PROJECT; ALLOWING CONSOLIDATION OF COUNTY PLANS.]

Subdivision 1. [AUTHORIZATION FOR DEMONSTRATION PROJECT.] The commissioners of human services; corrections; health; and children, families, and learning shall allow counties to consolidate the plans required under Minnesota Statutes, chapters 145A, 256E, and 401, into one plan, to be submitted to those commissioners.

Subd. 2. [DUTIES OF COMMISSIONERS.] The several commissioners shall work together and shall work with the counties participating in the pilot project when developing the single county plan. Each commissioner shall also provide technical assistance to the county, if requested by the county.

Subd. 3. [INTEGRATED COUNTY PLANNING.] The counties participating in the pilot project may submit one plan consolidating the community health, community social services, and community corrections plans required under Minnesota Statutes, chapters 145A, 256E, and 401, respectively. County boards, corrections advisory boards, community health boards, community action agencies, private industry councils, and school districts shall collaborate in planning for and providing a continuum of services in each county.

Subd. 4. [COUNTY PLAN.] The plan must comply with federal requirements. The plan may be submitted to the commissioners by computer. The plan must be a three-part plan in that it must provide a summary of:

(1) intra-county collaboration;

(2) collaboration with other service providers; and

(3) collaboration with local nonprofit organizations, including churches and ecumenical organizations.

The two parts of the plan shall each provide information on the existence or nonexistence of

efforts to integrate funding, collaborate governance, cross-train, coordinate information gathering and management, and provide a one-stop service center or community-based service delivery system to improve the provision of services offered to children and families. The plan must also address the barriers to collaboration.

Subd. 5. [COMMISSIONERS' REPORT.] For purposes of this section, the several commissioners shall provide one consolidated report to the legislature by January 1, 1996. The report shall evaluate the pilot counties' single plan and shall provide the advantages and problems with consolidating the plans.

Sec. 9. [REPORT ON STRUCTURE OF AGENCIES.]

The commissioner of administration in separate consultation with the commissioners of the departments of human services, health, corrections, public safety, housing finance, and the office of strategic and long-range planning shall prepare a report by February 15, 1996, examining the organization of programs remaining in those departments after transfer of the programs identified in this bill, and identifying alternative organizational structures that may be more effective and efficient than the organization prior to the transfer.

Sec. 10. [WORKER PROVISIONS.]

Subdivision 1. [LEGISLATIVE FINDINGS.] The legislature finds that the reorganization of state agencies, including the abolishment of agencies or their functions and the merger of agency functions to the extent possible, makes the best use of affected agency employees and improves the direct service capabilities of state employees to provide public services to citizens of the state and to customers of the agency. To assure that quality services are delivered to citizens of Minnesota, appointing authorities shall comply with this section.

Subd. 2. [RESTRUCTURING PROVISIONS.] The restructuring of agencies required by this act must be conducted in accordance with Minnesota Statutes, sections 15.039 and 43A.045.

Subd. 3. [WORKER PARTICIPATION COMMITTEES.] (a) After the commissioner-designate of children, families, and learning has been appointed, before the restructuring of executive branch agencies under this act, a labor and management committee including representatives of employees and employers must be established and given adequate time to perform the activities prescribed by paragraph (b). Each exclusive representative of employees shall select a committee member from each of its bargaining units in each affected agency. The head of each agency shall select an employee member from each unit of employees not represented by an exclusive representative. The agency head shall also appoint one or more committee members to represent the agency. The number of members appointed by the agency head, however, may not exceed the total number of members selected by exclusive representatives. The labor and management committee must be participatory and nonauthoritarian. Exclusive representatives must be directly involved in the work of the committee.

(b) The committee established under paragraph (a) shall:

(1) in cooperation with the commissioner of education and the commissioner-designate, review and reevaluate the powers and duties of the department of education and identify those that are consistent with the purpose and goals of the department of children, families, and learning;

(2) identify tasks related to agency reorganization and adopt plans for addressing those tasks;

(3) identify other employer and employee issues related to reorganization and adopt plans for addressing those issues;

(4) adopt plans for implementing this act, including detailed plans for providing retraining for affected employees; and

(5) guide the implementation of the reorganization.

Subd. 4. [EMPLOYEE JOB SECURITY.] The head of an agency that is scheduled to be restructured shall meet and negotiate with the exclusive representatives of affected employees of the agency in the event that employees are at risk of being laid off due to restructuring or

significant change in the activities of the agency. Bargaining under this subdivision must have as its purpose the achievement of the highest possible degree of public service delivery to the citizens of Minnesota and the provision of appropriate incentives to state employees. Incentives may include, but are not limited to, early retirement incentives, negotiated options in place of layoff, methods to mitigate layoffs and the effect of layoffs, job training and retraining opportunities, and enhanced severance.

Subd. 5. [EMPLOYEE TRAINING AND RETRAINING.] The legislature recognizes that a well-trained and well-educated work force is needed to provide effective and efficient public service delivery and that training and retraining of state employees is a priority when merger and reorganization of state agencies occur. The labor and management committee required by subdivision 2 shall determine the employee training and retraining required because of agency reorganization. Employees whose job duties are affected by reorganization must be given the opportunity to take part in training or retraining for the new job duties. Existing employees must be trained or retrained for agency positions before new hiring takes place.

Sec. 11. [APPOINTMENT; TRANSFERS OF EDUCATION FUNCTIONS.]

By July 1, 1995, the governor shall appoint a commissioner-designate of the department of children, families, and learning. The person appointed becomes the governor's appointee as commissioner on the effective date of Minnesota Statutes, sections 119A.01, subdivision 2, and 119A.03. The commissioner-designee, in cooperation with the commissioner of education, shall review and reevaluate the powers and duties of the department of education and identify those that are consistent with the purpose and goals of the department of children, families, and learning. The functions identified by the commissioner-designate are transferred to the department of children, families, and learning under Minnesota Statutes, section 15.039, effective October 1, 1995.

Sec. 12. [REPORT ON INTEGRATION WITH OTHER INCOME MAINTENANCE AND ECONOMIC SECURITY PROGRAMS.]

The children's cabinet and the legislative commission on children, youth, and families shall prepare a report by November 15, 1996, examining the integration of programs in the department of children, families, and learning with income maintenance and economic security programs operated by other departments. The report shall make recommendations on the appropriate agency placement of the income maintenance and economic security programs reviewed.

Sec. 13. [REVISOR INSTRUCTION.]

The revisor of statutes shall identify in Minnesota Statutes and Minnesota Rules all references to the commissioner of education and the department of education and shall make the following terminology changes:

(1) all references to the commissioner of education shall be changed to the commissioner of children, families, and learning;

(2) all references to the department of education shall be changed to the department of children, families, and learning;

(3) all references involving the commissioner of education shall be rewritten to give all relevant responsibilities or authorities to the commissioner of children, families, and learning; and

(4) all references to the programs being transferred to the department of children, families, and learning to reflect that those programs are under the jurisdiction of the commissioner of children, families, and learning.

The revisor shall prepare a report for the 1996 legislature showing where these changes were made.

The changes identified by the revisor shall be made effective October 1, 1995, pursuant to the effective date in section 15.

Sec. 14. [REPEALER.]

Minnesota Statutes 1994, section 3.873, is repealed effective June 30, 1997.

Sec. 15. [EFFECTIVE DATE.]

Section 1, subdivision 1 (Abolishment), is effective September 30, 1995. Section 1, subdivisions 2 (Establishment) and 3 (Purpose), and sections 2 (Definitions), 3 (Commissioner), 5 (Funding Consolidation), 7 (Partnership Team), and 13 (Revisor Instruction), are effective October 1, 1995. Section 4 (Transfers) is effective July 1, 1996. Sections 8 (Demonstration Project) and 10 (Worker Provisions) are effective July 1, 1995. Section 11 (Appointment; Transfers of Education Functions) is effective the day following final enactment."

Amend the title as follows:

Page 1, line 30, after the semicolon, insert "establishing the department of children, families, and learning; making related changes;"

Page 1, line 41, after the first semicolon, insert "256F.13, subdivision 1;"

Page 1, line 45, after the semicolon, insert "proposing coding for new law as Minnesota Statutes, chapter 119A;" and after "sections" insert "3.873;"

Mr. Berg questioned whether the amendment was germane.

The President ruled that the amendment was germane.

CALL OF THE SENATE

Mr. Riveness imposed a call of the Senate for the balance of the proceedings on S.F. No. 1246. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Riveness amendment. The motion prevailed. So the amendment was adopted.

Mr. Riveness then moved to amend S.F. No. 1246 as follows:

Page 60, after line 36, insert:

"ARTICLE 11 PILOT PROJECTS

Section 1. [PURPOSE.]

The purpose of articles 11 and 12 is to make government work better and cost less. To accomplish this purpose, articles 11 and 12 establish incentives for state and local employees to act in a manner that provides the best and most efficient services to the public. Articles 11 and 12 also remove barriers that currently discourage state and local agencies from taking innovative approaches to improving services and achieving cost savings.

Sec. 2. [HUMAN RESOURCES SYSTEM.]

Subdivision 1. [POLICY.] The legislature reaffirms its commitment to an efficient and effective merit-based human resources system that meets the management needs of the state and that meets the program needs of the people of the state. The purpose of this section is to establish a process to ensure the continuation of merit-based principles, while removing rules and procedures that cause unnecessary inefficiencies in the state human resources system.

Subd. 2. [PILOT PROJECT.] During the biennium ending June 30, 1997, the governor shall designate an executive agency that will conduct a pilot civil service project. The pilot program must adhere to the policies expressed in subdivision 1 and in Minnesota Statutes, section 43A.01. For the purposes of conducting the pilot project, the commissioner of the designated agency is exempt from the provisions that relate to employment in Minnesota Statutes, chapter 43A, Minnesota Rules, chapter 3900, and administrative procedures and policies of the department of

employee relations. If a proposed exemption from the provisions that relate to employment in Minnesota Statutes, chapter 43A, Minnesota Rules, chapter 3900, and administrative procedures and policies of the department of employee relations would violate the terms of a collective bargaining agreement effective under Minnesota Statutes, chapter 179A, the exemption is not effective without the consent of the exclusive representative that is a party to the agreement. Upon request of the commissioner carrying out the pilot project, the commissioner of employee relations shall provide technical assistance in support of the pilot project. This section does not exempt an agency from compliance with Minnesota Statutes, sections 43A.19 and 43A.191, or from rules adopted to implement those sections.

Subd. 3. [EVALUATION.] The commissioner of employee relations, in consultation with the agency selected in subdivision 2, shall design and implement a system for evaluating the success of the pilot project in subdivision 2. The system specifically must:

(1) evaluate the extent to which the agency has been successful in maintaining a merit-based human resources system in the absence of the traditional civil service rules and procedures;

(2) quantify time and money saved in the hiring process under the pilot project as compared to hiring under the traditional rules and procedures; and

(3) document the extent of complaints or problems arising under the new system.

The agency involved in the pilot project under this section and the department of employee relations shall report to the legislature by January 1, 1997, and January 1, 1998, on the progress and results of the project. The report must include at least the elements required in this subdivision, and must also make recommendations for legislative changes needed to ensure the state will have the most efficient and effective merit-based human resources system possible.

Subd. 4. [WORKING GROUP.] The governor shall appoint a stakeholder working group to advise the agency selected in subdivision 2 and the commissioner of employee relations on implementation of the pilot project under this section. The group must include not more than 15 people, and must include:

(1) not more than five representatives of management of the agency selected for the pilot project;

(2) not more than five representatives of exclusive representatives of the agency selected by the pilot project, chosen by the exclusive representatives, provided that the number of representatives under this clause may not be less than the number of management representatives under clause (1);

(3) up to three representatives of customers of the services provided by the agency selected for the pilot project; and

(4) up to two representatives of nonprofit citizens' organizations devoted to the study and improvement of government services.

Subd. 5. [PILOT PROJECT.] During the biennium ending June 30, 1997, the human resources innovation committee established under Laws 1993, chapter 301, section 1, subdivision 6, shall designate state job classifications to be included in a pilot project. Under this pilot project: (1) resumes of applicants for positions to be filled through a competitive open process will be evaluated through an objective computerized system that will identify which applicants have the required skills; and (2) information on applicants determined to have required skills will be forwarded to the agency seeking to fill a vacancy, without ranking these applicants, and without a limit on the number of applicants that may be forwarded to the hiring agency. Laws or rules that govern examination, ranking of eligibles, and certification of eligibles for competitive open positions do not apply to job classifications included in the pilot project. Before designating a job classification under this subdivision, the committee must assure that the hiring process for those job classifications complies with the policies in subdivision 1.

Subd. 6. [EVALUATION.] The commissioner of employee relations, in consultation with the human resources innovation committee, shall design and implement a system for evaluating the success of the pilot project in subdivision 5. By January 1, 1997, and January 1, 1998, the commissioner shall report to the legislature on the pilot project. The report must:

- (1) list job classifications subject to the pilot project, and the number of positions filled under these job classes;
- (2) evaluate the extent to which the project has been successful in maintaining a merit-based system in the absence of traditional civil service laws and rules;
- (3) quantify time and money saved in the hiring process under the pilot project, as compared to hiring under the traditional laws and rules;
- (4) document the extent of complaints or problems arising under the new system; and
- (5) recommend any changes in laws or rules needed to make permanent the successes of the pilot project.

Subd. 7. [EXTENSION.] Laws 1993, chapter 301, section 1, subdivision 6, is not repealed until June 30, 1997.

Subd. 8. [REPEALER.] Minnesota Rules, parts 3900.0100 to 3900.4700 and 3900.6100 to 3900.9100, and all administrative procedures of the department of employee relations that control the manner in which state agencies hire employees, are repealed on June 30, 1999.

Sec. 3. [GAINSHARING.]

Subdivision 1. [FINDINGS.] The legislature recognizes state employees as crucial resources in providing effective and efficient government services to the people of Minnesota. The legislature believes that state employees should benefit from successful efforts they make to improve government efficiency and effectiveness.

Subd. 2. [PILOT PROJECT.] During the biennium ending June 30, 1997, the department of employee relations shall implement a system of incentives, including economic incentives for unrepresented employees, for employees in the department. The system must be approved by the commissioner of finance before being implemented. The system must have the following characteristics:

- (1) it must provide nonmanagerial unrepresented employees within the agency the possibility of earning economic rewards by suggesting changes in operation of the department's programs;
- (2) it must provide groups of nonmanagerial represented employees within the agency the possibility of receiving group rewards in the form of training opportunities, additional employee complement, or other resources that benefit overall group performance;
- (3) any economic awards must be based on changes in operations suggested by nonmanagerial employees that result in objectively measurable cost savings of at least \$25,000 or significant and objectively measurable efficiencies in services that the agency provides to its customers or clients, without decreasing the quality of these services;
- (4) awards must be a minimum of \$500 to a maximum of \$2,500 a year to unrepresented nonmanagerial employees who were instrumental in identifying and implementing the efficiency and cost-saving measures;
- (5) an "efficiency savings account," consisting of money saved directly as a result of initiatives under this section, must be created within each fund that is used to provide money for department services and must be used to pay any awards under this section;
- (6) no award may be given except upon approval of a team composed of equal numbers of management and nonmanagement employees selected by the commissioner of employee relations from state employees outside of the department; and
- (7) the economic awards granted to unrepresented employees must be one-time awards, and may not add to the base salary of employees.

Subd. 3. [REPORTING.] The commissioner of employee relations shall report to the legislature on January 1, 1997, and January 1, 1998, on the progress and results of the incentive programs under this section. The reports must include:

(1) a description of the measurable cost savings and in-agency services that were used as the basis for rewards; and

(2) a list of the number and amount of awards granted.

Sec. 4. [PROCUREMENT.]

Subdivision 1. [PURPOSE.] The primary purpose of the laws governing state contracting is to ensure that state agencies obtain high quality goods and services at the least cost and in the most efficient and effective manner. The purpose of this section is to establish a process to ensure that agencies obtain goods and services in this manner, while removing rules and procedures that cause unnecessary inefficiencies in the purchasing system.

Subd. 2. [PILOT PROJECT.] Notwithstanding any law to the contrary, the governor shall designate an executive agency that, during the biennium ending June 30, 1997, is exempt from any procurement-related law, rule, or administrative procedure before an agency enters into a contract. The agency selected in this section shall establish a process for obtaining goods and services that complies with the policies in subdivision 1. The process must include guidelines to prevent conflicts of interest for agency employees involved in developing bid specifications or proposals, evaluating bids or proposals, entering into contracts, or evaluating the performance of a contractor. The guidelines must attempt to ensure that such an employee:

(1) does not have any financial interest in and does not personally benefit from the contract;

(2) does not accept from a contractor or bidder any promise, obligation, contract for future reward, or gift, other than an item of nominal value; and

(3) does not appear to have a conflict of interest because of a family or close personal relationship to a contractor or bidder, or because of a past employment or business relationship with a contractor or bidder.

Upon request of the agency, the department of administration shall provide the agency technical assistance in designing such a process.

Subd. 3. [EVALUATION.] The commissioner of administration, in consultation with the agency selected in subdivision 2, shall design and implement a system for evaluating the success of the pilot project in subdivision 2. The system specifically must:

(1) evaluate the extent to which the agency has been successful in obtaining high quality goods and services at the least cost in the absence of the traditional checks placed on agencies by laws, rules, and procedures administered by the commissioner of administration;

(2) quantify time and money saved in the procurement process under the pilot project as compared to purchasing goods and services under the traditional rules and procedures; and

(3) document the extent of complaints or problems arising under the new system.

The agency involved in the pilot project under this section and the commissioner of administration shall report to the legislature by January 1, 1997, and January 1, 1998, on the progress and results of the project. The reports must include at least the elements required in clauses (1) to (3) and must also make recommendations for legislative changes needed to ensure that the state will have the most efficient and effective system possible for purchasing goods and services.

Sec. 5. [UNIVERSITY OF MINNESOTA.]

Subdivision 1. [UNIVERSITY OF MINNESOTA CONTRACTING.] Notwithstanding any law to the contrary, the governor shall designate one executive agency that will work with the University of Minnesota to develop more efficient and effective procedures for state agencies to contract with the University of Minnesota. Consideration must be given to using a single agency and a single set of administrative procedures for all state contracting with the University. As part of its 1998-1999 biennial budget request, the University of Minnesota shall include measures demonstrating the efficiency gained through these procedures and any recommendations for further improvements.

Sec. 6. [PRESERVATION OF COLLECTIVE BARGAINING.]

Nothing in sections 1 to 5 or article 12 authorizes the unilateral modification or abrogation of a right under a collective bargaining agreement. The legislature affirmatively encourages state agencies and bargaining units, when negotiating future agreements, to allow for participation in pilot projects that foster innovation, creativity, and productivity within the state human resource system and within individual agencies, departments, or units thereof.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective the day following final enactment.

ARTICLE 12**BOARD OF INNOVATION****Section 1. [465.7971] [WAIVERS OF STATE RULES; POLICIES.]**

Subdivision 1. [APPLICATION.] A state agency may apply to the board for a waiver from: (1) an administrative rule or policy adopted by the department of employee relations that deals with the state personnel system; (2) an administrative rule or policy of the department of administration that deals with the state procurement system; or (3) a policy of the department of finance that deals with the state accounting system. Two or more state agencies may submit a joint application. A waiver application must identify the rule or policy at issue, and must describe the improved outcome sought through the waiver.

Subd. 2. [REVIEW PROCESS.] (a) The board shall review all applications submitted under this section. The board shall dismiss an application if it finds that the application proposes a waiver that would result in due process violations, violations of federal law or the state or federal constitution, or the loss of services to people who are entitled to them. If a proposed waiver would violate the terms of a collective bargaining agreement effective under chapter 179A, the waiver is not effective without the consent of the exclusive representative that is a party to the agreement. The board may approve a waiver only if the board determines that if the waiver is granted: (1) services can be provided in a more efficient or effective manner; and (2) services related to human resources must be provided in a manner consistent with the policies expressed in article 2, section 1, and in section 43A.01 and services related to procurement must be provided in a manner consistent with the policies expressed in article 4, section 1. In the case of a waiver from a policy of the department of finance, the board may approve the waiver only if it determines that services will be provided in a more efficient or effective manner and that state funds will be adequately accounted for and safeguarded in a manner that complies with generally accepted government accounting principles.

(b) Within 15 days of receipt of the application, the board shall send a copy of the application to: (1) the agency whose rule or policy is involved; and (2) all exclusive representatives who represent employees of the agency requesting the waiver. The agency whose rule or policy is involved may mail a copy of the application to all persons who have registered with the agency under section 14.14, subdivision 1a.

(c) The agency whose rule or policy is involved or an exclusive representative shall notify the board of its agreement with or objection to and grounds for objection to the waiver within 60 days of the date when the application was transmitted to the agency or the exclusive representative. An agency's or exclusive representative's failure to do so is considered agreement to the waiver.

(d) If the agency or the exclusive representative objects to the waiver, the board shall schedule a meeting at which the agency requesting the waiver may present its case for the waiver and the objecting party may respond. The board shall decide whether to grant a waiver at its next regularly scheduled meeting following its receipt of an agency's response, or the end of the 60-day response period, whichever occurs first. If consideration of an application is not concluded at the meeting, the matter may be carried over to the next meeting of the board. Interested persons may submit written comments to the board on the waiver request.

(e) If the board grants a request for a waiver, the board and the agency requesting the waiver shall enter into an agreement relating to the outcomes desired as a result of the waiver and the

means of measurement to determine whether those outcomes have been achieved with the waiver. The agreement must specify the duration of the waiver, which must be for at least two years and not more than four years. If the board determines that an agency to which a waiver is granted is failing to comply with the terms of the agreement, the board may rescind the agreement.

Subd. 3. [BOARD.] For purposes of evaluating waiver requests involving rules or policies of the department of administration, the chief administrative law judge shall appoint a third administrative law judge to replace the commissioner of administration on the board.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Renumber the articles in sequence and correct the internal references

Amend the title as follows:

Page 1, line 30, after the semicolon, insert "establishing pilot projects to improve the efficiency and effectiveness of state agencies; authorizing waivers of certain rules and policies;"

Page 1, line 45, delete "and" and after the semicolon, insert "and 465;"

The motion prevailed. So the amendment was adopted.

Ms. Reichgott Junge moved to amend S.F. No. 1246 as follows:

Page 17, delete line 11

Page 17, line 12, delete everything before the period and insert "shall recommend corrective action to the head of the agency"

The motion prevailed. So the amendment was adopted.

Mr. Price moved to amend S.F. No. 1246 as follows:

Page 44, line 34, after "impact" insert ", including programs operated by the public facilities authority,"

The motion prevailed. So the amendment was adopted.

Ms. Berglin moved to amend S.F. No. 1246 as follows:

Page 57, line 20, after the period, insert "The commissioner of transportation shall carry out all transferred responsibilities relating to the regulation of motor carriers unless directed by law to do otherwise."

The motion prevailed. So the amendment was adopted.

Mr. Bertram moved to amend S.F. No. 1246 as follows:

Page 45, line 28, after the first comma, insert "and" and delete ", and the"

Page 45, line 29, delete everything before "are"

Page 45, line 30, delete from "The" through page 46, line 15, to "(b)"

Reletter the paragraphs in sequence

Mr. Bertram then moved to amend the Bertram amendment to S.F. No. 1246 as follows:

Page 1, delete lines 5 to 7

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

The question was taken on the adoption of the Bertram amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

S.F. No. 1246 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 41 and nays 24, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Kroening	Pappas	Solon
Beckman	Hottinger	Lesewski	Piper	Spear
Berg	Janezich	Lessard	Pogemiller	Stevens
Betzold	Johnson, D.J.	Limmer	Ranum	Stumpf
Chandler	Kelly	Metzen	Reichgott Junge	Wiener
Cohen	Kleis	Moe, R.D.	Riveness	
Day	Knutson	Mondale	Robertson	
Dille	Kramer	Murphy	Runbeck	
Finn	Krentz	Ourada	Sams	

Those who voted in the negative were:

Belanger	Hanson	Langseth	Neuville	Samuelson
Berglin	Johnson, D.E.	Larson	Oliver	Scheevel
Bertram	Johnson, J.B.	Marty	Olson	Terwilliger
Chmielewski	Johnston	Merriam	Pariseau	Vickerman
Frederickson	Kiscaden	Morse	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. 462 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 462: A bill for an act relating to the environment; implementing the transfer of solid waste management duties of the metropolitan council to the office of environmental assistance; providing for the management of waste; providing penalties; amending Minnesota Statutes 1992, section 115A.33, as reenacted; Minnesota Statutes 1994, sections 16B.122, subdivision 3; 115.071, subdivision 1; 115A.055; 115A.07, subdivision 3; 115A.072, subdivisions 1, 3, and 4; 115A.12; 115A.14, subdivision 4; 115A.15, subdivision 9; 115A.191, subdivisions 1 and 2; 115A.32; 115A.411; 115A.42; 115A.45; 115A.46, subdivisions 1 and 5; 115A.55, by adding a subdivision; 115A.5501, subdivisions 2, 3, and 4; 115A.5502; 115A.551, subdivisions 2a, 4, 5, 6, and 7; 115A.554; 115A.557, subdivisions 3 and 4; 115A.558; 115A.63, subdivision 3; 115A.84, subdivision 3; 115A.86, subdivision 2; 115A.919, subdivision 3; 115A.921, subdivision 1; 115A.923, subdivision 1; 115A.9302, subdivisions 1 and 2; 115A.951, subdivision 4; 115A.96, subdivision 2; 115A.965, subdivision 1; 115A.9651, subdivision 3; 115A.97, subdivisions 5 and 6; 115A.981, subdivision 3; 116.07, subdivision 4j; 116.072; 116.66, subdivisions 2 and 4; 116.92, subdivision 4; 400.16; 400.161; 473.149, subdivisions 1, 2d, 2e, 3, 4, and 6; 473.151; 473.516, subdivision 2; 473.801, subdivision 1, and by adding subdivisions; 473.8011; 473.803, subdivisions 1, 1c, 2, 2a, 3, 4, and 5; 473.804; 473.811, subdivisions 1, 4a, 5, 5c, 7, and 8; 473.813, subdivision 2; 473.823, subdivisions 3, 5, and 6; 473.843, subdivision 1; 473.844, subdivisions 1a and 4; 473.8441, subdivisions 2, 4, and 5; 473.845, subdivision 4; 473.846; and 473.848, subdivisions 2 and 4; Laws 1994, chapter 628, article 3, section 209; proposing coding for new law in Minnesota Statutes, chapters 16B; 115A; 116; and 480; repealing Minnesota Statutes 1994, sections 115A.81, subdivision 3; 115A.90, subdivision 3; 116.94; 383D.71, subdivision 2; 473.149, subdivisions 2, 2a, 2c, 2f, and 5; 473.181, subdivision 4; and 473.803, subdivisions 1b and 1e.

Ms. Johnson, J.B. moved to amend S.F. No. 462 as follows:

Page 44, after line 2, insert:

"Sec. 49. Laws 1994, chapter 585, section 51, is amended to read:

Sec. 51. [ELECTRONIC APPLIANCES; REPORT.]

By ~~July~~ August 1, 1995, the director of the office of waste management, in consultation with the commissioner of the pollution control agency and counties, shall submit a report to the legislative commission on waste management regarding management of waste electronic appliances that:

(1) identifies types of electronic appliances that contain materials that pose problems in the solid waste management system;

(2) explains how those waste appliances are presently managed and identifies any adverse environmental effects of present management; and

(3) recommends, if necessary, legislation to govern management of waste electronic appliances.

For the purposes of this section, "electronic appliances" includes at least audio, video, computing, printing, communication, and telecommunication equipment and apparatuses that contain electronic components, including but not limited to radios, televisions, computers, computer printers, small electronic kitchen appliances, telefacsimile equipment, and household and commercial communication transmission and reception equipment, but does not include major appliances as defined in Minnesota Statutes, section 115A.03, subdivision 17a."

Page 45, line 17, after "44," insert "49,"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Laidig moved to amend S.F. No. 462 as follows:

Page 44, after line 32, insert:

"Sec. 51. [TEMPORARY EXEMPTION FOR CARPET RECYCLING FACILITIES.]

Until August 1, 1996, waste residue from a used carpet recycling facility is exempt from the fee imposed by Minnesota Statutes, section 473.843, if there is at least a 50 percent weight reduction in the solid waste processed at the facility. For the purposes of this section, "used carpet" means carpet that is no longer suitable for its original intended purpose because of wear, damage, or defect."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Chandler moved to amend S.F. No. 462 as follows:

Page 2, after line 1, insert:

"Section 1. Minnesota Statutes 1994, section 8.31, subdivision 1, is amended to read:

Subdivision 1. [INVESTIGATE OFFENSES AGAINST THE PROVISIONS OF CERTAIN DESIGNATED SECTIONS; ASSIST IN ENFORCEMENT.] The attorney general shall investigate violations of the law of this state respecting unfair, discriminatory, and other unlawful practices in business, commerce, or trade, and specifically, but not exclusively, the nonprofit corporation act (sections 317A.001 to 317A.909), the act against unfair discrimination and competition (sections 325D.01 to 325D.08), the unlawful trade practices act (sections 325D.09 to 325D.16), the antitrust act (sections 325D.49 to 325D.66), ~~section sections~~ 325E.41 and 325F.67 and other laws against false or fraudulent advertising, the antidiscrimination acts contained in section 325D.67, the act against monopolization of food products (section 325D.68), the act regulating telephone advertising services (section 325E.39), the prevention of consumer fraud act (sections 325F.68 to 325F.70), and chapter 53A regulating currency exchanges and assist in the enforcement of those laws as in this section provided."

Page 30, after line 9, insert:

"Sec. 36. [325E.41] [DECEPTIVE TRADE PRACTICES; ENVIRONMENTAL MARKETING CLAIMS.]

Subdivision 1. [ADOPTION OF FEDERAL GUIDES.] (a) A manufacturer, packager, wholesaler, or retailer who makes, in any manner, an environmental claim for a product sold or offered for sale or distribution in this state, including those related to the product's packaging, shall comply with Code of Federal Regulations, title 16, part 260, "Guides for the Use of Environmental Marketing Claims."

(b) Paragraph (a) does not apply to an environmental claim unless the claim is made in an attempt to influence purchasing decisions by end users of the product.

Subd. 2. [INVESTIGATION; ENFORCEMENT.] A person who violates this section is subject to the penalties and remedies in section 8.31.

Subd. 3. [PUBLICATION OF VIOLATIONS.] The attorney general shall make available, upon written request by any member of the public, a list of any persons who have failed to comply with this section."

Page 45, after line 21, insert:

"Section 36, subdivision 3, is effective June 1, 1997."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Ms. Kiscaden moved to amend the Chandler amendment to S.F. No. 462 as follows:

Page 1, delete line 36

Page 2, delete lines 1 and 2

Page 2, lines 3 and 8, delete "3" and insert "2"

The question was taken on the adoption of the Kiscaden amendment to the Chandler amendment.

The roll was called, and there were yeas 29 and nays 33, as follows:

Those who voted in the affirmative were:

Berg	Johnson, D.E.	Lesewski	Ourada	Solon
Bertram	Kiscaden	Lessard	Pariseau	Stevens
Chmielewski	Kleis	Limmer	Robertson	Stumpf
Day	Knutson	Neuville	Runbeck	Vickerman
Dille	Kramer	Oliver	Samuelson	Wiener
Finn	Larson	Olson	Scheevel	

Those who voted in the negative were:

Anderson	Flynn	Johnston	Mondale	Reichgott Junge
Beckman	Frederickson	Krentz	Morse	Riveness
Belanger	Hanson	Laidig	Murphy	Sams
Berglin	Hottinger	Marty	Piper	Spear
Betzold	Janezich	Merriam	Pogemiller	Terwilliger
Chandler	Johnson, D.J.	Metzen	Price	
Cohen	Johnson, J.B.	Moe, R.D.	Ranum	

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

CALL OF THE SENATE

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

The question recurred on the adoption of the Chandler amendment.

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

Those who voted in the affirmative were:

Anderson	Frederickson	Kelly	Moe, R.D.	Ranum
Beckman	Hottinger	Krentz	Mondale	Reichgott Junge
Berglin	Janezich	Kroening	Morse	Riveness
Chandler	Johnson, D.E.	Limmer	Murphy	Sams
Cohen	Johnson, D.J.	Marty	Pappas	Spear
Finn	Johnson, J.B.	Merriam	Pogemiller	Stumpf
Flynn	Johnston	Metzen	Price	Wiener

Those who voted in the negative were:

Belanger	Dille	Laidig	Oliver	Scheevel
Berg	Kiscaden	Langseth	Olson	Solon
Bertram	Kleis	Lesewski	Ourada	Stevens
Chmielewski	Knutson	Lessard	Pariseau	Terwilliger
Day	Kramer	Neuville	Runbeck	Vickerman

The motion prevailed. So the amendment was adopted.

Ms. Berglin moved to amend S.F. No. 462 as follows:

Page 18, after line 30, insert:

"Sec. 26. [115A.9305] [BASE UNITS FOR MULTIUNIT DWELLINGS.]

Upon application by an owner of a homesteaded multiunit dwelling, a local government unit that collects charges for solid waste collection directly from waste generators shall allocate base units to the dwelling in an amount sufficient to provide one base unit for up to three dwelling units. The number of base units allocated to a multiunit dwelling under this section must be sufficient to contain the amount of waste generated by the dwelling's occupants."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Ourada moved to amend S.F. No. 462 as follows:

Page 20, after line 1, insert:

"Sec. 29. Minnesota Statutes 1994, section 116.07, subdivision 4a, is amended to read:

Subd. 4a. [PERMITS.] (a) The pollution control agency may issue, continue in effect or deny permits, under such conditions as it may prescribe for the prevention of pollution, for the emission of air contaminants, or for the installation or operation of any emission facility, air contaminant treatment facility, treatment facility, potential air contaminant storage facility, or storage facility, or any part thereof, or for the sources or emissions of noise pollution.

The pollution control agency may also issue, continue in effect or deny permits, under such conditions as it may prescribe for the prevention of pollution, for the storage, collection, transportation, processing, or disposal of waste, or for the installation or operation of any system or facility, or any part thereof, related to the storage, collection, transportation, processing, or disposal of waste.

The pollution control agency may revoke or modify any permit issued under this subdivision and section 116.081 whenever it is necessary, in the opinion of the agency, to prevent or abate pollution.

(b) The pollution control agency has the authority for approval over the siting, expansion, or operation of a solid waste facility with regard to environmental issues. However, the agency's issuance of a permit does not release the permittee from any liability, penalty, or duty imposed by

any applicable county ordinances. Nothing in this chapter precludes, or shall be construed to preclude, a county from enforcing land use controls, regulations, and ordinances existing at the time of the permit application and adopted pursuant to sections 366.10 to 366.181, 394.21 to 394.37, or 462.351 to 462.365, with regard to the siting, expansion, or operation of a solid waste facility."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Chandler moved to amend S.F. No. 462 as follows:

Page 18, after line 30, insert:

"Sec. 26. [115A.9512] [CORRUGATED PAPER PRODUCTS.]

Subdivision 1. [DEFINITION.] For the purposes of this section, "corrugated paper product" means a box, container, liner, sheet, or other product made from corrugated paper.

Subd. 2. [PROHIBITION.] A person may not place a corrugated paper product suitable for recycling:

(1) in mixed municipal solid waste;

(2) in a disposal facility; or

(3) in a resource recovery facility, except a recycling facility.

Subd. 3. [EXCEPTION.] Subdivision 2 does not apply to a person whose residence or place of business is located in a county that lacks a convenient site for pickup or collection of corrugated paper products.

Subd. 4. [SUSPENSION.] The prohibition established in subdivision 2 is not intended to operate as a mechanism to depress the fair market price of used corrugated paper products. If the director determines that sellers of used corrugated paper products are not receiving a competitive price, based upon prices in the midwest region, the director may suspend the prohibition."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

S.F. No. 462 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:

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

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 take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Ms. Flynn in the chair.

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

S.F. No. 1564, which the committee recommends to pass with the following amendments offered by Messrs. Cohen, Finn, Knutson and Mondale:

Mr. Cohen moved to amend S.F. No. 1564 as follows:

Page 8, after line 19, insert:

"Sec. 12. [609.669] [CIVIL DISORDER.]

Subdivision 1. [PROHIBITED ACTS.] (a) A person is guilty of a gross misdemeanor who:

(1) teaches or demonstrates to any other person how to use or make any firearm, explosive, or incendiary device, or how to use or apply any technique capable of causing injury or death, knowing or having reason to know that it will be unlawfully employed for use in, or in furtherance of, a civil disorder; or

(2) assembles with one or more persons for the purpose of training with, practicing with, or being instructed in the use of any firearm, explosive or incendiary device, or technique capable of causing injury or death, with the intent that it be unlawfully employed for use in, or in furtherance of, a civil disorder.

(b) This section does not apply to law enforcement officers engaged in the lawful performance of the officer's official duties.

Subd. 2. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given them:

(1) "civil disorder" means any public disturbance involving acts of violence by assemblages of three or more persons, which causes an immediate danger of or results in damage or injury to the property or person of any other individual;

(2) "firearm" means any weapon which is designed to or may readily be converted to expel any projectile by the action of an explosive; or the frame or receiver of any such weapon;

(3) "explosive or incendiary device" has the meaning given in section 609.668, subdivision 1; and

(4) "law enforcement officer" means any officer or employee of the United States, the state, or any political subdivision of the state, and specifically includes members of the National Guard and members of the armed forces of the United States."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Finn moved to amend the Cohen amendment to S.F. No. 1564 as follows:

Page 1, line 13, delete the first comma and insert "or" and delete ", or technique"

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

Mr. Finn then moved to amend the Cohen amendment to S.F. No. 1564 as follows:

Page 1, line 7, delete ", or how to"

Page 1, line 8, delete "use or apply any technique"

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

The question was taken on the Cohen amendment, as amended.

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

Those who voted in the affirmative were:

Anderson	Flynn	Krentz	Mondale	Ranum
Beckman	Frederickson	Kroening	Morse	Reichgott Junge
Belanger	Hottinger	Laidig	Murphy	Riveness
Berg	Johnson, D.E.	Langseth	Neuville	Runbeck
Berglin	Johnson, D.J.	Larson	Oliver	Spear
Bertram	Johnson, J.B.	Lesewski	Ourada	Stumpf
Chandler	Johnston	Lessard	Pappas	Terwilliger
Cohen	Kelly	Marty	Pariseau	Vickerman
Day	Kiscaden	Merriam	Piper	Wiener
Dille	Knutson	Metzen	Pogemiller	
Finn	Kramer	Moe, R.D.	Price	

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

Mr. Knutson moved to amend S.F. No. 1564 as follows:

Page 2, after line 15, insert:

"Sec. 2. Minnesota Statutes 1994, section 299A.28, is amended to read:

299A.28 [MCGRUFF SAFE HOUSE PROGRAM.]

Subdivision 1. [SYMBOL.] The symbol of "McGruff" with the phrase "McGruff House" is the symbol to designate a house in this state where a child may seek help when threatened.

Subd. 2. [DUTIES OF COMMISSIONER.] The commissioner of public safety shall:

(1) design or adopt a standard symbol to designate a safe "McGruff" house that is the "McGruff" symbol used in other states;

(2) make available written information about the safe "McGruff" house program and "McGruff" symbols to school districts and law enforcement agencies;

(3) publicize the safe "McGruff" house program in as many ways as is reasonably practical;

(4) require the appropriate local law enforcement agency to maintain a register of safe "McGruff" houses;

(5) either directly or through cooperation with the appropriate law enforcement agencies conduct background checks on persons who apply to have their house be a safe "McGruff" house.

Subd. 3. [DISPLAY OF SYMBOL.] A person displaying the "McGruff" symbol so that it is visible from the outside of their house must be approved as a safe "McGruff" house by the appropriate local law enforcement agency. The appropriate law enforcement agency must supply the symbol to the person. The symbol is the property of the law enforcement agency, and a person must return the symbol to the law enforcement agency if the agency determines that the house no longer qualifies as a "McGruff" house. Violation of this subdivision is a misdemeanor.

Subd. 4. [SAFE "MCGRUFF" HOUSES; REQUIREMENTS.] The appropriate law enforcement agency must provide "McGruff" symbols to persons who apply for symbols if they agree in writing to follow the terms of the safe "McGruff" house program and pass a background check by the appropriate local law enforcement agency.

Subd. 5. [EXCLUSIVE SYMBOL.] The safe "McGruff" house symbol provided by this section is the exclusive symbol for safe "McGruff" houses in this state.

Subd. 6. [RULES.] The commissioner of public safety may adopt rules necessary to implement 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. Mondale moved to amend S.F. No. 1564 as follows:

Page 3, after line 18, insert:

"Sec. 4. Minnesota Statutes 1994, section 343.235, is amended to read:

343.235 [DISPOSITION OF SEIZED ANIMALS.]

Subdivision 1. [GENERAL RULE.] An animal taken into custody under section 343.22 or 343.29 may be humanely disposed of at the discretion of the jurisdiction having custody of the animal ~~seven ten~~ days after the animal is taken into custody, provided that the procedures in subdivision 3 are followed. An animal raised for food or fiber products shall not be seized or disposed of without prior examination by a licensed veterinarian pursuant to a warrant issued by a judge.

Subd. 2. [SECURITY.] A person claiming an interest in an animal in custody under subdivision 1 may prevent disposition of the animal by posting a ~~bond or~~ security in an amount sufficient to provide for the animal's actual costs of care and keeping ~~for at least 30 days, inclusive of the date on which the animal was taken into custody. Even if a bond or security is posted, the authority having custody of the animal may humanely dispose of the animal at the end of the time for which expenses of care and keeping are covered by the bond or security, unless there is a court order prohibiting the disposition. The order must provide for a bond or other security in the amount necessary to protect the authority having custody of the animal from any cost of the care, keeping, or disposal of the animal. The security must be posted within ten days of the seizure inclusive of the date of the seizure.~~

Subd. 3. [NOTICE; RIGHT TO HEARING.] (a) The authority taking custody of an animal under section 343.22 or 343.29 shall give notice of this section by delivering or mailing it to a person claiming an interest in the animal or by posting a copy of it at the place where the animal is taken into custody or by delivering it to a person residing on the property, and telephoning, if possible. The notice must include:

(1) a description of the animal seized; the authority and purpose for the seizure; the time, place, and circumstances under which the animal was seized; and the location, address, telephone number, and contact person where the animal is kept;

(2) a statement that a person claiming an interest in the animal may post security to prevent disposition of the animal and may request a hearing concerning the seizure or impoundment and that failure to do so within ten days of the date of the notice will result in disposition of the animal; and

(3) a statement that all actual costs of the care, keeping, and disposal of the animal are the responsibility of the person claiming an interest in the animal, except to the extent that a court or hearing officer finds that the seizure or impoundment was not substantially justified by law.

The notice must also include a form that can be used by a person claiming an interest in the animal for requesting a hearing under this subdivision.

(b) Upon request of a person claiming an interest in the animal, which request must be made within ten days of the date of seizure, a hearing must be held within five business days of the request, to determine the validity of the seizure and impoundment. If the seizure was done

pursuant to a warrant under section 343.22, the hearing must be conducted by the judge who issued the warrant. If the seizure was done under section 343.29, the municipality taking custody of the animal or, in the case of a humane society, the municipality from which the animal was seized, may either (1) authorize a licensed veterinarian with no financial interest in the matter or professional association with either party or (2) use the services of a hearing officer to conduct the hearing. A person claiming an interest in the animal who is aggrieved by a decision of a hearing officer under this subdivision may seek a court order governing the seizure or impoundment within five days of notice of the order.

(c) The judge or hearing officer may authorize the return of the animal, if the judge or hearing officer finds that:

(1) the animal is physically fit; and

(2) the person claiming an interest in the animal can and will provide the care required by law for the animal.

(d) The person claiming an interest in the animal is liable for all actual costs of care, keeping, and disposal of the animal, except to the extent that a court or hearing officer finds that the seizure or impoundment was not substantially justified by law. The costs must be paid in full or a mutually satisfactory arrangement for payment must be made between the municipality and the person claiming an interest in the animal before return of the animal to the person.

Sec. 5. Minnesota Statutes 1994, section 343.29, subdivision 1, is amended to read:

Subdivision 1. [DELIVERY TO SHELTER.] Any peace officer, animal control officer, or agent of the federation or county or district societies for the prevention of cruelty, may remove, shelter, and care for any animal which is not properly sheltered from cold, hot, or inclement weather or any animal not properly fed and watered, or provided with suitable food and drink in circumstances that threaten the life of the animal. When necessary, a peace officer, animal control officer, or agent may deliver the animal to another person to be sheltered and cared for, and furnished with suitable food and drink. In all cases, the owner, if known, shall be immediately notified as provided in section 343.235, subdivision 3, and the person having possession of the animal, shall have a lien thereon for its actual costs of care and keeping and the expenses of the notice. If the owner or custodian is unknown and cannot by reasonable effort be ascertained, or does not, within seven ten days after notice, redeem the animal by paying the expenses authorized by this subdivision, the animal may be disposed of as provided in section 343.235."

Page 13, line 11, before "Sections" insert "Sections 4 and 5 are effective the day following final enactment."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 24, after the first semicolon, insert "clarifying procedures governing disposition of seized animals;"

Page 1, line 26, after the second semicolon, insert "343.235; 343.29, subdivision 1;"

The motion prevailed. So the amendment was adopted.

On motion of Ms. Reichgott Junge, 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 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. 980.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 2, 1995

FIRST READING OF HOUSE BILLS

The following bill was read the first time and referred to the committee indicated.

H.F. No. 980: A bill for an act relating to crime; clarifying language relating to controlled substance and certain other crimes; making it manslaughter in the first degree to cause the death of a child by malicious punishment under certain circumstances; making it manslaughter in the second degree to cause the death of a child by endangerment under certain circumstances; providing that a motor vehicle is subject to forfeiture if it was used to flee a peace officer in violation of law; imposing a fine for the crime of terroristic threats; providing procedures for prosecuting attorneys to follow when filing complaints against owners whose buildings are alleged nuisances; authorizing the court to issue orders of abatement that close buildings for two years or more when the buildings are declared to be nuisances a second time; providing penalties; amending Minnesota Statutes 1994, sections 152.021, subdivision 3; 152.022, subdivision 3; 152.023, subdivision 3; 152.024, subdivision 3; 152.025, subdivision 3; 401.02, subdivision 4; 609.10; 609.125; 609.185; 609.20; 609.205; 609.323, subdivisions 2, 3, and by adding a subdivision; 609.498, subdivision 1; 609.52, subdivision 1; 609.5312, by adding a subdivision; 609.582, subdivision 1; 609.713, subdivisions 1 and 2; 617.80, subdivisions 2, 4, 5, 8, and by adding a subdivision; 617.81, subdivisions 1, 2, and by adding a subdivision; 617.82; 617.83; 617.84; 617.85; 617.87; 626.13; proposing coding for new law in Minnesota Statutes, chapter 617; repealing Minnesota Statutes 1994, section 617.81, subdivisions 2a and 3.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1564, now on the Calendar.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Vickerman moved that S.F. No. 1421, No. 23 on General Orders, be stricken and re-referred to the Committee on Metropolitan and Local Government. The motion prevailed.

RECESS

Ms. Reichgott Junge 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. 365: Messrs. Chandler, Knutson and Ms. Wiener.

H.F. No. 536: Messrs. Limmer, Chandler and Larson.

H.F. No. 1055: Messrs. Price; Moe, R.D. and Dille.

H.F. No. 1132: Mr. Solon, Ms. Anderson and Mr. Day.

H.F. No. 1159: Mr. Kroening, Ms. Flynn and Mr. Terwilliger.

H.F. No. 1856: Messrs. Stumpf, Price, Larson, Terwilliger and Ms. Wiener.

S.F. No. 1134: Mr. Solon, Ms. Wiener and Mr. Belanger.

H.F. No. 96: Messrs. Hottinger, Finn and Knutson.

H.F. No. 778: Mr. Riveness, Ms. Piper and Mr. Terwilliger.

H.F. No. 1864: Messrs. Johnson, D.J.; Belanger; Meses. Flynn, Reichgott Junge and Mr. Hottinger.

S.F. No. 1110: Messrs. Samuelson, Sams, Ms. Kiscaden, Mr. Stevens and Ms. Berglin.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

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.

Messrs. Stumpf, Morse, Riveness and Terwilliger introduced--

S.F. No. 1686: A bill for an act relating to retirement; providing for uniformity in various administrative provisions of laws governing the Minnesota state retirement system, public employees retirement association, teachers retirement association, first class city teacher retirement funds, and Minneapolis employees retirement fund; amending Minnesota Statutes 1994, sections 3A.02, subdivision 1; 176.021, subdivision 7; 352.113, subdivisions 2, 4, and 7; 352.115, subdivisions 8 and 10; 352.95, subdivisions 3 and 7; 352B.08, subdivision 1; 352B.10, subdivision 3; 352B.101; 352B.11, by adding a subdivision; 353.29, subdivision 7; 353.31, subdivision 8; 353.33, subdivisions 2, 5, and 7; 353.37, subdivisions 1 and 3; 353.656, subdivisions 2 and 4; 353C.08, subdivisions 4 and 6; 354.44, subdivision 5; 354.48, subdivision 7; 354A.31, subdivisions 2a and 3; 354A.36, subdivisions 2, 7, and by adding a subdivision; 356.611; 422A.14, subdivision 1; and 422A.18, subdivision 3; repealing Minnesota Statutes 1994, section 354A.36, subdivision 5.

Referred to the Committee on Governmental Operations and Veterans.

Mr. Johnson, D.J. introduced--

S.F. No. 1687: A bill for an act relating to corporate franchise taxation; modifying the definition of apportionment factors; amending Minnesota Statutes 1994, section 290.191, subdivisions 1, 5, 6, and 11; repealing Minnesota Statutes 1994, section 290.191, subdivision 8.

Referred to the Committee on Taxes and Tax Laws.

MEMBERS EXCUSED

Mr. Novak was excused from the Session of today. Mr. Kelly was excused from the Session of today from 9:30 to 11:10 a.m. Mr. Murphy was excused from the Session of today from 11:30 to

11:55 a.m. Mr. Vickerman was excused from the Session of today from 11:15 a.m. to 12:00 noon. Mr. Pogemiller was excused from the Session of today from 10:00 a.m. to 2:00 p.m. Mr. Ourada was excused from the Session of today from 5:10 to 5:20 p.m. Mr. Solon was excused from the Session of today at 6:00 p.m. Mr. Kleis was excused from the Session of today from 5:45 to 6:15 p.m. Ms. Olson was excused from the Session of today at 5:30 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 11:45 a.m., Wednesday, May 3, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTY-SECOND DAY

St. Paul, Minnesota, Wednesday, May 3, 1995

The Senate met at 11:45 a.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. James Baker.

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

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

The President declared a quorum present.

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

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until immediately after the conclusion of the Joint Convention. The motion prevailed.

The Senate reconvened at the appropriate time.

CALL OF THE SENATE

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

May 1, 1995

The Honorable Allan H. Spear
President of the Senate

Dear President Spear:

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. 830.

Warmest regards,
Arne H. Carlson, Governor

May 2, 1995

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1995 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 1995	Date Filed 1995
	702	103	2:40 p.m. May 1	May 1
	901	104	2:42 p.m. May 1	May 1
	1641	105	2:45 p.m. May 1	May 1
	529	106	2:48 p.m. May 1	May 1
	340	107	2:50 p.m. May 1	May 1
830		108	2:55 p.m. May 1	May 1

Sincerely,
Joan Anderson Growe
Secretary of State

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. 1105:

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

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Leighton, Entenza and Bishop have been appointed as such committee on the part of the House.

House File No. 1105 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 May 2, 1995

Ms. Krentz moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1105, 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 acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 5 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 106: A bill for an act relating to the organization and operation of state government; appropriating money for environmental, natural resource, and agricultural purposes; modifying provisions relating to disposition of certain revenues from state trust lands, sales of software, agricultural and environmental loans, food handlers, ethanol and oxygenated fuels, the citizen's council on Voyageurs National Park, local recreation grants, zoo admission charges, watercraft surcharge, water information, well sealing grants, pollution control agency fees, sale of tax-forfeited lands, and payments in lieu of taxes; establishing the Passing on the Farm Center; establishing special critical habitat license plates; authorizing establishment of a shooting area in Sand Dunes State Forest; prohibiting the adoption or enforcement of water quality standards that are not necessary to comply with federal law; abolishing the harmful substance compensation board and account; extending performance reporting requirements; providing for easements across state trails in certain circumstances; amending Minnesota Statutes 1994, sections 15.91, subdivision 1; 16A.125; 16B.405, subdivision 2; 17.117, subdivisions 2, 4, 6, 7, 8, 9, 10, 11, 14, 16, and by adding subdivisions; 28A.03; 28A.08; 41A.09, by adding subdivisions; 41B.02, subdivision 20; 41B.043, subdivisions 1b, 2, and 3; 41B.045, subdivision 2; 41B.046, subdivision 1, and by adding a subdivision; 84.631; 84.943, subdivision 3; 84B.11, subdivision 1; 85.015, by adding a subdivision; 85.019; 85A.02, subdivision 17; 86.72, subdivision 1; 86B.415, subdivision 7; 92.46, subdivision 1; 93.22; 97A.531, subdivision 1; 103A.43; 103F.725, subdivision 1a; 103H.151, by adding a subdivision; 103I.331, subdivision 4; 115.03, subdivision 5; 115A.03, subdivision 29; 115A.908, subdivision 3; 115B.20, subdivision 1; 115B.25, subdivision 1a; 115B.26, subdivision 2; 115B.41, subdivision 1; 115B.42; 115C.03, subdivision 9; 116.07, subdivision 4d, and by adding a subdivision; 116.12, subdivision 1; 116.96, subdivision 5; 116C.69, subdivision 3; 116P.11; 239.791, subdivision 8; 282.01, subdivisions 2 and 3; 282.011, subdivision 1; 282.02; 282.04, subdivision 1; 296.02, by adding a subdivision; 446A.07, subdivision 8; 446A.071, subdivision 2; 473.845, subdivision 2; 477A.11, subdivision 4; 477A.12; and 477A.14; proposing coding for new law in Minnesota Statutes, chapters 17; 28A; 89; 116; and 168; repealing Minnesota Statutes 1994, sections 28A.08, subdivision 2; 41A.09, subdivisions 2, 3, and 5; 97A.531, subdivisions 2, 3, 4, 5, and 6; 115B.26, subdivision 1; 239.791, subdivisions 4, 5, 6, and 9; 282.018; 296.02, subdivision 7; 325E.0951, subdivision 5; and 446A.071, subdivision 7; Laws 1993, chapter 172, section 10.

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

Brown, Sarna, Trimble, Larsen and Johnson, V.

Senate File No. 106 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 2, 1995

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1844 and 1700.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 2, 1995

FIRST READING OF HOUSE BILLS

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

H.F. No. 1844: A bill for an act relating to taxation; proposing an amendment to the Minnesota Constitution, article XIII, section 1; prohibiting financing of certain education costs with property taxes; changing the date for certification and payment of certain costs for purposes of property tax levies; amending Minnesota Statutes 1994, section 270.52.

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 1700: A bill for an act relating to the organization and operation of state government; appropriating money for the judicial branch, public safety, public defense, corrections, and for other criminal justice agencies and purposes; making changes to various criminal laws and penalties; modifying juvenile justice provisions; amending Minnesota Statutes 1994, sections 2.722, subdivision 1; 3.732, subdivision 1; 16A.285; 43A.18, by adding a subdivision; 120.101, subdivision 1; 120.14; 120.17, subdivisions 5a, 6, and 7; 120.181; 120.73, by adding a subdivision; 124.18, by adding a subdivision; 124.32, subdivision 6; 125.05, by adding a subdivision; 125.09, subdivision 1; 127.20; 127.27, subdivision 10; 145A.05, subdivision 7a; 152.18, subdivision 1; 171.04, subdivision 1; 171.29, subdivision 2; 176.192; 179A.03, subdivision 7; 242.31, subdivision 1; 243.166; 243.23, subdivision 3; 243.51, subdivisions 1 and 3; 243.88, by adding a subdivision; 260.015, subdivision 21; 260.115, subdivision 1; 260.125; 260.126, subdivision 5; 260.131, subdivision 4, and by adding a subdivision; 260.132, subdivisions 1, 4, and by adding a subdivision; 260.155, subdivisions 2 and 4; 260.161, subdivision 3; 260.181, subdivision 4; 260.185, subdivision 6, and by adding subdivisions; 260.191, subdivision 1; 260.193, subdivision 4; 260.195, subdivision 3, and by adding a subdivision; 260.215, subdivision 1; 260.291, subdivision 1; 271.06, subdivision 4; 299A.33, subdivision 3; 299A.35, subdivision 1; 299A.51, subdivision 2; 299C.065, subdivisions 1a, 3, and 3a; 299C.10, subdivision 1, and by adding a subdivision; 299C.62, subdivision 4; 357.021, subdivision 2; 364.09; 388.24, subdivision 4; 401.065, subdivision 3a; 401.10; 466.03, by adding a subdivision; 480.30; 481.01; 494.03; 518.165, by adding subdivisions; 518B.01, subdivisions 2, 4, 8, 14, and by adding a subdivision; 609.055, subdivision 2; 609.101, subdivisions 1, 2, and 3; 609.115, by adding a subdivision; 609.135, by adding a subdivision; 609.1352, subdivisions 1, 3, and 5; 609.152, subdivision 1; 609.19; 609.3451, subdivision 1; 609.485, subdivisions 2 and 4; 609.605, subdivision 4; 609.746, subdivision 1; 609.748, subdivision 3a; 609.749, subdivision 5; 611.27, subdivision 4; 611A.01; 611A.04, subdivision 1; 611A.19, subdivision 1; 611A.31, subdivision 2; 611A.53, subdivision 2; 611A.71, subdivision 7; 611A.73, subdivision 3; 611A.74; 617.23; 624.22; 624.712, subdivision 5; 626.841; 626.843, subdivision 1; 626.861, subdivisions 1 and 4; 628.26; 629.341, subdivision 1; 629.715, subdivision 1; 629.72, subdivisions 1, 2, and 6; 641.14; and 641.15, subdivision 2; Laws 1993, chapter 255, sections 1, subdivisions 1 and 4; and 2; and Laws 1994, chapter 643, section 79, subdivisions 1, 2, and 4; proposing coding for new law in Minnesota Statutes, chapters 8; 16B; 120; 127; 243; 244; 257; 260; 299A; 299C; 299F; 401; 504; 563; 609; 611A; 626; and 629; proposing coding for new law as Minnesota Statutes, chapter 260A; repealing Minnesota Statutes 1994, sections 121.166; 126.25; and 611A.61, subdivision 3; Laws 1994, chapter 576, section 1.

Mr. Moe, R.D. moved that H.F. No. 1700 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

H.F. No. 1678: A bill for an act relating to drainage; allowing an outlet fee to be charged for use of an established drainage system in Red Lake county as an outlet for drainage originating in Polk 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 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 1371: A bill for an act relating to commerce; securities; regulating disclosure of payment received for directing order flow; amending Minnesota Statutes 1994, section 80A.06, subdivision 5.

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 1, as follows:

Those who voted in the affirmative were:

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

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1173: A bill for an act relating to telecommunications; regulating the sale of local exchange service territory; 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 56 and nays 4, as follows:

Those who voted in the affirmative were:

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

Messrs. Kramer, Limmer, Ms. Robertson and Mr. Stevens voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1503: A bill for an act relating to public safety; requiring fireworks display operators to be certified by state fire marshal; setting fees; appropriating money; amending Minnesota Statutes 1994, section 624.22.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1079: A bill for an act relating to financing of government of this state; reducing 1995 appropriations; providing supplemental 1995 appropriations for certain purposes.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1362: A bill for an act relating to natural resources; providing for coordination of efforts of public and private sectors in the sustainable management, use, development, and protection of Minnesota's forest resources; establishing a forest resources council and regional forest resource committees; proposing coding for new law as Minnesota Statutes, chapter 89A.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 979: A bill for an act relating to motor carriers; regulating hazardous material transporters; requiring fingerprints of motor carrier managers for criminal background checks; making technical changes related to calculating proportional mileage under the international registration plan; specifying violations that may result in suspension or revocation of permit; making technical changes relating to hazardous waste transporter licenses; providing for disposition of fees collected for hazardous material registration, licensing, and permitting; amending Minnesota Statutes 1994, section 221.0355, subdivisions 3, 5, 6, 12, 15, 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 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 877: A bill for an act relating to construction; changing and clarifying law relating to the building code and zoning law; amending the interstate compact on industrialized/modular buildings; appropriating money; amending Minnesota Statutes 1994, sections 16B.59; 16B.60, subdivisions 1 and 4; 16B.61, subdivisions 1, 2, and 5; 16B.63, subdivision 3, and by adding a

subdivision; 16B.65, subdivisions 1, 3, 4, and 7; 16B.67; 16B.70; 16B.75; 366.10; 366.12; 366.16; 394.33, subdivision 2; 394.361, subdivision 3; 462.358, subdivisions 2a and 9; and 462.359, subdivision 4.

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:

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

Mr. Finn voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1122: A bill for an act relating to the environment; establishing a program for funding response actions to address environmental contamination from drycleaning facilities; appropriating money; 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 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill 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 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. 1051: A bill for an act relating to emergency telephone services; requiring provider of cellular telephone services to include in its billings a notice regarding 911 calls; making technical changes; amending Minnesota Statutes 1994, sections 403.02, subdivision 1; 403.07, subdivision 1; and 403.09; proposing coding for new law in Minnesota Statutes, chapter 403.

Senate File No. 1051 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 2, 1995

CONCURRENCE AND REPASSAGE

Mr. Frederickson moved that the Senate concur in the amendments by the House to S.F. No. 1051 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1051 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 2, as follows:

Those who voted in the affirmative were:

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

Mses. Krentz and Runbeck 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. 752: A bill for an act relating to telecommunications; allowing for alternative regulation of telephone companies for a limited period; authorizing rulemaking to promote fair and reasonable competition for local exchange service; making technical changes; amending Minnesota Statutes 1994, sections 237.01, subdivision 6; 237.035; 237.09; 237.16; and 237.461, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 237.

Senate File No. 752 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 2, 1995

CONCURRENCE AND REPASSAGE

Mr. Novak moved that the Senate concur in the amendments by the House to S.F. No. 752 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 752 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 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Chandler moved that S.F. No. 588, No. 4 on General Orders, be stricken and re-referred to the Committee on Commerce and Consumer Protection. 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. 1864 at 3:15 p.m.:

Messrs. Belanger; Hottinger; Johnson, D.J.; Meses. Flynn and Reichgott Junge. The motion prevailed.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 621 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 621: A bill for an act relating to game and fish; establishing hunting heritage week; designating mourning doves as game birds and mute swans as unprotected birds; clarifying terms of short-term angling licenses; removing certain requirements relating to fish taken in Canada; specifying the areas in which deer may be taken under a license to take antlered deer in more than one zone; modifying reporting requirements; modifying hours for taking certain animals; modifying provisions relating to trapping; providing for posting of waters to prohibit fishing or motorboat operation; adjusting opening and closing dates of various seasons for taking fish; expanding the requirement to possess a trout and salmon stamp; modifying northern pike length limits; changing the date by which fish houses and dark houses must be removed from the ice in certain areas; authorizing the use of floating turtle traps; removing time limits on sale of fish by commercial licensees; requiring a plan for a firearms safety program; authorizing certain stocking activities; amending Minnesota Statutes 1994, sections 97A.015, subdivisions 24, 28, and 52; 97A.451, subdivision 3; 97A.475, subdivisions 6 and 7; 97A.531, subdivision 1; 97B.061;

97B.075; 97B.301, by adding a subdivision; 97B.931; 97C.025; 97C.305, subdivision 1; 97C.345, subdivisions 1, 2, and 3; 97C.355, subdivision 7; 97C.371, subdivision 4; 97C.395, subdivision 1; 97C.401, subdivision 2; 97C.605, subdivision 3; and 97C.821; proposing coding for new law in Minnesota Statutes, chapter 10; repealing Minnesota Statutes 1994, sections 97A.531, subdivisions 2, 3, 4, 5, and 6; 97B.301, subdivision 5; and 97B.731, subdivision 2.

Mr. Finn moved to amend S.F. No. 621 as follows:

Page 2, after line 25, insert:

"Sec. 5. Minnesota Statutes 1994, section 97A.221, is amended to read:

97A.221 [SEIZURE AND CONFISCATION OF PROPERTY.]

Subdivision 1. [PROPERTY SUBJECT TO CONFISCATION SEIZURE.] (a) An enforcement officer may ~~confiscate~~ seize:

(1) wild animals, wild rice, and other aquatic vegetation taken, bought, sold, transported, or possessed in violation of the game and fish laws or chapter 84; and

(2) firearms, bows and arrows, nets, ~~boats~~, lines, poles, fishing rods and tackle, lights, lanterns, snares, traps, spears, dark houses, fish houses, and wild rice harvesting equipment that are used with the owner's knowledge to unlawfully take or transport wild animals, wild rice, or other aquatic vegetation.

(b) An enforcement officer must ~~confiscate~~ seize nets and equipment unlawfully possessed within ten miles of Lake of the Woods or Rainy Lake.

~~(c) Confiscated property may be disposed of, retained for use by the division, or sold at the highest price obtainable as prescribed by the commissioner.~~

Subd. 2. [CONFISCATION SEIZURE OF COMMINGLED SHIPMENTS.] A whole shipment or parcel is contraband if two or more wild animals are shipped or possessed in the same container, vehicle, or room, or in any way commingled, and any of the animals are contraband. Confiscation Seizure of any part of a shipment includes the entire shipment.

Subd. 3. [PROCEDURE FOR CONFISCATION OF PROPERTY SEIZED.] The enforcement officer must hold the seized property, subject to the order of the court having jurisdiction where the offense was committed. The property held is confiscated when the commissioner complies with this section and the person from whom it was seized is convicted of the offense.

Subd. 4. [COMPLAINT AGAINST PROPERTY.] The commissioner shall file with the court a separate complaint against the property held. The complaint must identify the property, describe its use in the violation, and specify the time and place of the violation. A copy of the complaint must be served upon the defendant or the owner of the property.

Subd. 5. [RELEASE OF PROPERTY AFTER POSTING BOND.] At any time after seizure of the property specified in this section, the property must be returned to the owner or person having the legal right to possession upon execution of a valid bond to the state with a corporate surety. The bond must be approved by a judge of the court of jurisdiction, conditioned to abide by an order and judgment of the court and to pay the full value of the property at the time of seizure. The bond must be for \$100 or for a greater amount not more than twice the value of the property seized.

Subd. 6. [COURT ORDER.] (a) If the person arrested is acquitted, the court shall dismiss the complaint against the property and order the property returned to the person legally entitled to it.

(b) Upon conviction of the person, the court shall issue an order directed to any person who may have any right, title, or interest in, or lien upon, the seized property. The order must describe the property and state that it was seized and that a complaint against it has been filed. The order shall require a person claiming right, title, or interest in, or lien upon, the property to file with the court administrator an answer to the complaint, stating the claim, within ten days after the service of the order. The order must contain a notice that if the person fails to file an answer within the time limit, the property may be ordered sold by the commissioner.

(c) The court order must be served upon any person known or believed to have any right, title, interest, or lien in the same manner as provided for service of a summons in a civil action, and upon unknown persons by publication, in the same manner as provided for publication of a summons in a civil action.

Subd. 7. [COURT-ORDERED SALE AFTER NO ANSWER.] If an answer is not filed within the time provided in subdivision 6, the court administrator shall notify the court and the court shall order the commissioner to sell the property. The net proceeds of the sale shall be deposited in the state treasury and credited to the game and fish fund.

Subd. 8. [HEARING AFTER ANSWER.] If an answer is filed within the time provided in subdivision 6, the court shall schedule a hearing within ten to 30 days after the time expired for filing the answer. The court, without a jury, shall determine whether any of the property was used in a violation specified in the complaint and whether the owner had knowledge or reason to believe that the property was being used, or intended to be used, in the violation. The court shall order the commissioner to sell the property that was unlawfully used with knowledge of the owner and to return to the owner property that was not unlawfully used with the knowledge of the owner. If the property is to be sold, the court shall determine the priority of liens against the property and whether the lienholders had knowledge that the property was being used or was intended to be used. Lienholders that had knowledge of the property's use in the violation are not to be paid. The court order must state the priority of the liens to be paid.

Subd. 9. [PROCEEDS OF SALE.] After determining the expense of seizing, keeping, and selling the property, the commissioner must pay the liens from the proceeds according to the court order. The remaining proceeds must be deposited in the state treasury and credited to the game and fish fund.

Subd. 10. [CANCELLATION OF SECURITY INTERESTS.] A sale under this section cancels all liens on and security interests in the property sold."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Berg moved to amend S.F. No. 621 as follows:

Page 2, delete section 2

Page 9, after line 24, insert:

"Sec. 25. [TEMPORARY MOURNING DOVE SEASON AUTHORIZED.]

Subdivision 1. [AUTHORIZATION.] Notwithstanding Minnesota Statutes, section 97B.731, subdivision 2, the commissioner of natural resources may establish an open season and restrictions for taking mourning doves in that part of the state lying south and west of a line running along U.S. Route 14 from the Wisconsin border west to Mankato, then following the Minnesota River to Morton, then along U.S. Route 71 north to Blackduck, then continuing north on Minnesota Route 72 to Baudette.

Subd. 2. [REPORT.] The commissioner of natural resources shall report by February 1, 1996, to the environment and natural resources committees of the senate and house of representatives on the results of the mourning dove season established under subdivision 1. The report must include a description of the impact of the season on the mourning dove population in the designated area.

Subd. 3. [REPEALER.] This section is repealed effective December 31, 1996."

Page 9, line 27, after the first semicolon, insert "and" and delete "; and 97B.731, subdivision"

Page 9, line 28, delete "2"

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, lines 3 and 4, delete "mourning doves as game birds and"

Page 1, line 21, after the second semicolon, insert "authorizing a temporary mourning dove season;"

Page 1, line 23, delete "24, 28," and insert "28"

Page 1, line 33, after the first semicolon, insert "and" and delete "; and 97B.731, subdivision 2"

Mr. Berg then moved to amend the Berg amendment to S.F. No. 621 as follows:

Page 1, line 14, delete "1996" and insert "1997"

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

The question was taken on the Berg amendment, as amended.

The roll was called, and there were yeas 18 and nays 37, as follows:

Those who voted in the affirmative were:

Berg	Frederickson	Lesewski	Ourada	Stumpf
Bertram	Johnston	Lessard	Pariseau	Vickerman
Chandler	Laidig	Merriam	Scheevel	
Dille	Larson	Morse	Stevens	

Those who voted in the negative were:

Anderson	Janezich	Krentz	Neuville	Robertson
Beckman	Johnson, D.E.	Langseth	Novak	Runbeck
Berglin	Johnson, J.B.	Limmer	Oliver	Solon
Betzold	Kelly	Marty	Olson	Spear
Cohen	Kiscaden	Metzen	Pogemiller	Wiener
Day	Kleis	Moe, R.D.	Price	
Finn	Knutson	Mondale	Ranum	
Hanson	Kramer	Murphy	Riveness	

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

Mr. Murphy moved to amend S.F. No. 621 as follows:

Page 2, delete section 2

Page 9, line 27, after the first semicolon, insert "and" and delete "; and 97B.731, subdivision"

Page 9, line 28, delete "2"

Page 9, line 30, delete "2, 8, and 26" and insert "7 and 25"

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 3, delete "mourning doves as game"

Page 1, line 4, delete "birds and"

Page 1, line 23, delete "24, 28," and insert "28"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 38 and nays 20, as follows:

Those who voted in the affirmative were:

Anderson	Berglin	Day	Janezich	Kelly
Beckman	Betzold	Finn	Johnson, D.E.	Kiscaden
Belanger	Cohen	Hanson	Johnson, J.B.	Kleis

Kramer	Metzen	Novak	Ranum	Samuelson
Krentz	Moe, R.D.	Oliver	Riveness	Spear
Langseth	Mondale	Olson	Robertson	Wiener
Limmer	Murphy	Pogemiller	Runbeck	
Marty	Neuville	Price	Sams	

Those who voted in the negative were:

Berg	Dille	Laidig	Merriam	Scheevel
Bertram	Frederickson	Larson	Morse	Stevens
Chandler	Johnston	Lesewski	Ourada	Stumpf
Chmielewski	Knutson	Lessard	Pariseau	Vickerman

The motion prevailed. So the amendment was adopted.

Mr. Finn moved to amend S.F. No. 621 as follows:

Page 9, line 26, before "Minnesota" insert "(a)" and delete "sections" and insert "section"

Page 9, line 27, delete the first semicolon and insert ", are repealed."

(b) Minnesota Statutes 1994, sections"

Page 9, line 31, after the period, insert "Notwithstanding the date and time of day of final enactment, sections 8 and 26, paragraph (a), supersede any irreconcilable provisions of other laws passed during the 1995 legislative session."

The motion prevailed. So the amendment was adopted.

Mr. Lessard moved to amend S.F. No. 621 as follows:

Page 8, line 11, reinstate the stricken language and delete the new language

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

Mr. Finn moved to amend the first Finn amendment to S.F. No. 621, adopted by the Senate May 3, 1995, as follows:

Page 1, line 11, reinstate the stricken language

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

S.F. No. 621 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:

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

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. 1037 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1037: A bill for an act relating to health; providing rulemaking authority; modifying enforcement and fee provisions; modifying the hearing instrument dispenser trainee period; providing penalties; amending Minnesota Statutes 1994, sections 144.414, subdivision 3; 144.417, subdivision 1; 144.99, subdivisions 1, 4, 6, 8, and 10; 144.991, subdivision 5; 326.71, subdivision 4; 326.75, subdivision 3a; and 326.78, subdivisions 2 and 9; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1994, sections 144.877, subdivision 5; and 144.8781, subdivision 4; Laws 1989, chapter 282, article 3, section 28; and Laws 1993, chapter 286, section 11; Minnesota Rules, part 4620.1500.

Mr. Oliver moved to amend H.F. No. 1037, the unofficial engrossment, as follows:

Page 3, after line 1, insert:

"Sec. 4. Minnesota Statutes 1994, section 144.98, subdivision 3, is amended to read:

Subd. 3. [FEES.] (a) An application for certification under subdivision 1 must be accompanied by the annual biennial fee specified in this subdivision. The fees are for:

(1) base certification fee, ~~\$250~~ \$500; and

(2) test category certification fees:

Test Category	Certification Fee	
Bacteriology	\$100	<u>\$200</u>
Inorganic chemistry, fewer than four constituents	\$50	<u>\$100</u>
Inorganic chemistry, four or more constituents	\$150	<u>\$300</u>
Chemistry metals, fewer than four constituents	\$100	<u>\$200</u>
Chemistry metals, four or more constituents	\$250	<u>\$500</u>
Volatile organic compounds	\$300	<u>\$600</u>
Other organic compounds	\$300	<u>\$600</u>

(b) The total annual biennial certification fee is the base fee plus the applicable test category fees. The annual biennial certification fee for a contract laboratory is 1.5 times the total certification fee.

(c) Laboratories located outside of this state that require an on-site survey will be assessed an additional \$1,200 fee.

(d) The commissioner of health may adjust fees under section 16A.128, subdivision 2. Fees must be set so that the total fees support the laboratory certification program. Direct costs of the certification service include program administration, inspections, the agency's general support costs, and attorney general costs attributable to the fee function."

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. 1037 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:

Anderson	Berglin	Chandler	Day	Frederickson
Beckman	Bertram	Chmielewski	Dille	Hanson
Berg	Betzold	Cohen	Finn	Johnson, D.E.

Johnson, J.B.	Laidig	Mondale	Pogemiller	Spear
Johnston	Langseth	Morse	Price	Stevens
Kelly	Larson	Murphy	Ranum	Stumpf
Kiscaden	Lesewski	Neuville	Riveness	Terwilliger
Kleis	Lessard	Novak	Robertson	Vickerman
Knutson	Limmer	Oliver	Runbeck	Wiener
Kramer	Marty	Olson	Samuelson	
Krentz	Merriam	Ourada	Scheevel	
Kroening	Metzen	Pariseau	Solon	

So the bill, as amended, 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. 1551 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1551: A bill for an act relating to agricultural economics; providing loans and incentives for agricultural energy resources development for family farms and cooperatives; amending Minnesota Statutes 1994, sections 41B.02, subdivision 19; 41B.046, subdivision 1, and by adding a subdivision; and 216C.41, subdivisions 1, 2, 3, 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 55 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1393 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1393: A bill for an act relating to public finance; providing conditions and requirements for the issuance of debt and use of the proceeds; authorizing use of capital improvement bonds for indoor ice arenas; exempting issuance of certain debt from election requirements; authorizing home rule charter cities to issue tax anticipation certificates; authorizing operation of certain recreational facilities; providing for the computation of tax increment from certain hazardous substance subdistricts; authorizing continuing disclosure agreements; providing for funding of self-insurance by political subdivisions; providing for the issuance of temporary obligations and modifying issuance procedures; amending Minnesota Statutes 1994, sections 373.40, subdivision 1; 447.46; 462C.05, subdivision 1; 469.041; 469.174, subdivision 4, and by adding subdivisions; 469.175, subdivision 1; 469.177, subdivisions 1, 1a, and 2; 471.16, subdivision 1; 471.191, subdivisions 1 and 2; 471.98, subdivision 3; 471.981, subdivisions 2, 4a, 4b, and 4c; 475.51, subdivision 4; 475.52, subdivision 6; 475.58, subdivision 1, and by adding a subdivision; 475.60, by adding a subdivision; 475.61, by adding a subdivision; 475.63; and 475.79; Laws 1971, chapter 773, section 4, as amended; proposing coding for new law in Minnesota Statutes, chapters 373; and 410.

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 2, as follows:

Those who voted in the affirmative were:

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

Messrs. Betzold and Merriam voted in the negative.

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1543 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1543: A bill for an act relating to public finance; changing procedures for allocating bonding authority; changing provisions relating to housing programs and plans; amending Minnesota Statutes 1994, sections 462C.01; 462C.02, subdivision 3; 462C.04, subdivisions 2 and 3; 462C.071, subdivision 2; 474A.03, subdivisions 1 and 4; 474A.061, subdivisions 2a, 2c, 4, and 6; 474A.091, subdivisions 3 and 5; and 474A.131, subdivision 2; repealing Minnesota Statutes 1994, sections 462C.02, subdivision 2; 462C.03, subdivisions 1 and 5; and 462C.04, 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 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

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. 429 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 429: A bill for an act relating to agriculture; extending the sunset date for the farmer-lender mediation act; providing for a study of expansion of the mediation program; amending Laws 1986, chapter 398, article 1, section 18, 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 47 and nays 6, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Kroening	Morse	Sams
Beckman	Frederickson	Laidig	Murphy	Solon
Berglin	Hanson	Langseth	Neuville	Spear
Bertram	Janezich	Larson	Novak	Stumpf
Betzold	Johnson, D.E.	Lesewski	Pariseau	Terwilliger
Chandler	Johnston	Lessard	Pogemiller	Vickerman
Chmielewski	Kelly	Limmer	Price	Wiener
Cohen	Kleis	Marty	Ranum	
Day	Knutson	Metzen	Robertson	
Dille	Krentz	Moe, R.D.	Runbeck	

Those who voted in the negative were:

Berg	Kramer	Merriam	Scheevel	Stevens
Kiscaden				

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. 255 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 255: A bill for an act relating to elevators; regulating persons who may do elevator work; appropriating money; amending Minnesota Statutes 1994, sections 183.355, subdivision 3; 183.357, subdivisions 1, 2, and 4; and 183.358; proposing coding for new law in Minnesota Statutes, chapter 183.

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 9, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Langseth	Novak	Samuelson
Beckman	Janezich	Larson	Oliver	Solon
Bertram	Johnson, D.E.	Lessard	Ourada	Spear
Betzold	Johnston	Marty	Pariseau	Stevens
Chmielewski	Kelly	Metzen	Price	Stumpf
Cohen	Kiscaden	Moe, R.D.	Ranum	Terwilliger
Day	Kleis	Mondale	Riveness	Vickerman
Dille	Knutson	Morse	Robertson	Wiener
Finn	Kroening	Murphy	Rumbeck	
Frederickson	Laidig	Neuville	Sams	

Those who voted in the negative were:

Berg	Chandler	Krentz	Limmer	Scheevel
Berglin	Kramer	Lesewski	Merriam	

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. 734 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 734: A bill for an act relating to telecommunications; regulating the 911 system; imposing requirements on private switch telephone service; imposing a civil penalty; amending Minnesota Statutes 1994, sections 403.02, by adding subdivisions; and 403.04.

Mr. Chandler moved to amend S.F. No. 734 as follows:

Page 1, line 22, delete the first comma and insert "and" and delete the second comma and delete "and other dispersed multiline"

Page 1, delete line 23

Page 1, line 24, delete "capabilities"

Page 2, line 27, delete "July 1" and insert "December 31"

Page 2, line 35, delete "July 1" and insert "December 31"

Page 3, line 4, delete "December 31, 1996" and insert "July 1, 1997"

Page 3, lines 10 and 11, delete "December 31, 1996" and insert "July 1, 1997"

Page 4, line 8, delete "may adopt rules" and insert "shall adopt rules by December 31, 1996,"

Page 4, after line 16, insert:

"Subd. 11. [IMMUNITY FROM LIABILITY.] An operator of a private switch telephone system involved in providing data to a public 911 system shall not be liable for any claim, damage, or loss arising from the provision or nonprovision of 911 service unless the act or omission of the operator proximately caused the damage or loss.

Subd. 12. [CONFIDENTIALITY.] All data provided by operators of private switch telephone service systems to the public 911 system shall be treated as private data on individuals or nonpublic data by the public 911 system pursuant to chapter 13."

The motion prevailed. So the amendment was adopted.

S.F. No. 734 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 11, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Kroening	Mondale	Solon
Beckman	Frederickson	Laidig	Morse	Spear
Belanger	Janezich	Langseth	Murphy	Stevens
Berg	Johnson, D.E.	Larson	Novak	Stumpf
Berglin	Johnston	Lessard	Oliver	Terwilliger
Bertram	Kelly	Limmer	Ourada	Vickerman
Betzold	Kleis	Marty	Pogemiller	Wiener
Chandler	Knutson	Merriam	Price	
Cohen	Kramer	Metzen	Ranum	
Finn	Krentz	Moe, R.D.	Sams	

Those who voted in the negative were:

Chmielewski	Hanson	Lesewski	Pariseau	Runbeck
Day	Kiscaden	Neuville	Robertson	Scheevel
Dille				

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that H.F. No. 1700 be taken from the table. The motion prevailed.

H.F. No. 1700: A bill for an act relating to the organization and operation of state government; appropriating money for the judicial branch, public safety, public defense, corrections, and for other criminal justice agencies and purposes; making changes to various criminal laws and penalties; modifying juvenile justice provisions; amending Minnesota Statutes 1994, sections 2.722, subdivision 1; 3.732, subdivision 1; 16A.285; 43A.18, by adding a subdivision; 120.101, subdivision 1; 120.14; 120.17, subdivisions 5a, 6, and 7; 120.181; 120.73, by adding a subdivision; 124.18, by adding a subdivision; 124.32, subdivision 6; 125.05, by adding a subdivision; 125.09, subdivision 1; 127.20; 127.27, subdivision 10; 145A.05, subdivision 7a; 152.18, subdivision 1; 171.04, subdivision 1; 171.29, subdivision 2; 176.192; 179A.03, subdivision 7; 242.31, subdivision 1; 243.166; 243.23, subdivision 3; 243.51, subdivisions 1 and 3; 243.88, by adding a subdivision; 260.015, subdivision 21; 260.115, subdivision 1; 260.125; 260.126, subdivision 5; 260.131, subdivision 4, and by adding a subdivision; 260.132, subdivisions 1, 4, and by adding a subdivision; 260.155, subdivisions 2 and 4; 260.161, subdivision 3; 260.181, subdivision 4; 260.185, subdivision 6, and by adding subdivisions; 260.191, subdivision 1; 260.193, subdivision 4; 260.195, subdivision 3, and by adding a subdivision; 260.215, subdivision 1; 260.291, subdivision 1; 271.06, subdivision 4; 299A.33, subdivision 3; 299A.35, subdivision 1; 299A.51, subdivision 2; 299C.065, subdivisions 1a, 3, and 3a; 299C.10, subdivision 1, and by adding a subdivision; 299C.62, subdivision 4; 357.021, subdivision 2; 364.09; 388.24, subdivision 4; 401.065, subdivision 3a; 401.10; 466.03, by adding a subdivision; 480.30; 481.01; 494.03; 518.165, by adding subdivisions; 518B.01, subdivisions 2, 4, 8, 14, and by adding a subdivision; 609.055, subdivision 2; 609.101, subdivisions 1, 2, and 3; 609.115, by adding a subdivision; 609.135, by adding a subdivision; 609.1352, subdivisions 1, 3, and 5; 609.152, subdivision 1; 609.19; 609.3451, subdivision 1; 609.485, subdivisions 2 and 4; 609.605, subdivision 4; 609.746, subdivision 1; 609.748, subdivision 3a; 609.749, subdivision 5; 611.27, subdivision 4; 611A.01; 611A.04, subdivision 1; 611A.19, subdivision 1; 611A.31, subdivision 2; 611A.53, subdivision 2; 611A.71, subdivision 7; 611A.73, subdivision 3; 611A.74; 617.23; 624.22; 624.712, subdivision 5; 626.841; 626.843, subdivision 1; 626.861, subdivisions 1 and 4; 628.26; 629.341, subdivision 1; 629.715, subdivision 1; 629.72, subdivisions 1, 2, and 6; 641.14; and 641.15, subdivision 2; Laws 1993, chapter 255, sections 1, subdivisions 1 and 4; and 2; and Laws 1994, chapter 643, section 79, subdivisions 1, 2, and 4; proposing coding for new law in Minnesota Statutes, chapters 8; 16B; 120; 127; 243; 244; 257; 260; 299A; 299C; 299F; 401; 504; 563; 609; 611A; 626; and 629; proposing coding for new law as Minnesota Statutes, chapter 260A; repealing Minnesota Statutes 1994, sections 121.166; 126.25; and 611A.61, subdivision 3; Laws 1994, chapter 576, section 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. 1700 and that the rules of the Senate be so far suspended as to give H.F. No. 1700 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1700 was read the second time.

Mr. Beckman moved to amend H.F. No. 1700 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 1700, and insert the language after the enacting clause, and the title, of S.F. No. 1653, the third engrossment.

The motion prevailed. So the amendment was adopted.

H.F. No. 1700 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 7, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Belanger	Janezich	Larson	Murphy	Robertson
Frederickson	Kiscaden			

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

MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Berglin moved that S.F. No. 801 be taken from the table. The motion prevailed.

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

Mr. Kramer moved to amend S.F. No. 801 as follows:

Page 10, after line 6, insert:

"The reporting requirements of this subdivision shall expire on December 31, 1997. Beginning January 1, 1998, every hospital, medical clinic, medical laboratory, or other facility performing blood lead analysis shall report the results within two working days by telephone, fax, or electronic transmission, with written or electronic confirmation within one month, for capillary or venous blood lead level equal to the level for which reporting is recommended by the Center for Disease Control."

The motion prevailed. So the amendment was adopted.

Mr. Kramer then moved to amend S.F. No. 801 as follows:

Page 9, line 27, after the comma, insert "for a venous blood level greater than five micrograms of lead per deciliter of whole blood,"

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

S.F. No. 801 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:

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

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. 1019: A bill for an act relating to metropolitan government; establishing the metropolitan livable communities fund and providing for fund distribution; reducing the levy authority of the metropolitan mosquito control commission; providing for certain revenue sharing; regulating employee layoffs by the metropolitan mosquito control district; amending Minnesota Statutes 1994, sections 116J.552, subdivision 2; 116J.555, subdivision 2; 116J.556; 473.167, subdivisions 2, 3, and by adding a subdivision; 473.711, subdivision 2; and 473F.08, subdivisions 3a, 5, 7a, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 1994, sections 473.704, subdivision 15; 504.33; 504.34; and 504.35.

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

Page 20, after line 5, insert:

"Sec. 14. [ECONOMIC VITALITY AND HOUSING INITIATIVE.]

Subdivision 1. [ESTABLISHMENT.] The Minnesota housing finance agency may establish an economic vitality and housing initiative to provide funds for affordable housing projects in connection with local communities' economic development and redevelopment efforts. The purpose of the economic vitality and housing initiative is to provide resources for affordable housing in communities throughout the state necessary to ensure the expansion and preservation of the economic base and employment opportunities. The agency must use the economic vitality and housing initiative to leverage to the extent possible private and other public funds for the purpose of this section.

Subd. 2. [GREATER MINNESOTA.] In Greater Minnesota, which is defined for this section as the area of the state not included in subdivision 3, the agency must work with groups in the McKnight initiative fund regions to assist the agency in identifying the affordable housing needed in each region in connection with economic development and redevelopment efforts and in establishing priorities for uses of economic vitality and housing funds. The groups must include the McKnight initiative funds, the regional development commissions, the private industry councils, units of local government, community action agencies, the Minnesota housing partnership network groups, local lenders, for-profit and nonprofit developers, and realtors. In

addition to priorities developed by the group, the agency must give a preference to viable projects in which area employers contribute financial assistance.

Subd. 3. [METROPOLITAN AREA.] In the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, the agency must confer with the metropolitan council to identify the priorities for use of the economic vitality and housing funds. The agency shall give preference to economically viable projects that:

(1) include a contribution of financial resources from units of local government and area employers;

(2) are located in areas accessible to public transportation or served by transportation programs or along arterial roadways;

(3) take into account the availability of job training efforts in the community; and

(4) address local and regional objectives for the development of affordable and life cycle housing and the redevelopment of neighborhoods and communities.

Subd. 4. [EXPIRATION.] This section expires June 30, 1997."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after the semicolon, insert "authorizing an economic vitality and housing initiative;"

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. 230: A bill for an act relating to claims against governmental units; increasing tort liability limits; amending Minnesota Statutes 1994, sections 3.736, subdivision 4; and 466.04, subdivisions 1 and 3.

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

Mr. Merriam from the Committee on Finance, to which was referred

S.F. No. 1562: A bill for an act relating to government finance; limiting the time within which authorized bonds may be issued; proposing coding for new law in Minnesota Statutes, chapter 16A.

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

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

S.F. No. 10: A bill for an act relating to taxation; providing a property tax exemption for federal land used for cottage and camp purposes; amending Minnesota Statutes 1994, section 272.02, subdivision 1.

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

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

S.F. No. 467: A bill for an act relating to metropolitan government; providing for coordination and consolidation of public safety radio communications systems; providing governance and finance of the state and regional elements of a regionwide public safety radio communication system; extending the public safety channel moratorium; authorizing the use of 911 emergency telephone service fees for costs of the regionwide public safety radio communication system; authorizing the issuance of bonds by the metropolitan council; abolishing the metropolitan radio

board on a certain date and transferring its duties and responsibilities; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 473.

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

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

S.F. No. 1319: A bill for an act relating to taxation; property tax; extending the availability of valuation exclusions for certain improvements made to property in 1992; amending Laws 1993, chapter 375, article 5, section 44.

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

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

S.F. No. 1419: A bill for an act relating to taxation; corporate franchise tax; modifying the sales factor for leases of certain mobile equipment; amending Minnesota Statutes 1994, section 290.191, subdivisions 5 and 6.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 290.191, subdivision 1, is amended to read:

Subdivision 1. [GENERAL RULE.] (a) Except as otherwise provided in section 290.17, subdivision 5, the net income from a trade or business carried on partly within and partly without this state must be apportioned to this state as provided in this section.

(b) For purposes of this section, "state" means a state of the United States, the District of Columbia, the commonwealth of Puerto Rico, or any territory or possession of the United States or any foreign country.

(c) For purposes of this section, "commercial domicile" means the headquarters of the trade or business, that is, the place from which the trade or business is principally managed and directed. If a taxpayer is organized under the laws of a foreign country, or of the Commonwealth of Puerto Rico, or any territory or possession of the United States, the taxpayer's commercial domicile is the state that the taxpayer has declared to be its home state under the International Banking Act of 1978; or, if the taxpayer has not made such a declaration or is not required to make such a declaration, its commercial domicile for the purpose of this section is the state of the United States or the District of Columbia to which the greatest number of employees are regularly connected or out of which they are working, irrespective of where the services of the employees are performed, as of the last day of the taxable year.

Sec. 2. Minnesota Statutes 1994, section 290.191, subdivision 5, is amended to read:

Subd. 5. [DETERMINATION OF SALES FACTOR.] For purposes of this section, the following rules apply in determining the sales factor.

(a) The sales factor includes all sales, gross earnings, or receipts received in the ordinary course of the business, except that the following types of income are not included in the sales factor:

(1) interest;

(2) dividends;

(3) sales of capital assets as defined in section 1221 of the Internal Revenue Code;

(4) sales of property used in the trade or business, except sales of leased property of a type which is regularly sold as well as leased;

(5) sales of debt instruments as defined in section 1275(a)(1) of the Internal Revenue Code or sales of stock; and

(6) royalties, fees, or other like income of a type which qualify for a subtraction from federal taxable income under section 290.01, subdivision 19(d)(11).

(b) Sales of tangible personal property are made within this state if the property is received by a purchaser at a point within this state, and the taxpayer is taxable in this state, regardless of the f.o.b. point, other conditions of the sale, or the ultimate destination of the property.

(c) Tangible personal property delivered to a common or contract carrier or foreign vessel for delivery to a purchaser in another state or nation is a sale in that state or nation, regardless of f.o.b. point or other conditions of the sale.

(d) Notwithstanding paragraphs (b) and (c), when intoxicating liquor, wine, fermented malt beverages, cigarettes, or tobacco products are sold to a purchaser who is licensed by a state or political subdivision to resell this property only within the state of ultimate destination, the sale is made in that state.

(e) Sales made by or through a corporation that is qualified as a domestic international sales corporation under section 992 of the Internal Revenue Code are not considered to have been made within this state.

(f) Sales, rents, royalties, and other income in connection with real property is attributed to the state in which the property is located.

(g) Receipts from the lease or rental of tangible personal property, including finance leases and true leases, must be attributed to this state if the property is located in this state and to other states if the property is not located in this state. Receipts from the lease or rental of moving property including, but not limited to, motor vehicles, rolling stock, aircraft, vessels, or mobile equipment is located in this state if are included in the numerator of the receipts factor to the extent that the property is used in this state. The extent of the use of moving property is determined as follows:

(1) the operation of the property is entirely within this state; or A motor vehicle is used wholly in the state in which it is registered.

(2) the operation of the property is in two or more states and the principal base of operations from which the property is sent out is in this state The extent that rolling stock is used in this state is determined by multiplying the receipts from the lease or rental of the rolling stock by a fraction, the numerator of which is the miles traveled within this state by the leased or rented rolling stock and the denominator of which is the total miles traveled by the leased or rented rolling stock.

(3) The extent that an aircraft is used in this state is determined by multiplying the receipts from the lease or rental of the aircraft by a fraction, the numerator of which is the number of landings of the aircraft in this state and the denominator of which is the total number of landings of the aircraft.

(4) The extent that a vessel, mobile equipment, or other mobile property is used in the state is determined by multiplying the receipts from the lease or rental of the property by a fraction, the numerator of which is the number of days during the taxable year the property was in this state and the denominator of which is the total days in the taxable year.

(h) Royalties and other income not described in paragraph (a), clause (6), received for the use of or for the privilege of using intangible property, including patents, know-how, formulas, designs, processes, patterns, copyrights, trade names, service names, franchises, licenses, contracts, customer lists, or similar items, must be attributed to the state in which the property is used by the purchaser. If the property is used in more than one state, the royalties or other income must be apportioned to this state pro rata according to the portion of use in this state. If the portion of use in this state cannot be determined, the royalties or other income must be excluded from both the numerator and the denominator. Intangible property is used in this state if the purchaser uses the intangible property or the rights therein in the regular course of its business operations in this state, regardless of the location of the purchaser's customers.

(i) Sales of intangible property are made within the state in which the property is used by the purchaser. If the property is used in more than one state, the sales must be apportioned to this state pro rata according to the portion of use in this state. If the portion of use in this state cannot be

determined, the sale must be excluded from both the numerator and the denominator of the sales factor. Intangible property is used in this state if the purchaser used the intangible property in the regular course of its business operations in this state.

(j) Receipts from the performance of services must be attributed to the state ~~in which the benefits of where the services are consumed received. If the benefits are consumed in more than one state, the receipts from those benefits must be apportioned to this state pro rata according to the portion of the benefits consumed in this state.~~ For the purposes of this section, services provided to a corporation, partnership, or trust may only be attributed to a state where it has a fixed place of doing business. If the extent to which the benefits of services are consumed in this state in which the services are received is not readily determinable, the ~~benefits of the services shall be~~ are deemed to be consumed received at the location of the office of the customer from which the services were ordered in the regular course of the customer's trade or business. If the ordering office cannot be determined, ~~the benefits of the services shall be~~ are deemed to be consumed received at the office of the customer to which the services are billed.

Sec. 3. Minnesota Statutes 1994, section 290.191, subdivision 6, is amended to read:

Subd. 6. [DETERMINATION OF RECEIPTS FACTOR FOR FINANCIAL INSTITUTIONS.]

(a) For purposes of this section, the rules in this subdivision ~~and subdivisions 7 and 8~~ apply in determining the receipts factor for financial institutions.

(b) "Receipts" for this purpose means gross income, including net taxable gain on disposition of assets, including securities and money market instruments, when derived from transactions and activities in the regular course of the taxpayer's trade or business.

(c) "Money market instruments" means federal funds sold and securities purchased under agreements to resell, commercial paper, banker's acceptances, and purchased certificates of deposit and similar instruments to the extent that the instruments are reflected as assets under generally accepted accounting principles.

(d) "Securities" means United States Treasury securities, obligations of United States government agencies and corporations, obligations of state and political subdivisions, corporate stock and other securities, participations in securities backed by mortgages held by United States or state government agencies, loan-backed securities and similar investments to the extent the investments are reflected as assets under generally accepted accounting principles.

(e) Receipts from the lease or rental of real or tangible personal property, including both finance leases and true leases, must be attributed to this state if the property is located in this state. Receipts from the lease or rental of tangible personal property that is characteristically moving property, such as including, but not limited to, motor vehicles, rolling stock, aircraft, vessels, or mobile equipment, and the like, is considered to be located in a state if are included in the numerator of the receipts factor to the extent that the property is used in this state. The extent of the use of moving property is determined as follows:

(1) the operation of the property is entirely within the state; or A motor vehicle is used wholly in the state in which it is registered.

(2) the operation of the property is in two or more states, but the principal base of operations from which the property is sent out is in the state The extent that rolling stock is used in this state is determined by multiplying the receipts from the lease or rental of the rolling stock by a fraction, the numerator of which is the miles traveled within this state by the leased or rented rolling stock and the denominator of which is the total miles traveled by the leased or rented rolling stock.

(3) The extent that an aircraft is used in this state is determined by multiplying the receipts from the lease or rental of the aircraft by a fraction, the numerator of which is the number of landings of the aircraft in this state and the denominator of which is the total number of landings of the aircraft.

(4) The extent that a vessel, mobile equipment, or other mobile property is used in the state is determined by multiplying the receipts from the lease or rental of property by a fraction, the numerator of which is the number of days during the taxable year the property was in this state and the denominator of which is the total days in the taxable year.

(f) Interest income and other receipts from assets in the nature of loans that are secured primarily by real estate or tangible personal property must be attributed to this state if the security property is located in this state under the principles stated in paragraph (e).

(g) Interest income and other receipts from consumer loans not secured by real or tangible personal property that are made to residents of this state, whether at a place of business, by traveling loan officer, by mail, by telephone or other electronic means, must be attributed to this state.

(h) Interest income and other receipts from commercial loans and installment obligations that are unsecured by real or tangible personal property or secured by intangible property must be attributed to this state if the ~~proceeds of the loan are to be applied in this state. If it cannot be determined where the funds are to be applied, the income and receipts are attributed to the state in which the office of the borrower from which the application would be made in the regular course of business is located. If this cannot be determined, the transaction is disregarded in the apportionment formula~~ borrower's commercial domicile is located in this state.

(i) Interest income and other receipts from a participating financial institution's portion of participation and syndication loans must be attributed under paragraphs (e) to (h). A participation loan is an arrangement in which a lender makes a loan to a borrower and then sells, assigns, or otherwise transfers all or a part of the loan to a purchasing financial institution. A syndication loan is a loan transaction involving multiple financial institutions in which all the lenders are named as parties to the loan documentation, are known to the borrower, and have privity of contract with the borrower.

(j) Interest income and other receipts including service charges from financial institution credit card and travel and entertainment credit card receivables and credit card holders' fees must be attributed to the state to which the card charges and fees are regularly billed.

(k) The receipts factor includes net gains (but not less than zero) from the sale of credit card receivables, the numerator of which is determined by multiplying the net gains by a fraction, the numerator of which is the amount in the numerator of the receipts factor under paragraph (j) and the denominator of which is the taxpayer's total amount of interest and fees or penalties in the nature of interest from credit card receivables and fees charged to cardholders.

(1) The receipts factor includes all credit card issuer's reimbursement fees, the numerator of which is determined by multiplying the reimbursement fees by a fraction, the numerator of which is the amount included in the numerator of the receipts factor under paragraph (j) and the denominator of which is the total amount of interest and fees or penalties in the nature of interest from credit card receivables and fees charged to cardholders.

(m) Merchant discount income derived from financial institution credit card holder transactions with a merchant must be attributed to the state in which the merchant is located. In the case of merchants located within and outside the state, only receipts from merchant discounts attributable to sales made from locations within the state are attributed to this state. It is presumed, subject to rebuttal, that the location of a merchant is the address shown on the invoice submitted by the merchant to the taxpayer of the merchant's commercial domicile.

(n) The receipts from the servicing of loans are included in the receipts factor and are attributed to this state as follows:

(1) The numerator of the receipts factor includes loan servicing fees derived from loans secured by real estate or tangible personal property multiplied by a fraction, the numerator of which is the amount included in the numerator of the receipts factor under paragraph (f) and the denominator of which is the total amount of interest and fees or penalties in the nature of interest from loans secured by real estate and tangible personal property.

(2) The numerator of the receipts factor includes loan servicing fees derived from consumer loans not secured by real estate or tangible personal property multiplied by a fraction, the numerator of which is the amount included in the numerator of the receipts factor under paragraph (g) and the denominator of which is the total amount of interest and fees or penalties in the nature of interest from loans not secured by real estate and tangible personal property.

(3) The numerator of the receipts factor includes loan servicing fees derived from commercial loans and installment obligations that are unsecured by real or tangible personal property or secured by intangible property multiplied by a fraction, the numerator of which is the amount included in the numerator of the receipts factor under paragraph (h) and the denominator of which is the total amount of interest and fees or penalties in the nature of interest from commercial loans and installment obligations that are unsecured by real or tangible personal property or secured by intangible property.

(4) The numerator of the receipts factor includes loan servicing fees derived from financial institution credit card and travel and entertainment credit card receivables and credit cardholders' fees multiplied by a fraction, the numerator of which is the amount included in the numerator of the receipts factor under paragraph (j) and the denominator of which is the total amount of interest and fees or penalties in the nature of interest from financial institution credit card and travel and entertainment credit card receivables and credit cardholders' fees.

(5) If the taxpayer receives loan servicing fees for servicing either the secured or the unsecured loans of the unrelated third party, the receipts are attributed under the principles in paragraph (o).

~~(4)~~ (o) Receipts from the performance of fiduciary and other services must be attributed to the state in which the benefits of the services are consumed received. If the benefits are consumed in more than one state, the receipts from those benefits must be apportioned to this state pro rata according to the portion of the benefits consumed in this state. For the purposes of this section, services provided to a corporation, partnership, or trust may only be attributed to a state in which it has a fixed place of doing business. If the extent to which the benefits of services are consumed in this state where the services are received is not readily determinable, the benefits of the services shall be deemed to be consumed received at the location of the office of the customer from which the services were ordered in the regular course of the customer's trade or business. If the ordering office cannot be determined, the benefits of the services shall be deemed to be consumed received at the office of the customer to which the services are billed.

~~(m)~~ (p) Receipts from the issuance of travelers checks and money orders must be attributed to the state in which the checks and money orders are purchased.

~~(n)~~ (q) Receipts from investments of a financial institution in securities and from money market instruments must be apportioned to this state based on the ratio that total deposits from this state, its residents, including any business with an office or other place of business in this state, its political subdivisions, agencies, and instrumentalities bear to the total deposits from all states, their residents, their political subdivisions, agencies, and instrumentalities. In the case of an unregulated financial institution subject to this section, these receipts are apportioned to this state based on the ratio that its gross business income, excluding such receipts, earned from sources within this state bears to gross business income, excluding such receipts, earned from sources within all states. For purposes of this subdivision, deposits made by this state, its residents, its political subdivisions, agencies, and instrumentalities must be attributed to this state, whether or not the deposits are accepted or maintained by the taxpayer at locations are attributed to this state if the investments are properly assigned to a regular place of business of the taxpayer within this state.

The taxpayer has the burden of proving that investments of a financial institution in securities and from money market instruments are properly assigned to a regular place of business outside this state. Where the day-to-day decisions regarding an investment occur at more than one regular place of business, the investment is considered to be located at the regular place of business of the taxpayer where the investment or trading policies and guidelines with respect to the investment are established.

~~(o)~~ (r) A financial institution's interest in property described in section 290.015, subdivision 3, paragraph (b), is included in the receipts factor in the same manner as assets in the nature of securities or money market instruments are included in paragraph (n) (q).

Sec. 4. Minnesota Statutes 1994, section 290.191, subdivision 11, is amended to read:

Subd. 11. [FINANCIAL INSTITUTIONS; PROPERTY FACTOR.] (a) For financial institutions, the property factor includes, as well as tangible property, intangible property as set forth in this subdivision.

(b) Intangible personal property must be included at its tax basis for federal income tax purposes.

(c) Goodwill must not be included in the property factor.

(d) Coin and currency located in this state must be attributed to this state must not be included in the property factor.

(e) Lease financing receivables must be attributed to this state if and to the extent that the property is located the receivables are properly assigned to a regular place of business of the taxpayer within this state.

(f) Assets in the nature of loans that are secured by real or tangible personal property must be attributed to this state if and to the extent that the security property is located the loans are properly assigned to a regular place of business of the taxpayer within this state.

(g) Assets in the nature of consumer loans and installment obligations that are unsecured or secured by intangible property must be attributed to this state if the loan was made to a resident of this state.

(h) Assets in the nature of commercial loan and installment obligations that are unsecured by real or tangible personal property or secured by intangible property must be attributed to this state if the proceeds of the loan are to be applied in this state. If it cannot be determined where the funds are to be applied, the assets must be attributed to the state in which there is located the office of the borrower from which the application would be made in the regular course of business. If this cannot be determined, the transaction is disregarded in the apportionment formula.

(i) A participating financial institution's portion of participation and syndication loans must be attributed under paragraphs (e) to (h) and (f).

(j) (h) Financial institution credit card and travel and entertainment credit card receivables must be attributed to the state to which the credit card charges and fees are regularly billed if the receivables are properly assigned to a regular place of business of the taxpayer within the state.

(k) (i) Receivables arising from merchant discount income derived from financial institution credit card holder transactions with a merchant are attributed to the state in which the merchant is located. In the case of merchants located within and without the state, only receivables from merchant discounts attributable to sales made from locations within the state are attributed to this state. It is presumed, subject to rebuttal, that the location of a merchant is the address shown on the invoice submitted by the merchant to the taxpayer if the receivables are properly assigned to a regular place of business of the taxpayer within the state.

(l) (j) Assets in the nature of securities and money market instruments are apportioned to this state based upon the ratio that total deposits from this state, its residents, its political subdivisions, agencies and instrumentalities bear to the total deposits from all states, their residents, their political subdivisions, agencies and instrumentalities. In the case of an unregulated financial institution, the assets are apportioned to this state based upon the ratio that its gross business income earned from sources within this state bears to gross business income earned from sources within all states. For purposes of this paragraph, deposits made by this state, its residents, its political subdivisions, agencies, and instrumentalities are attributed to this state, whether or not the deposits are accepted or maintained by the taxpayer at locations within this state must not be included in the property factor.

(m) (k) A financial institution's interest in any property described in section 290.015, subdivision 3, paragraph (b), is included in the property factor in the same manner as assets in the nature of securities or money market instruments are included under paragraph (l) must not be included in the property factor.

(l) For the purposes of paragraphs (e) to (i), loan assets and receivables are properly assigned in this state if the preponderance of substantive contact occurred in this state. In determining where the preponderance of substantive contact occurred, the following consideration should be given:

(1) solicitation;

(2) investigation;

(3) negotiation;

(4) approval; and

(5) administration.

Sec. 5. [REPEALER.]

Minnesota Statutes 1994, section 290.191, subdivision 8, is repealed.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective for taxable years beginning after December 31, 1994."

Delete the title and insert:

"A bill for an act relating to corporate franchise taxation; modifying the definition of apportionment factors; amending Minnesota Statutes 1994, section 290.191, subdivisions 1, 5, 6, and 11; repealing Minnesota Statutes 1994, section 290.191, subdivision 8."

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

H.F. No. 1567: A bill for an act relating to public funds; regulating the deposit and investment of these funds, and agreements related to these funds; requiring a study; amending Minnesota Statutes 1994, section 6.745; proposing coding for new law as Minnesota Statutes, chapter 118A; repealing Minnesota Statutes 1994, sections 118.005; 118.01; 118.02; 118.08; 118.09; 118.10; 118.11; 118.12; 118.13; 118.14; 118.16; 124.05; 471.56; 475.66; and 475.76.

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

Page 8, after line 23, insert:

"Sec. 8. [118A.07] [ADDITIONAL INVESTMENT AUTHORITY.]

Subdivision 1. [AUTHORITY PROVIDED.] As used in this section, "governmental entity" means a city with a population in excess of 200,000 or a county that contains a city of that size. If a governmental entity meets the requirements of subdivisions 2 and 3, it may exercise additional investment authority under subdivisions 4, 5, and 6.

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

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

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

(3) the final maturity of any individual security;

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

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

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

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

Subd. 3. [OVERSIGHT PROCESS.] Prior to exercising any authority under subdivisions 4, 5, and 6, the governmental entity must establish an oversight process that provides for review of the government entity's investment strategy and the composition of the financial portfolio. This process shall include one or more of the following:

- (1) audit reviews;
- (2) internal or external investment committee reviews; and
- (3) internal management control.

Additionally, the governing body of the governmental entity must, by resolution, authorize its treasurer to utilize the additional authorities under this section within their prescribed limits, and in conformance with the written limitations, policies, and procedures of the governmental entity.

If the governing body of a governmental entity exercises the authority provided in this section, the treasurer of the governmental entity must annually report to the governing body on the findings of the oversight process required under this subdivision. If the governing body intends to continue to exercise the authority provided in this section for the following calendar year, it must adopt a resolution affirming that intention by December 1.

Subd. 4. [REPURCHASE AGREEMENTS.] A government entity may enter into repurchase agreements as authorized under section 118A.05, provided that the exclusion of mortgage-backed securities defined as "high risk mortgage-backed securities" under section 118A.04, subdivision 6, shall not apply to repurchase agreements under this authority if the margin requirements is 101 percent or more.

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

- (1) meet cash flow needs; or
- (2) generate cash for investments, provided that the total securities owned shall be limited to an amount not to exceed 120 percent of the annual daily average of general investable monies for the fiscal year as disclosed in the most recently available audited financial report. Excluded from this limit are:
 - (i) securities with maturities of one year or less; and
 - (ii) securities that have been reversed to maturity.

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

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

Sec. 9. Minnesota Statutes 1994, section 356A.06, is amended by adding a subdivision to read:

Subd. 8a. [COLLATERALIZATION REQUIREMENT.] (a) The governing board of a covered pension plan shall designate a national bank, an insured state bank, an insured credit union, or an insured thrift institution as the depository for the pension plan for assets not held by the pension plan's custodian bank.

(b) Unless collateralized as provided under paragraph (c), a covered pension plan may not deposit in a designated depository an amount in excess of the insurance held by the depository in the federal deposit insurance corporation, the federal savings and loan insurance corporation, or the national credit union administration, whichever applies.

(c) For an amount greater than the insurance under paragraph (b), the depository must provide collateral in compliance with section 118A.03.

Sec. 10. Minnesota Statutes 1994, section 356A.06, is amended by adding a subdivision to read:

Subd. 8b. [DISCLOSURE OF INVESTMENT AUTHORITY; RECEIPT OF STATEMENT.]

(a) For this subdivision, the term "broker" means a broker, broker-dealer, investment advisor, investment manager or third party agent who transfers, purchases, sells, or obtains investment securities for, or on behalf of, a covered pension plan.

(b) Before a covered pension plan may complete an investment transaction with or in accord with the advice of a broker, the covered pension plan shall provide annually to the broker a written statement of investment restrictions applicable under state law to the covered pension plan or applicable under pension plan governing board investment policy.

(c) A broker must acknowledge in writing annually the receipt of the statement of investment restrictions and must agree to handle the covered pension plan's investments and assets in accord with the provided investment restrictions. A covered pension plan may not enter into or continue a business arrangement with a broker until the broker has provided this written acknowledgment to the chief administrative officer of the covered pension plan."

Page 8, line 25, delete "10" and insert "13"

Page 9, line 9, delete "10" and insert "13"

Page 9, line 10, delete "9" and insert "12"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "section" and insert "sections" and before the semicolon, insert "; and 356A.06, by adding subdivisions"

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. 277: A bill for an act relating to property taxes; providing for the equalization of tax bases for governmental units throughout the metropolitan area; amending Minnesota Statutes 1994, sections 469.177, subdivision 3; 473F.02, subdivisions 7, 8, 13, 14, and 15; 473F.07; and 473F.08, subdivisions 2, 3, 4, 5, and 6; repealing Minnesota Statutes 1994, sections 473F.02, subdivision 12; 473F.06; and 473F.08, subdivision 8a.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 473F.02, subdivision 8, is amended to read:

Subd. 8. [MUNICIPALITY.] "Municipality" means a city, town, or township located in whole or part within the area, but not the cities of New Prague or Northfield. If a municipality is located partly within and partly without the area, the references in sections 473F.01 to 473F.13 to property or any portion thereof subject to taxation or taxing jurisdiction within the municipality are to such property or portion thereof as is located in that portion of the municipality within the area, except that the fiscal capacity of such a municipality shall be computed upon the basis of the valuation and population of the entire municipality.

~~A municipality shall be excluded from the area if its municipal comprehensive zoning and planning policies conscientiously exclude most commercial industrial development, for reasons other than preserving an agricultural use. The metropolitan council and the commissioner of revenue shall jointly make this determination annually and shall notify those municipalities that are ineligible to participate in the tax base sharing program provided in this chapter for the following year.~~

Sec. 2. Minnesota Statutes 1994, section 473F.02, is amended by adding a subdivision to read:

Subd. 25. [EXCESS HOMESTEAD NET TAX CAPACITY.] "Excess homestead net tax capacity" is the net tax capacity on that portion of class 1 or class 2a property over \$200,000 market value. In the case of class 2a property, only the net tax capacity of the house, garage, and one acre of land over \$200,000 market value is considered excess homestead net tax capacity.

Sec. 3. Minnesota Statutes 1994, section 473F.02, is amended by adding a subdivision to read:

Subd. 26. [CONTRIBUTION NET TAX CAPACITY.] Each municipality's "contribution net tax capacity" is equal to 40 percent of the increase in net capacity as certified under section 473F.06, plus the amount of excess homestead growth net tax capacity certified under section 473F.05.

Sec. 4. Minnesota Statutes 1994, section 473F.02, is amended by adding a subdivision to read:

Subd. 27. [CONTRIBUTION PERCENTAGE.] Each municipality's "contribution percentage" is that portion of its contribution net tax capacity attributable to commercial-industrial property divided by the municipality's total preceding year's net tax capacity of commercial-industrial property, determined without regard to section 469.177, subdivision 3.

Sec. 5. Minnesota Statutes 1994, section 473F.02, is amended by adding a subdivision to read:

Subd. 28. [EXCESS HOMESTEAD GROWTH NET TAX CAPACITY.] "Excess homestead growth net tax capacity" for a municipality is its excess homestead net tax capacity for the current year minus its excess homestead net tax capacity for taxes assessed in 1994, payable in 1995. A municipality's excess homestead growth net tax capacity cannot be less than zero.

Sec. 6. Minnesota Statutes 1994, section 473F.05, is amended to read:

473F.05 [NET TAX CAPACITY.]

On or before August 5 of each year, the assessors within each county in the area shall determine and certify to the county auditor the excess homestead net tax capacity, the excess homestead growth net tax capacity, and the net tax capacity in that year of commercial-industrial property subject to taxation within each municipality in the county, determined without regard to section 469.177, subdivision 3.

Sec. 7. Minnesota Statutes 1994, section 473F.07, subdivision 1, is amended to read:

Subdivision 1. [AREAWIDE NET TAX CAPACITY.] Each county auditor shall certify the determinations under sections 473F.05 and 473F.06 to the administrative auditor on or before August 1 of each year.

The administrative auditor shall determine an amount equal to 40 percent of the sum of the amounts certified under section 473F.06 contribution net tax capacities for all municipalities in the area. The resulting amount shall be known as the "areawide net tax capacity for(year)."

Sec. 8. Minnesota Statutes 1994, section 473F.08, subdivision 2, is amended to read:

Subd. 2. [COMPUTATION OF NET TAX CAPACITY.] The net tax capacity of a governmental unit is its net tax capacity, as determined in accordance with other provisions of law including section 469.177, subdivision 3, subject to the following adjustments:

(a) There shall be subtracted from its net tax capacity its excess homestead growth net tax capacity, plus, in each municipality in which the governmental unit exercises ad valorem taxing jurisdiction, an amount which bears the same proportion to 40 percent of the amount certified in that year under sections 473F.06 and 473F.07 for the municipality as the total preceding year's net tax capacity of commercial-industrial property which is subject to the taxing jurisdiction of the governmental unit within the municipality, determined without regard to section 469.177, subdivision 3, bears to equal to the municipality's contribution percentage times the total preceding year's net tax capacity of commercial-industrial property within the jurisdiction and within the municipality, determined without regard to section 469.177, subdivision 3;

(b) There shall be added to its net tax capacity, in each municipality in which the governmental unit exercises ad valorem taxing jurisdiction, an amount which bears the same proportion to the areawide net tax capacity for the year attributable to that municipality as the total preceding year's net tax capacity of residential property which is subject to the taxing jurisdiction of the governmental unit within the municipality bears to the total preceding year's net tax capacity of residential property of the municipality.

Sec. 9. Minnesota Statutes 1994, section 473F.08, subdivision 6, is amended to read:

Subd. 6. [APPLICATION TO COMMERCIAL-INDUSTRIAL PROPERTY.] The areawide tax rate determined in accordance with subdivision 5 shall apply to that portion of the net tax capacity of each commercial-industrial property subject to taxation within a municipality, including property located within any tax increment financing district, as defined in section 469.174, subdivision 9, to that portion of the net tax capacity of the item which bears the same proportion to its total net tax capacity as 40 percent of the amount determined under sections 473F.06 and 473F.07 is to the amount determined under section 473F.05 equal to the municipality's contribution percentage. The tax rate determined in accordance with subdivision 4 shall apply in the taxation of the remainder of the net tax capacity of the item property.

Sec. 10. Minnesota Statutes 1994, section 473F.08, is amended by adding a subdivision to read:

Subd. 6a. [APPLICATION TO HOMESTEAD PROPERTY.] Each county assessor shall determine each municipality's "excess homestead areawide ratio" as the excess homestead growth net tax capacity reported under section 473F.05 divided by the excess homestead net tax capacity for the current year. The areawide tax rate determined under subdivision 5 shall apply to that portion of the excess homestead net tax capacity of each homestead property in the municipality equal to the excess homestead areawide ratio. The tax rate determined in accordance with subdivision 4 shall apply in the taxation of the remainder of the net tax capacity of the property.

Sec. 11. Minnesota Statutes 1994, section 473F.08, subdivision 8a, is amended to read:

Subd. 8a. [FISCAL DISPARITIES ADJUSTMENT.] In any year in which the highest class rate for class 3a property changes from the rate in the previous year, the following adjustments shall be made to the procedures described in sections 473F.06 to 473F.08.

(1) An initial contribution tax capacity shall be determined for each municipality based on the previous year's class rates.

(2) Each jurisdiction's distribution tax capacity shall be determined based upon the areawide tax base determined by summing the tax capacities computed under clause (1) for all municipalities and apportioning the resulting sum pursuant to section 473F.07, subdivision 5.

(3) Each jurisdiction's distribution levy shall be determined by applying the procedures described in subdivision 3, clause (a), to the distribution tax capacity determined pursuant to clause (2).

(4) Each municipality's final contribution tax capacity shall be determined equal to as its excess homestead growth net tax capacity plus that portion of its initial contribution tax capacity attributable to commercial-industrial property multiplied by the ratio of the new highest class rate for class 3a property to the previous year's highest class rate for class 3a property.

(5) For the purposes of computing education aids and any other state aids requiring the addition of the fiscal disparities distribution tax capacity to the local tax capacity, each municipality's final distribution tax capacity shall be determined equal to its initial distribution tax capacity multiplied by the ratio of the new highest class rate for class 3a property to the previous year's highest class rate for class 3a property areawide total final contribution tax capacity to the areawide total initial contribution net tax capacity.

(6) The areawide tax rate shall be determined by dividing the sum of the amounts determined in clause (3) by the sum of the values determined in clause (4).

(7) The final contribution tax capacity determined in clause (4) shall also be used to determine the portion of each commercial/industrial property's tax capacity subject to the areawide tax rate pursuant to subdivision 6.

Sec. 12. [CONFLICTING PROVISIONS.]

If a bill designated as H.F. No. 1156 is enacted into law, and if that bill dedicates a portion of a municipality's net tax capacity to providing revenues for specific purposes, then "excess homestead growth net tax capacity," as defined in section 5, must exclude any net tax capacity dedicated to a specific purpose by H.F. No. 1156.

Sec. 13. [PROPERTY TAX RELIEF REQUIREMENT.]

Subdivision 1. For the purposes of this section, "net distribution net tax capacity" means a jurisdiction's distribution net tax capacity minus its contribution net tax capacity, determined under Minnesota Statutes, section 473F.07.

Subd. 2. For purposes of this section, "tax rate reduction percentage" means 50 percent of (a) the difference between its net distribution net tax capacity for taxes payable in 1997 compared to taxes payable in 1996, (b) divided by its net tax capacity for taxes payable in 1996, after adjustment for its contribution and distribution net tax capacities under Minnesota Statutes, section 473F.07, and for the captured value of tax increment financing districts as defined in Minnesota Statutes, section 469.177, subdivision 2.

Subd. 3. For taxes payable in 1997 only, any county, city, or town which has a net distribution net tax capacity which is both greater than zero and greater than its net distribution net tax capacity for taxes payable in 1996 may not certify a levy for taxes payable in 1997 that causes its tax rate to exceed its tax rate for taxes payable in 1996, reduced by its tax rate reduction percentage.

Sec. 14. [APPLICATION.]

Sections 1 to 11 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 15. [EFFECTIVE DATE.]

This act is effective for taxes payable in 1997 and subsequent years."

Delete the title and insert:

"A bill for an act relating to property taxation; including certain homestead property value in the areawide tax base; subjecting certain homestead property value to the areawide tax rate; amending Minnesota Statutes 1994, sections 473F.02, subdivision 8, and by adding subdivisions; 473F.05; 473F.07, subdivision 1; and 473F.08, subdivisions 2, 6, 8a, and by adding a subdivision."

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. 980 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.
				980	1564

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 980 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 980 and insert the language after the enacting clause of S.F. No. 1564, the second engrossment; further, delete the title of H.F. No. 980 and insert the title of S.F. No. 1564, the second engrossment.

And when so amended H.F. No. 980 will be identical to S.F. No. 1564, and further recommends that H.F. No. 980 be given its second reading and substituted for S.F. No. 1564, and that the Senate File be indefinitely postponed.

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1019, 230, 1562, 10, 467, 1319, 1419 and 277 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1567 and 980 were read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Frederickson moved that the name of Mr. Merriam be added as a co-author to S.F. No. 875. The motion prevailed.

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

Ms. Reichgott Junge, Mr. Kramer and Ms. Robertson introduced--

Senate Resolution No. 63: A Senate resolution honoring Robbinsdale District 281 Drama Department as a recipient of the Children's Theatre Foundation of America Medallion Award.

Referred to the Committee on Rules and Administration.

MEMBERS EXCUSED

Ms. Piper was excused from the Session of today. Mr. Novak was excused from the Session of today from 2:15 to 2:40 p.m. Ms. Pappas was excused from the Session of today from 2:15 to 2:35 and at 3:00 p.m. Mrs. Pariseau was excused from the Session of today from 2:15 to 2:35 p.m. Mr. Janezich was excused from the Session of today from 3:30 to 4:15 p.m. Ms. Johnson, J.B. was excused from the Session of today at 4:45 p.m. Mr. Samuelson was excused from the Session of today at 5:00 p.m. Mr. Sams was excused from the Session of today from 2:20 to 2:30 p.m. Ms. Olson was excused from the Session of today from 4:15 to 5:20 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Thursday, May 4, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTY-THIRD DAY

St. Paul, Minnesota, Thursday, May 4, 1995

The Senate met at 9:00 a.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, Dr. Gary W. Klingsporn.

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

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

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.

CERTIFICATION

May 3, 1995

To the Governor
State of Minnesota

To the Senate
State of Minnesota

To the House of Representatives
State of Minnesota

This is to certify that the House of Representatives and the Senate in Joint Convention on

Wednesday, May 3, 1995, have elected as members of the Board of Regents of the University of Minnesota the following members each to hold his or her respective office for the term specified for each from 1995:

Jean Keffeler, Fifth Congressional District, Six Years

Jessica Phillips, At-Large Student, Six Years

Patricia Spence, At-Large, Six Years

Warren Larson, At-Large, Six Years

Allan H. Spear
President of the Senate

Irv Anderson
Speaker of the House
of Representatives

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Betzold moved that the following members be excused for a Conference Committee on H.F. No. 5 at 9:00 a.m.:

Messrs. Samuelson, Betzold, Meses. Hanson, Piper and Robertson. The motion prevailed.

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. 992: A bill for an act relating to health; reinstating certain advisory councils and a task force; amending Minnesota Statutes 1994, section 326.41.

Senate File No. 992 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 3, 1995

Ms. Kiscaden moved that the Senate do not concur in the amendments by the House to S.F. No. 992, 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 adopted the recommendation and report of the Conference Committee on Senate File No. 308, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 308: A bill for an act relating to crime prevention; authorizing special registration plates for certain persons subject to an impoundment order; expanding the definition of prior license revocation; amending Minnesota Statutes 1994, sections 168.042, subdivision 8; and 169.121, subdivision 3.

Senate File No. 308 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 3, 1995

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1742 and 1573.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 3, 1995

FIRST READING OF HOUSE BILLS

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

H.F. No. 1742: A bill for an act relating to health; insurance; providing for certain breast cancer coverage; proposing coding for new law in Minnesota Statutes, chapter 62A.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1590.

H.F. No. 1573: A bill for an act relating to financial institutions; regulating savings banks; modifying and clarifying statutory provisions relating to the structure and functions of savings banks; making technical changes; amending Minnesota Statutes 1994, sections 9.031, subdivision 8; 46.047, subdivision 2; 47.01, subdivisions 2 and 3; 47.015, subdivision 1; 47.02; 47.10, subdivision 1; 47.12; 47.20, subdivisions 1 and 9; 47.201, subdivision 1; 47.205, subdivision 1; 47.209, subdivision 1; 47.27, subdivision 2; 47.28; 47.29, subdivisions 1 and 2; 47.30, subdivisions 1, 2, 3, and 5; 47.32; 47.62, subdivision 4; 47.64, subdivision 1; 47.65, subdivisions 1 and 2; 48.01, subdivision 2; 48.15, by adding a subdivision; 49.01, by adding a subdivision; 49.42; 50.01; 50.04; 50.05; 50.06; 50.11; 50.13; 50.14, subdivisions 1, 5, 7, and 8; 50.145; 50.146; 50.1465; 50.148; 50.155; 50.17; 50.175, subdivision 1; 50.19; 50.21; 50.22; 50.23; 50.245; 50.25; 51A.02, subdivisions 6, 26, and 40; 51A.21, by adding a subdivision; 61A.09, subdivision 3; 62B.04, subdivisions 1 and 2; and 300.20; proposing coding for new law in Minnesota Statutes, chapters 46; 47; and 50; repealing Minnesota Statutes 1994, sections 47.095; 47.30, subdivisions 4 and 6; 48.67; 50.02; 50.07; 50.08; 50.09; 50.10; 50.12; 50.15; 50.16; 50.21; and 50.22.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1469, now on General Orders.

MOTIONS AND RESOLUTIONS

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Pogemiller moved that the following members be excused for a Conference Committee on H.F. No. 1000 at 9:00 a.m.:

Messrs. Pogemiller, Langseth, Knutson, Ms. Krentz and Robertson. The motion prevailed.

CALENDAR

H.F. No. 980: A bill for an act relating to crime; clarifying language relating to controlled substance and certain other crimes; making it manslaughter in the first degree to cause the death of a child by malicious punishment under certain circumstances; making it manslaughter in the second degree to cause the death of a child by endangerment under certain circumstances; providing that a motor vehicle is subject to forfeiture if it was used to flee a peace officer in violation of law; imposing a fine for the crime of terroristic threats; providing procedures for prosecuting attorneys to follow when filing complaints against owners whose buildings are alleged nuisances; authorizing the court to issue orders of abatement that close buildings for two years or more when the buildings are declared to be nuisances a second time; providing penalties;

amending Minnesota Statutes 1994, sections 152.021, subdivision 3; 152.022, subdivision 3; 152.023, subdivision 3; 152.024, subdivision 3; 152.025, subdivision 3; 401.02, subdivision 4; 609.10; 609.125; 609.185; 609.20; 609.205; 609.323, subdivisions 2, 3, and by adding a subdivision; 609.498, subdivision 1; 609.52, subdivision 1; 609.5312, by adding a subdivision; 609.582, subdivision 1; 609.713, subdivisions 1 and 2; 617.80, subdivisions 2, 4, 5, 8, and by adding a subdivision; 617.81, subdivisions 1, 2, and by adding a subdivision; 617.82; 617.83; 617.84; 617.85; 617.87; 626.13; proposing coding for new law in Minnesota Statutes, chapter 617; repealing Minnesota Statutes 1994, section 617.81, subdivisions 2a 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 44 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Kleis	Moe, R.D.	Reichgott Junge
Beckman	Flynn	Kramer	Morse	Runbeck
Belanger	Frederickson	Kroening	Murphy	Sams
Berg	Hottinger	Laidig	Oliver	Scheevel
Berglin	Johnson, D.E.	Lesewski	Olson	Solon
Bertram	Johnson, D.J.	Lessard	Ourada	Spear
Chandler	Johnston	Marty	Pappas	Stevens
Cohen	Kelly	Merriam	Pariseau	Vickerman
Day	Kiscaden	Metzen	Ranum	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that S.F. No. 930, No. 8 on General Orders, be stricken and laid on the table. The motion prevailed.

Mr. Bertram moved that S.F. No. 190, No. 2 on General Orders, be stricken and returned to its author. The motion prevailed.

Ms. Pappas moved that S.F. No. 834, No. 4 on General Orders, be stricken and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Mr. Johnson, D.J. moved that S.F. No. 1123, No. 31 on General Orders, be stricken and re-referred to the Committee on Taxes and Tax Laws. 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. 1864 at 10:00 a.m.:

Messrs. Belanger; Hottinger; Johnson, D.J.; Meses. Flynn and Reichgott Junge. 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. Laidig in the chair.

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

S.F. Nos. 503, 1319, 230 and H.F. No. 1101, which the committee recommends to pass.

S.F. No. 871, which the committee recommends to pass with the following amendments offered by Messrs. Hottinger and Knutson:

Mr. Hottinger moved to amend S.F. No. 871 as follows:

Page 9, line 22, after "following" insert "to the extent the agency, through reasonable effort, can ascertain this information"

Page 10, line 21, before "Each" insert "(a)"

Page 11, after line 15, insert:

"(b) The legislative commission to review administrative rules may authorize an agency to omit from the notice of rule hearing the text of any proposed rule, the publication of which would be unduly cumbersome, expensive, or otherwise inexpedient if:

- (1) knowledge of the rule is likely to be important to only a small class of persons;
- (2) the notice of rule hearing states that a free copy of the entire rule is available upon request to the agency; and
- (3) the notice of rule hearing states in detail the specific subject matter of the omitted rule, cites the statutory authority for the proposed rule, and details the proposed rule's purpose and motivation."

Page 12, after line 36, insert:

"Sec. 18. Minnesota Statutes 1994, section 14.18, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] A rule is effective after it has been subjected to all requirements described in sections 14.131 to 14.20 and five working days after the notice of adoption is published in the State Register unless a later date is required by law or specified in the rule. If the rule adopted is the same as the proposed rule, publication may be made by publishing notice in the State Register that the rule has been adopted as proposed and by citing the prior publication. If the rule adopted differs from the proposed rule, the portions of the adopted rule which differ from the proposed rule shall be included in the notice of adoption together with a citation to the prior State Register publication of the remainder of the proposed rule. The nature of the modifications must be clear to a reasonable person when the notice of adoption is considered together with the State Register publication of the proposed rule, except that modifications may also be made which comply with the form requirements of section 14.07, subdivision 7.

If the agency omitted from the notice of proposed rule adoption the text of the proposed rule, as permitted by section 14.14, subdivision 1a, paragraph (b), the legislative commission to review administrative rules may provide that the notice of the adopted rule need not include the text of any changes from the proposed rule. However, the notice of adoption must state in detail the substance of the changes made from the proposed rule, and must state that a free copy of that portion of the adopted rule that was the subject of the rulemaking proceeding, not including any material adopted by reference as permitted by section 14.07, is available upon request to the agency."

Page 13, line 21, before "Unless" insert "(a)"

Page 15, after line 2, insert:

"(b) The legislative commission to review administrative rules may authorize an agency to omit from the notice of intent to adopt the text of any proposed rule, the publication of which would be unduly cumbersome, expensive, or otherwise inexpedient if:

(1) knowledge of the rule is likely to be important to only a small class of persons;

(2) the notice of intent to adopt states that a free copy of the entire rule is available upon request to the agency; and

(3) the notice of intent to adopt states in detail the specific subject matter of the omitted rule, cites the statutory authority for the proposed rule, and details the proposed rule's purpose and motivation."

Page 16, after line 31, insert:

"This subdivision applies only to a withdrawal of a hearing request that affects whether a public hearing must be held and only if the agency has taken any action to obtain the withdrawal of the hearing request."

Page 30, line 12, delete everything after the comma

Page 30, line 13, delete "rules counsel,"

Page 40, line 26, delete "54" and insert "55"

Page 41, line 30, delete "27; 34; 56" and insert "28; 35; 57"

Page 41, line 31, delete "26 and 30" and insert "27 and 31"

Page 41, line 34, delete "31" and insert "32"

Page 41, line 35, delete "31 to 33" and insert "33, 34"

Page 41, line 36, delete "35, and 48 to 53" and insert "36, and 49 to 54"

Reorder the sections in sequence

Amend the title as follows:

Page 1, line 10, after the second semicolon, insert "14.18, subdivision 1;"

The motion prevailed. So the amendment was adopted.

Mr. Hottinger then moved to amend S.F. No. 871 as follows:

Page 27, line 4, after "provide" insert ":(1)"

Page 27, line 7, before the period, insert "; and (2) a procedure to allow an agency to receive prior binding approval of its plan regarding the additional notice contemplated under sections 14.101, 14.131, 14.14, 14.22, and 14.23"

The motion prevailed. So the amendment was adopted.

Mr. Hottinger then moved to amend S.F. No. 871 as follows:

Page 30, line 3, delete "and" and after the third comma, insert "and experienced agency rulemaking staff,"

Page 30, line 5, delete everything after "including"

Page 30, delete line 6 and insert "information about the availability of mediators through the office of administrative hearings."

Page 30, line 13, after the second comma, insert "agencies involved in providing this training,"

The motion prevailed. So the amendment was adopted.

Mr. Knutson moved to amend S.F. No. 871 as follows:

Page 1, after line 23, insert:

"ARTICLE 1"

Page 41, lines 5, 14, and 21, delete "act" and insert "article"

Page 42, line 1, delete "act" and insert "article"

Page 42, after line 1, insert:

"ARTICLE 2"

Section 1. [REPEALER; DEPARTMENT OF AGRICULTURE.]

Minnesota Rules, parts 1540.0010, subparts 12, 18, 21, 22, and 24; 1540.0060; 1540.0070; 1540.0080; 1540.0100; 1540.0110; 1540.0120; 1540.0130; 1540.0140; 1540.0150; 1540.0160; 1540.0170; 1540.0180; 1540.0190; 1540.0200; 1540.0210; 1540.0220; 1540.0230; 1540.0240; 1540.0260; 1540.0320; 1540.0330; 1540.0340; 1540.0350; 1540.0370; 1540.0380; 1540.0390; 1540.0400; 1540.0410; 1540.0420; 1540.0440; 1540.0450; 1540.0460; 1540.0490; 1540.0500; 1540.0510; 1540.0520; 1540.0770; 1540.0780; 1540.0800; 1540.0810; 1540.0830; 1540.0880; 1540.0890; 1540.0900; 1540.0910; 1540.0920; 1540.0930; 1540.0940; 1540.0950; 1540.0960; 1540.0970; 1540.0980; 1540.0990; 1540.1000; 1540.1005; 1540.1010; 1540.1020; 1540.1030; 1540.1040; 1540.1050; 1540.1060; 1540.1070; 1540.1080; 1540.1090; 1540.1100; 1540.1110; 1540.1120; 1540.1130; 1540.1140; 1540.1150; 1540.1160; 1540.1170; 1540.1180; 1540.1190; 1540.1200; 1540.1210; 1540.1220; 1540.1230; 1540.1240; 1540.1250; 1540.1255; 1540.1260; 1540.1280; 1540.1290; 1540.1300; 1540.1310; 1540.1320; 1540.1330; 1540.1340; 1540.1350; 1540.1360; 1540.1380; 1540.1400; 1540.1410; 1540.1420; 1540.1430; 1540.1440; 1540.1450; 1540.1460; 1540.1470; 1540.1490; 1540.1500; 1540.1510; 1540.1520; 1540.1530; 1540.1540; 1540.1550; 1540.1560; 1540.1570; 1540.1580; 1540.1590; 1540.1600; 1540.1610; 1540.1620; 1540.1630; 1540.1640; 1540.1650; 1540.1660; 1540.1670; 1540.1680; 1540.1690; 1540.1700; 1540.1710; 1540.1720; 1540.1730; 1540.1740; 1540.1750; 1540.1760; 1540.1770; 1540.1780; 1540.1790; 1540.1800; 1540.1810; 1540.1820; 1540.1830; 1540.1840; 1540.1850; 1540.1860; 1540.1870; 1540.1880; 1540.1890; 1540.1900; 1540.1905; 1540.1910; 1540.1920; 1540.1930; 1540.1940; 1540.1950; 1540.1960; 1540.1970; 1540.1980; 1540.1990; 1540.2000; 1540.2010; 1540.2015; 1540.2020; 1540.2090; 1540.2100; 1540.2110; 1540.2120; 1540.2180; 1540.2190; 1540.2200; 1540.2210; 1540.2220; 1540.2230; 1540.2240; 1540.2250; 1540.2260; 1540.2270; 1540.2280; 1540.2290; 1540.2300; 1540.2310; 1540.2320; 1540.2325; 1540.2330; 1540.2340; 1540.2350; 1540.2360; 1540.2370; 1540.2380; 1540.2390; 1540.2400; 1540.2410; 1540.2420; 1540.2430; 1540.2440; 1540.2450; 1540.2490; 1540.2500; 1540.2510; 1540.2530; 1540.2540; 1540.2550; 1540.2560; 1540.2570; 1540.2580; 1540.2590; 1540.2610; 1540.2630; 1540.2640; 1540.2650; 1540.2660; 1540.2720; 1540.2730; 1540.2740; 1540.2760; 1540.2770; 1540.2780; 1540.2790; 1540.2800; 1540.2810; 1540.2820; 1540.2830; 1540.2840; 1540.3420; 1540.3430; 1540.3440; 1540.3450; 1540.3460; 1540.3470; 1540.3560; 1540.3600; 1540.3610; 1540.3620; 1540.3630; 1540.3700; 1540.3780; 1540.3960; 1540.3970; 1540.3980; 1540.3990; 1540.4000; 1540.4010; 1540.4020; 1540.4030; 1540.4040; 1540.4080; 1540.4190; 1540.4200; 1540.4210; 1540.4220; 1540.4320; 1540.4330; and 1540.4340, are repealed.

Sec. 2. [REPEALER; DEPARTMENT OF COMMERCE.]

Minnesota Rules, parts 2642.0120, subpart 1; 2650.0100; 2650.0200; 2650.0300; 2650.0400; 2650.0500; 2650.0600; 2650.1100; 2650.1200; 2650.1300; 2650.1400; 2650.1500; 2650.1600; 2650.1700; 2650.1800; 2650.1900; 2650.2000; 2650.2100; 2650.3100; 2650.3200; 2650.3300; 2650.3400; 2650.3500; 2650.3600; 2650.3700; 2650.3800; 2650.3900; 2650.4000; 2650.4100; 2655.1000; 2660.0070; and 2770.7400, are repealed.

Sec. 3. [REPEALER; DEPARTMENT OF HEALTH.]

Minnesota Rules, part 4610.2210, is repealed.

Sec. 4. [REPEALER; DEPARTMENT OF HUMAN SERVICES.]

Minnesota Rules, parts 9540.0100; 9540.0200; 9540.0300; 9540.0400; 9540.0500; 9540.1000; 9540.1100; 9540.1200; 9540.1300; 9540.1400; 9540.1500; 9540.2000; 9540.2100; 9540.2200; 9540.2300; 9540.2400; 9540.2500; 9540.2600; and 9540.2700, are repealed.

Sec. 5. [REPEALER; POLLUTION CONTROL AGENCY.]

Minnesota Rules, parts 7002.0410; 7002.0420; 7002.0430; 7002.0440; 7002.0450; 7002.0460; 7002.0470; 7002.0480; 7002.0490; 7047.0010; 7047.0020; 7047.0030; 7047.0040; 7047.0050; 7047.0060; 7047.0070; 7100.0300; 7100.0310; 7100.0320; 7100.0330; 7100.0335; 7100.0340; and 7100.0350, are repealed.

Sec. 6. [REPEALER; DEPARTMENT OF PUBLIC SAFETY.]

Minnesota Rules, parts 7510.6100; 7510.6200; 7510.6300; 7510.6350; 7510.6400; 7510.6500; 7510.6600; 7510.6700; 7510.6800; 7510.6900; and 7510.6910, are repealed.

Sec. 7. [REPEALER; DEPARTMENT OF PUBLIC SERVICE.]

Minnesota Rules, parts 7600.0100; 7600.0200; 7600.0300; 7600.0400; 7600.0500; 7600.0600; 7600.0700; 7600.0800; 7600.0900; 7600.1000; 7600.1100; 7600.1200; 7600.1300; 7600.1400; 7600.1500; 7600.1600; 7600.1700; 7600.1800; 7600.1900; 7600.2000; 7600.2100; 7600.2200; 7600.2300; 7600.2400; 7600.2500; 7600.2600; 7600.2700; 7600.2800; 7600.2900; 7600.3000; 7600.3100; 7600.3200; 7600.3300; 7600.3400; 7600.3500; 7600.3600; 7600.3700; 7600.3800; 7600.3900; 7600.4000; 7600.4100; 7600.4200; 7600.4300; 7600.4400; 7600.4500; 7600.4600; 7600.4700; 7600.4800; 7600.4900; 7600.5000; 7600.5100; 7600.5200; 7600.5300; 7600.5400; 7600.5500; 7600.5600; 7600.5700; 7600.5800; 7600.5900; 7600.6000; 7600.6100; 7600.6200; 7600.6300; 7600.6400; 7600.6500; 7600.6600; 7600.6700; 7600.6800; 7600.6900; 7600.7000; 7600.7100; 7600.7200; 7600.7210; 7600.7300; 7600.7400; 7600.7500; 7600.7600; 7600.7700; 7600.7750; 7600.7800; 7600.7900; 7600.8100; 7600.8200; 7600.8300; 7600.8400; 7600.8500; 7600.8600; 7600.8700; 7600.8800; 7600.8900; 7600.9000; 7600.9100; 7600.9200; 7600.9300; 7600.9400; 7600.9500; 7600.9600; 7600.9700; 7600.9800; 7600.9900; 7625.0100; 7625.0110; 7625.0120; 7625.0200; 7625.0210; 7625.0220; and 7625.0230, are repealed.

Sec. 8. [REPEALER; DEPARTMENT OF REVENUE.]

Minnesota Rules, parts 8120.1100, subpart 3; 8121.0500, subpart 2; 8130.9912; 8130.9913; 8130.9916; 8130.9920; 8130.9930; 8130.9956; 8130.9958; 8130.9968; 8130.9972; 8130.9980; and 8130.9992, are repealed.

ARTICLE 3

Section 1. Minnesota Rules, part 1540.2140, is amended to read:

1540.2140 DISPOSITION OF CONDEMNED MEAT OR PRODUCT AT OFFICIAL ESTABLISHMENTS HAVING NO TANKING FACILITIES.

Any carcass or product condemned at an official establishment which has no facilities for tanking shall be denatured with crude carbolic acid, cresylic disinfectant, or other prescribed agent, or be destroyed by incineration under the supervision of a department employee. When such carcass or product is not incinerated it shall be slashed freely with a knife, before the denaturing agent is applied.

Carcasses and products condemned on account of anthrax, ~~and the materials identified in parts 1540.1300 to 1540.1360,~~ which are derived therefrom at establishments which are not equipped with tanking facilities shall be disposed of by complete incineration, or by thorough denaturing with a prescribed denaturant, and then disposed of in accordance with the requirements of the Board of Animal Health, who shall be notified immediately by the inspector in charge.

Sec. 2. Minnesota Rules, part 7001.0140, subpart 2, is amended to read:

Subp. 2. **Agency findings.** The following findings by the agency constitute justification for the agency to refuse to issue a new or modified permit, to refuse permit reissuance, or to revoke a permit without reissuance:

A. that with respect to the facility or activity to be permitted, the proposed permittee or permittees will not comply with all applicable state and federal pollution control statutes and rules administered by the agency, or conditions of the permit;

B. that there exists at the facility to be permitted unresolved noncompliance with applicable state and federal pollution control statutes and rules administered by the agency, or conditions of the permit and that the permittee will not undertake a schedule of compliance to resolve the noncompliance;

C. that the permittee has failed to disclose fully all facts relevant to the facility or activity to be permitted, or that the permittee has submitted false or misleading information to the agency or to the commissioner;

D. that the permitted facility or activity endangers human health or the environment and that the danger cannot be removed by a modification of the conditions of the permit;

E. that all applicable requirements of Minnesota Statutes, chapter 116D and the rules adopted under Minnesota Statutes, chapter 116D have not been fulfilled;

F. that with respect to the facility or activity to be permitted, the proposed permittee has not complied with any requirement under parts 7002.0210 to 7002.0310, ~~7002.0410 to 7002.0490~~, or chapter 7046 to pay fees; or

G. that with respect to the facility or activity to be permitted, the proposed permittee has failed to pay a penalty owed under Minnesota Statutes, section 116.072.

Sec. 3. Minnesota Rules, part 7001.0180, is amended to read:

7001.0180 JUSTIFICATION TO COMMENCE REVOCATION WITHOUT REISSUANCE OF PERMIT.

The following constitute justification for the commissioner to commence proceedings to revoke a permit without reissuance:

A. existence at the permitted facility of unresolved noncompliance with applicable state and federal pollution statutes and rules or a condition of the permit, and refusal of the permittee to undertake a schedule of compliance to resolve the noncompliance;

B. the permittee fails to disclose fully the facts relevant to issuance of the permit or submits false or misleading information to the agency or to the commissioner;

C. the commissioner finds that the permitted facility or activity endangers human health or the environment and that the danger cannot be removed by a modification of the conditions of the permit;

D. the permittee has failed to comply with any requirement under parts 7002.0210 to 7002.0310, ~~7002.0410 to 7002.0490~~, or chapter 7046 to pay fees; or

E. the permittee has failed to pay a penalty owed under Minnesota Statutes, section 116.072.

Sec. 4. Minnesota Rules, part 8130.3500, subpart 3, is amended to read:

Subp. 3. **Motor carrier direct pay certificate.** A motor carrier direct pay certificate will be issued to qualified electing carriers by the commissioner of revenue and will be effective as of the date shown on the certificate. ~~A facsimile of the authorized motor carrier direct pay certificate is reproduced at part 8130.9958.~~

Sec. 5. Minnesota Rules, part 8130.6500, subpart 5, is amended to read:

Subp. 5. **Sale of aircraft.** When the dealer sells the aircraft, the selling price must be included in gross sales. The fact that the aircraft commercial use permit has not expired or that the dealer has reported and paid use tax on the aircraft has no effect on the taxability of the sale. The dealer must return the aircraft commercial use permit (unless previously returned) when the dealer files the sales and use tax return for the month in which the sale was made. No credit or refund is given for the \$20 fee originally paid.

~~A facsimile of the authorized aircraft commercial use permit is reproduced at part 8130.9992."~~

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 1365, which the committee recommends to pass with the following amendments offered by Mr. Merriam and Ms. Berglin:

Mr. Merriam moved to amend S.F. No. 1365 as follows:

Page 2, delete section 2

Page 2, line 11, delete "3" and insert "2"

Page 2, line 12, delete "Sections 1 and 2 are" and insert "Section 1 is"

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Berglin moved to amend S.F. No. 1365 as follows:

Page 1, line 22, after "include" insert ": (1)"

Page 1, line 25, delete the comma and insert "; or (2)"

Page 2, after line 10, insert:

"Sec. 3. Minnesota Statutes 1994, section 624.21, is amended to read:

624.21 [SALE, POSSESSION, AND USE OF FIREWORKS PROHIBITED.]

Subdivision 1. [GENERAL.] Except as otherwise provided in sections 624.20 to 624.25, it shall be unlawful for any person to offer for sale, expose for sale, sell at retail or wholesale, possess, advertise, use, or explode any fireworks. This section shall not be construed to prohibit the possession, use, or explosion of fireworks by an engineer licensed pursuant to sections 326.02 and 326.03 or a person under the engineer's direct supervision when undertaking acoustical testing; or sales at wholesale to those persons holding valid permits for a fireworks display from a governmental subdivision of the state; or sales outside the state or sales to licensed professional engineers for acoustical testing purposes only.

Subd. 2. [CERTAIN SALES TO MINORS PROHIBITED.] It is unlawful for any person to sell the items described in section 624.20, subdivision 1, clause (2), to a minor."

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

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. 2, which the committee recommends to pass, subject to the following motions:

Mr. Merriam moved to amend H.F. No. 2, the unofficial engrossment, as follows:

Page 2, after line 32, insert:

"Sec. 5. [APPLICATION.]

Sections 1 and 2 apply to vehicles whose registrations expire on or after July 31, 1995."

The motion prevailed. So the amendment was adopted.

Mrs. Pariseau moved to amend H.F. No. 2, the unofficial engrossment, as follows:

Page 2, after line 32, insert:

"Sec. 5. [REPEALER.]

Minnesota Statutes 1994, sections 116.60 to 116.65, are repealed effective July 1, 1998."

Amend the title accordingly

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

Belanger	Frederickson	Kramer	Olson	Stevens
Berg	Hanson	Laidig	Ourada	Stumpf
Bertram	Johnson, D.E.	Langseth	Pariseau	Terwilliger
Betzold	Johnston	Lesewski	Robertson	Vickerman
Chmielewski	Kiscaden	Limmer	Runbeck	
Day	Kleis	Neuville	Sams	
Dille	Knutson	Oliver	Scheevel	

Those who voted in the negative were:

Anderson	Hottinger	Marty	Novak	Samuelson
Beckman	Janezich	Merriam	Pappas	Solon
Berglin	Johnson, D.J.	Metzen	Pogemiller	Spear
Chandler	Johnson, J.B.	Moe, R.D.	Price	Wiener
Cohen	Kelly	Mondale	Ranum	
Finn	Krentz	Morse	Reichgott Junge	
Flynn	Kroening	Murphy	Riveness	

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

Mr. Belanger moved to amend H.F. No. 2, the unofficial engrossment, as follows:

Page 2, after line 6, insert:

"Sec. 3. Minnesota Statutes 1994, section 116.62, is amended by adding a subdivision to read:

Subd. 9. [ADVERTISING BY CONTRACTOR.] Any advertisement or promotional material relating to the motor vehicle inspection program that is paid for by the contractor selected under subdivision 3 must clearly display a disclaimer stating that the advertisement or promotional material was not paid for by the state."

Page 2, after line 32, insert:

"Sec. 6. [EFFECTIVE DATE.]

Section 3 is effective the day following final enactment."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Johnston moved to amend H.F. No. 2, the unofficial engrossment, as follows:

Page 2, after line 6, insert:

"Sec. 3. Minnesota Statutes 1994, section 116.62, is amended by adding a subdivision to read:

Subd. 5a. [TEMPORARY REGISTRATION.] The commissioner, in consultation with the commissioner of public safety, shall adopt a procedure for granting temporary registrations to persons whose vehicle registrations have expired or will shortly expire. Upon request of the vehicle owner, the commissioner shall issue a letter of temporary registration, valid for one day, that allows the owner to drive to an inspection station to have the vehicle inspected."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Kelly moved to amend H.F. No. 2, the unofficial engrossment, as follows:

Page 2, after line 15, insert:

"Sec. 4. Minnesota Statutes 1994, section 239.791, is amended by adding a subdivision to read:

Subd. 2a. [EXEMPTION FOR PREMIUM GASOLINE.] Except as required by federal law, premium gasoline, as described in section 239.751, subdivision 4, sold or offered for sale is not subject to the requirements of subdivision 1."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 5, after the second semicolon, insert "exempting premium gasoline from certain oxygenation requirements;"

Page 1, line 8, before the period, insert "; and 239.791, by adding a subdivision"

Mr. Morse questioned whether the amendment was germane.

The Chair ruled that the amendment was germane.

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

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

Those who voted in the affirmative were:

Anderson	Flynn	Lessard	Oliver	Runbeck
Belanger	Janezich	Limmer	Ourada	Solon
Berg	Kelly	Marty	Pappas	Stumpf
Betzold	Kleis	Merriam	Pariseau	Wiener
Chandler	Knutson	Metzen	Ranum	
Cohen	Kramer	Murphy	Riveness	
Finn	Krentz	Novak	Robertson	

Those who voted in the negative were:

Beckman	Hottinger	Laidig	Olson	Spear
Bertram	Johnson, D.E.	Langseth	Pogemiller	Stevens
Chmielewski	Johnson, D.J.	Lesewski	Price	Terwilliger
Day	Johnson, J.B.	Moe, R.D.	Reichgott Junge	Vickerman
Dille	Johnston	Mondale	Sams	
Frederickson	Kiscaden	Morse	Samuelson	
Hanson	Kroening	Neuville	Scheevel	

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

Mr. Stumpf moved to amend H.F. No. 2, the unofficial engrossment, as follows:

Page 2, after line 15, insert:

"Sec. 4. Minnesota Statutes 1994, section 239.791, subdivision 9, is amended to read:

Subd. 9. [DISPENSER LABELING.] (a) During a carbon monoxide control period, and in a carbon monoxide control area, a person responsible for the product must clearly label each gasoline dispenser controlled by the person. The label must state:

(1) "The gasoline dispensed from this pump is oxygenated and will reduce carbon monoxide pollution from motor vehicles."; or

(2) "From October 1 through January 31, the gasoline dispensed from this pump is oxygenated and will reduce carbon monoxide pollution from motor vehicles."

(b) When gasoline blended with alcohol is sold or offered for sale, a person responsible for the product must clearly mark each gasoline dispenser controlled by the person to identify each type of alcohol, if more than one percent by volume, blended with the gasoline. The marking must consist of a white or yellow adhesive decal not less than two inches by six inches with clearly printed black lettering not less than one-half inch high and one-eighth inch in stroke. The marking must be conspicuously displayed on the front side of the dispenser and state that the gasoline "CONTAINS ETHANOL" or "CONTAINS METHANOL" or has been improved "WITH ETHANOL ENRICHMENT." This subdivision does not prohibit the posting of other alcohol or additive information.

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. 1314, which the committee recommends to pass with the following amendments offered by Messrs. Mondale and Betzold:

Mr. Mondale moved to amend S.F. No. 1314 as follows:

Page 7, line 2, delete "To" and insert "For a facility to"

Page 7, line 5, delete "against the regulated entity" and insert "involving the facility"

Page 7, line 15, after "commissioner" insert ", and to a local governmental unit if the report identifies a violation of an ordinance enacted by the local governmental unit,"

Page 11, line 36, delete "16" and insert "14"

Page 12, after line 3, insert:

"Sec. 16. [NO EFFECT ON OTHER RIGHTS.]

Sections 7 to 14 do not affect:

(1) rights of a regulated entity that chooses not to participate, or is not eligible to participate, in the environmental improvement pilot program; or

(2) rights of other persons relative to matters addressed by the environmental improvement pilot program."

Page 12, line 18, delete "16" and insert "17"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Betzold moved to amend S.F. No. 1314 as follows:

Page 12, line 9, delete "December 31, 1998" and insert "January 15, 1999"

The motion prevailed. So the amendment was adopted.

S.F. No. 1089, which the committee recommends to pass, after the following motion:

Ms. Ranum moved to amend S.F. No. 1089 as follows:

Pages 1 and 2, delete section 1

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 22 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Kroening	Pappas	Riveness
Berglin	Hottinger	Marty	Pogemiller	Spear
Chandler	Johnson, J.B.	Mondale	Price	
Cohen	Kelly	Morse	Ranum	
Finn	Krentz	Novak	Reichgott Junge	

Those who voted in the negative were:

Beckman	Frederickson	Kramer	Oliver	Scheevel
Belanger	Hanson	Laidig	Olson	Stevens
Berg	Janezich	Lesewski	Ourada	Stumpf
Bertram	Johnson, D.E.	Lessard	Pariseau	Terwilliger
Betzold	Johnston	Merriam	Robertson	Vickerman
Chmielewski	Kiscaden	Murphy	Runbeck	Wiener
Day	Kleis	Neville	Sams	

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

S.F. No. 512, which the committee recommends to pass, subject to the following motions:

Mr. Spear moved to amend S.F. No. 512 as follows:

Page 32, after line 10, insert:

"Sec. 23. [626.5573] [NEGLIGENCE ACTIONS.]

A violation of section 626.557 is admissible as evidence of negligence, but is not considered negligence per se."

Page 37, line 23, before the period, insert "and does not constitute therapeutic conduct" and after the period, insert "This mental state is greater than that required in ordinary or gross negligence."

Page 37, line 32, delete everything after "adult"

Page 37, line 33, delete "therapeutic conduct"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Spear then moved to amend S.F. No. 512 as follows:

Page 25, line 9, delete the first comma

Page 25, line 11, before "within" insert "consistent with that authority and"

Page 25, line 16, delete everything after the period

Page 25, delete lines 17 and 18 and insert "This paragraph does not enlarge or diminish rights otherwise held under law by:

(1) a vulnerable adult or a person acting on behalf of a vulnerable adult, including an involved family member, to consent to or refuse consent for therapeutic conduct; or

(2) a caregiver to offer or provide or refuse to offer or provide therapeutic conduct."

Page 30, line 1, delete the comma

Page 30, line 4, before "within" insert "consistent with that authority and"

Page 30, line 8, delete everything after the semicolon

Page 30, delete line 9

Page 30, line 10, delete everything before the period and insert "this clause does not enlarge or diminish rights otherwise held under law by: (i) a vulnerable adult or a person acting on behalf of a vulnerable adult, including an involved family member, to consent to or refuse consent for therapeutic conduct; or (ii) a caregiver to offer or provide or refuse to offer or provide therapeutic conduct"

Page 36, line 8, delete the comma

Page 36, line 11, before "within" insert "consistent with that authority and"

Page 36, line 15, delete everything after the semicolon

Page 36, delete lines 16 and 17

Page 36, line 18, delete "hydration" and insert "this clause does not enlarge or diminish rights otherwise held under law by: (i) a vulnerable adult or a person acting on behalf of a vulnerable adult, including an involved family member, to consent to or refuse consent for therapeutic conduct; or (ii) a caregiver to offer or provide or refuse to offer or provide therapeutic conduct"

Page 38, line 6, delete the comma

Page 38, line 9, before "within" insert "consistent with that authority and"

Page 38, line 13, delete everything after the semicolon

Page 38, delete lines 14 and 15

Page 38, line 16, delete "hydration" and insert "this clause does not enlarge or diminish rights otherwise held under law by: (i) a vulnerable adult or a person acting on behalf of a vulnerable adult, including an involved family member, to consent to or refuse consent for therapeutic conduct; or (ii) a caregiver to offer or provide or refuse to offer or provide therapeutic conduct"

The motion prevailed. So the amendment was adopted.

Mr. Spear then moved to amend S.F. No. 512 as follows:

Page 24, line 10, delete "and"

Page 24, line 12, before the period, insert "; and

(5) criminal abuse as defined in section 609.2325"

Page 24, line 35, after "contact" insert "or penetration"

Page 32, after line 13, insert:

"Sec. 24. [EFFECTIVE DATE.]

This article is effective October 1, 1995, except that sections 15 and 19 are effective July 1, 1995."

Page 35, line 36, after "contact" insert "or penetration"

Page 40, line 30, delete "August" and insert "October"

Page 43, line 7, delete everything after "245A"

Page 43, line 8, delete everything before the period

Page 43, line 15, delete "and"

Page 43, line 16, delete everything before the period

Page 43, line 24, delete "the procedures and criteria contained in" and delete the second "and"

Page 43, line 25, delete everything before the period

Page 43, line 33, delete everything after the period

Page 43, delete line 34

Page 43, line 35, delete everything before "The"

Page 45, line 29, before "department" insert "program or facility regulated by the"

Page 45, line 30, delete "program"

Page 45, line 31, delete "under Minnesota Rules,"

Page 45, line 32, delete everything before the comma and insert "for purposes of this chapter and section 144.057"

Page 48, line 6, after "disqualified" insert "under this chapter"

Page 48, line 11, delete "as defined in"

Page 48, line 12, delete everything before the period

Page 48, line 29, before "Any" insert "State agency hearings are available for: (1)"

Page 49, line 1, strike ", or" and insert "; (2)"

Page 49, line 2, strike ", or" and insert "; (3)"

Page 49, line 3, strike the comma and insert a semicolon and after "or" insert "(4)"

Page 49, line 7, delete the first comma and insert ". Individuals and organizations specified in this section" and strike "that" and insert "the specified"

Page 49, line 14, delete "section" and insert "clause (4)"

Page 49, line 15, delete "626.557"

Page 59, line 11, after the second "a" insert "program or facility governed by the"

Page 59, line 12, delete "program"

Page 59, after line 31, insert:

"Sec. 19. [EFFECTIVE DATE.]

This article is effective October 1, 1995."

Page 78, after line 29, insert:

"Sec. 23. [EFFECTIVE DATE.]

This article is effective October 1, 1995."

Renumber the sections 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. 512 as follows:

Page 38, line 36, delete everything after "section" and insert "is guilty of a gross misdemeanor."

Page 39, delete lines 1 to 8

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 43 and nays 18, as follows:

Those who voted in the affirmative were:

Beckman	Hanson	Kramer	Oliver	Samuelson
Belanger	Hottinger	Kroening	Olson	Scheevel
Berg	Janezich	Lesewski	Ourada	Solon
Bertram	Johnson, D.E.	Lessard	Pariseau	Stevens
Chandler	Johnson, D.J.	Limmer	Price	Stumpf
Chmielewski	Johnston	Mondale	Riveness	Terwilliger
Cohen	Kiscaden	Murphy	Robertson	Vickerman
Day	Kleis	Neuville	Runbeck	
Frederickson	Knutson	Novak	Sams	

Those who voted in the negative were:

Anderson	Flynn	Marty	Morse	Spear
Berglin	Kelly	Merriam	Pappas	Wiener
Betzold	Krentz	Metzen	Ranum	
Finn	Laidig	Moe, R.D.	Reichgott Junge	

The motion prevailed. So the amendment was adopted.

Mr. Spear moved to amend S.F. No. 512 as follows:

Pages 37 to 39, delete section 4 and insert:

"Sec. 4. [609.233] [CRIMINAL NEGLECT.]

A caregiver or operator who intentionally neglects a vulnerable adult or knowingly permits conditions to exist that result in the abuse or neglect of a vulnerable adult is guilty of a gross misdemeanor. For purposes of this section, "abuse" has the meaning given in section 626.5572, subdivision 2, and "neglect" means a failure to provide a vulnerable adult with necessary food, clothing, shelter, health care, or supervision.

Page 40, delete section 8

Page 67, lines 19 and 20, reinstate the stricken language and insert a semicolon

Page 69, line 16, after "sections" insert "609.224, subdivision 2, paragraph (c)," and reinstate the stricken language and delete "609.224, subdivision 2, paragraph (c)"

Page 71, lines 5 to 7, reinstate the stricken language and insert a comma

Page 73, line 9, reinstate the stricken language and insert a semicolon

Page 76, line 29, reinstate the stricken "609.23," and reinstate the stricken "609.231" and insert a comma

Page 77, line 2, reinstate the stricken "609.23" and after the stricken "or" insert a comma

Page 77, line 3, reinstate the stricken "609.231" and insert a comma

Re-number the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Ranum moved to amend S.F. No. 512 as follows:

Page 25, line 27, after the period, insert "This paragraph does not enlarge or diminish rights otherwise held under law by a person, including an involved family member or caregiver, to act on behalf of a vulnerable adult in selecting and depending upon spiritual means or prayer for treatment or care of disease or remedial care of the vulnerable adult in lieu of medical care."

Page 30, line 19, after the semicolon, insert "this paragraph does not enlarge or diminish rights otherwise held under law by a person, including an involved family member or caregiver, to act on behalf of a vulnerable adult in selecting and depending upon spiritual means or prayer for treatment or care of disease or remedial care of the vulnerable adult in lieu of medical care;"

Page 36, line 25, after the semicolon, insert "this paragraph does not enlarge or diminish rights otherwise held under law by a person, including an involved family member or caregiver, to act on behalf of a vulnerable adult in selecting and depending upon spiritual means or prayer for treatment or care of disease or remedial care of the vulnerable adult in lieu of medical care;"

Page 38, line 23, after the semicolon, insert "this paragraph does not enlarge or diminish rights otherwise held under law by a person, including an involved family member or caregiver, to act on behalf of a vulnerable adult in selecting and depending upon spiritual means or prayer for treatment or care of disease or remedial care of the vulnerable adult in lieu of medical care;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 9 and nays 52, as follows:

Those who voted in the affirmative were:

Anderson Berglin	Chandler Flynn	Hottinger Merriam	Ranum Reichgott Junge	Wiener
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Those who voted in the negative were:

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

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

Ms. Lesewski moved to amend S.F. No. 512 as follows:

Page 26, line 5, delete "or domestic partner"

Page 30, line 29, delete "or domestic partner"

Page 36, line 36, delete "or domestic partner"

Page 38, line 34, delete "or domestic partner"

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	Hanson	Lesewski	Ourada	Stevens
Berg	Johnson, D.E.	Lessard	Pariseau	Vickerman
Bertram	Johnston	Limmer	Runbeck	
Chmielewski	Kleis	Neuville	Sams	
Day	Knutson	Oliver	Samuelson	
Frederickson	Kramer	Olson	Scheevel	

Those who voted in the negative were:

Anderson	Finn	Johnson, J.B.	Langseth	Mondale
Berglin	Flynn	Kelly	Marty	Morse
Betzold	Hottinger	Kiscaden	Merriam	Murphy
Chandler	Janezich	Krentz	Metzen	Pappas
Cohen	Johnson, D.J.	Laidig	Moe, R.D.	Pogemiller

Price
RanumReichgott Junge
RivenessRobertson
SolonSpear
StumpfTerwilliger
Wiener

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

Mr. Ourada moved to amend S.F. No. 512 as follows:

Page 25, line 32, delete the colon

Page 25, line 33, delete the paragraph coding and delete "(1)"

Page 25, line 35, delete "; or"

Page 25, delete line 36

Page 26, delete line 1

Page 26, line 2, delete everything before the period

Page 30, line 22, delete ": (i)"

Page 30, line 25, delete everything after "relationship"

Page 30, delete line 26

Page 30, line 27, delete everything before the period

Page 36, line 29, delete ": (i)"

Page 36, line 32, delete everything after "relationship"

Page 36, delete line 33

Page 36, line 34, delete everything before the period

Page 38, line 27, delete ": (i)"

Page 38, line 30, delete everything after "relationship"

Page 38, delete line 31

Page 38, line 32, delete everything before the period

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 22 and nays 36, as follows:

Those who voted in the affirmative were:

Belanger	Johnston	Lessard	Ourada	Stevens
Bertram	Kleis	Limmer	Pariseau	Vickerman
Chmielewski	Knutson	Neuville	Runbeck	
Frederickson	Kramer	Oliver	Samuelson	
Hanson	Lesewski	Olson	Scheevel	

Those who voted in the negative were:

Anderson	Hottinger	Langseth	Pappas	Spear
Berg	Janezich	Marty	Pogemiller	Stumpf
Berglin	Johnson, D.E.	Merriam	Price	Terwilliger
Betzold	Johnson, J.B.	Metzen	Ranum	Wiener
Chandler	Kelly	Moe, R.D.	Reichgott Junge	
Cohen	Krentz	Mondale	Riveness	
Finn	Kroening	Morse	Robertson	
Flynn	Laidig	Murphy	Sams	

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

Mr. Neuville moved to amend S.F. No. 512 as follows:

Page 6, line 23, after "to" insert "fully"

The motion prevailed. So the amendment was adopted.

Mr. Neuville then moved to amend S.F. No. 512 as follows:

Page 33, line 6, after "who" insert "is an individual and who"

The motion prevailed. So the amendment was adopted.

Mr. Spear moved to amend the first Neuville amendment to S.F. No. 512 as follows:

Page 1, line 2, delete "to" and insert "comply"

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

Mr. Neuville moved to amend S.F. No. 512 as follows:

Page 6, line 36, after "comply" insert "fully"

The motion prevailed. So the amendment was adopted.

S.F. No. 579, which the committee recommends to pass, subject to the following motions:

Mr. Chandler moved to amend S.F. No. 579 as follows:

Page 6, line 4, delete everything after "organizations"

Page 6, delete lines 5 and 6 and insert "as that term is defined by section 317A.011, subdivision 18."

Mr. Hottinger moved to amend the Chandler amendment to S.F. No. 579 as follows:

Page 1, line 4, after the period, insert "The related organization shall be required to disclose the total compensation of its five highest paid directors, officers, and employees only if the related organization receives funds from the charitable organization in excess of total payments made by the related organization to the charitable organization."

The question was taken on the adoption of the Hottinger amendment to the Chandler amendment.

The roll was called, and there were yeas 43 and nays 14, as follows:

Those who voted in the affirmative were:

Beckman	Hottinger	Laidig	Olson	Scheevel
Belanger	Johnson, D.E.	Langseth	Ourada	Solon
Berg	Johnson, J.B.	Lesewski	Pariseau	Stevens
Bertram	Johnston	Lessard	Price	Stumpf
Chmielewski	Kelly	Metzen	Reichgott Junge	Terwilliger
Day	Kiscaden	Moe, R.D.	Riveness	Vickerman
Dille	Kleis	Murphy	Robertson	Wiener
Flynn	Knutson	Neuville	Runbeck	
Frederickson	Kramer	Oliver	Sams	

Those who voted in the negative were:

Anderson	Cohen	Limmer	Mondale	Pogemiller
Berglin	Finn	Marty	Morse	Spear
Chandler	Krentz	Merriam	Pappas	

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

Mr. Chandler withdrew his amendment.

Mr. Hottinger moved to amend S.F. No. 579 as follows:

Page 6, line 4, delete everything after "organizations"

Page 6, delete lines 5 and 6 and insert "as that term is defined by section 317A.011, subdivision 18. The related organization shall be required to disclose the total compensation of its five highest paid directors, officers, and employees only if the related organization receives funds from the charitable organization in excess of total payments made by the related organization to the charitable organization."

The motion prevailed. So the amendment was adopted.

Mr. Kramer moved to amend S.F. No. 579 as follows:

Page 11, delete section 16

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 16 and nays 37, as follows:

Those who voted in the affirmative were:

Dille	Kleis	Limmer	Olson	Runbeck
Johnson, D.E.	Knutson	Neuville	Ourada	Scheevel
Johnston	Kramer	Oliver	Pariseau	Stevens
Kiscaden				

Those who voted in the negative were:

Anderson	Finn	Laidig	Morse	Solon
Beckman	Frederickson	Langseth	Murphy	Spear
Berg	Hottinger	Lessard	Pappas	Stumpf
Berglin	Janezich	Marty	Pogemiller	Vickerman
Bertram	Johnson, J.B.	Merriam	Price	Wiener
Chandler	Kelly	Metzen	Reichgott Junge	
Cohen	Krentz	Moe, R.D.	Riveness	
Day	Kroening	Mondale	Sams	

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

S.F. No. 558, which the committee recommends to pass with the following amendment offered by Mr. Sams:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 325F.76, is amended by adding a subdivision to read:

Subd. 2a. [DISPLAY ALLOWANCE.] "Display allowance" means any credit, payment of money, or value given to a seller of cigarettes, smokeless tobacco products, cigars, pipe tobacco, or other tobacco products in exchange for the seller's agreement to display or place the tobacco products in any prescribed manner, format, or location.

Sec. 2. [325F.775] [DISPLAY ALLOWANCES PROHIBITED.]

No manufacturer or distributor of cigarettes or other tobacco products may directly or indirectly pay or give any display allowance to a retail seller of cigarettes or other tobacco products.

Sec. 3. Minnesota Statutes 1994, section 325F.78, is amended to read:

325F.78 [REMEDIES.]

The attorney general may institute a civil action in the name of the state of Minnesota in the district court for an injunction prohibiting any violation of section 325F.77 or 325F.775. The court, upon notice to the defendant of not less than five days, and upon proof that defendant has engaged in the practice prohibited by section 325F.77 or 325F.775, may enjoin the future commission of the practice. The court may impose a civil penalty in an amount not to exceed

\$5,000 for each violation. The attorney general may recover costs and disbursements, including costs of investigation and reasonable attorneys fees.

Sec. 4. Minnesota Statutes 1994, section 461.12, is amended to read:

461.12 [MUNICIPAL CIGARETTE TOBACCO LICENSE.]

Subdivision 1. [AUTHORIZATION.] The A town board or the governing body of each town and a home rule charter and or statutory city may license and regulate the retail sale at retail of cigarettes, cigarette paper, or cigarette wrappers tobacco and fix the establish a license fee for sales. The town or city may charge a uniform annual fee for all sellers or different annual fees for different classes of sellers. It may provide for the punishment of any violation of the regulations, and make other provisions for the regulation of the sale of cigarettes within its jurisdiction as are permitted by law. The county board may make like provisions for licensing and regulating the sale of cigarettes in shall license and regulate the sale of tobacco in unorganized territory of the county and in a town or a home rule charter or statutory city if the town or city does not license or regulate retail tobacco sales. The provisions of this section shall not apply to the licensing of sale of cigarettes in cars of common carriers.

Subd. 2. [LICENSEES; PENALTIES.] Except where a local ordinance has been enacted, if a licensee or an employee of a licensee is found to have sold tobacco to a person under the age of 18 years, the licensee shall be subject to an administrative penalty of \$100. An administrative penalty of \$200 shall be imposed for a second violation at the same location within 24 months of the initial violation. If a third violation occurs at the same location within 24 months of the initial violation, the licensee's authority to sell tobacco at that location shall be suspended for not more than seven days. Additional violations at the same location that occur within 24 months of the initial violation shall be subject to the penalty described for a third violation. No suspension or penalty may take effect until the licensee has been given reasonable notice of a hearing before the licensing authority. The licensing authority may reduce or waive the penalty or suspension if it finds that the person who made the sale participated in a training program as specified in section 461.17. A decision on a violation must be in writing and based on the record compiled at the hearing. A decision may be appealed to the district court in the county in which the sale occurred.

Subd. 3. [ADMINISTRATIVE PENALTY; INDIVIDUALS.] Except where a local ordinance has been enacted, the local government unit shall impose on any individual who sells tobacco to a person under the age of 18 years an administrative penalty of not less than \$50 and on any individual under 18 who attempts to purchase, purchases, or possesses tobacco, an administrative penalty of not less than \$50. Before the penalty may be imposed, the individual must be given reasonable notice of an alleged violation and afforded an opportunity for a hearing before the governing body of a home rule charter or statutory city, the town board, or the county board. A decision that a violation has occurred must be in writing and based on the record compiled at the hearing. A decision may be appealed to the district court in the county where the sale, purchase, or possession occurred.

Subd. 4. [DEFENSE.] It is a defense to the charge of selling tobacco to a person under the age of 18 years in violation of subdivision 2 or 3, that the licensee or individual, in making the sale, reasonably and in good faith relied upon representation of proof of age described in section 340A.503, subdivision 6, paragraph (a).

Subd. 5. [EFFECT ON LOCAL ORDINANCE.] Nothing in this section preempts a local ordinance that provides for penalties against licensees, employees, and other individuals, or that otherwise provides for more restrictive regulation of retail tobacco sales.

Sec. 5. [461.16] [TOBACCO SALES LOCATIONS; INSPECTIONS, REPORTS.]

Each statutory or home rule charter city and, in those areas of each county outside of the cities, the county, shall coordinate random, unannounced inspections at least once every two years at all locations where tobacco products are sold to test compliance with section 609.685 and to conform with the requirements of federal law. The inspections shall be performed by local units of government. A person no younger than 15 and no older than 17 shall assist in the tests of compliance only under the supervision of a law officer or an employee of the licensing department of a city or county, and only with the written consent of a parent. Each city or county which

performs compliance checks shall report results to the commissioner of human services. The commissioner shall annually submit the report required by United States Code, title 42, section 300x-26, and otherwise ensure the state's compliance with that law and any regulations adopted to implement it.

Sec. 6. [461.17] [TOBACCO PRODUCT SALESPERSONS; TRAINING.]

Subdivision 1. [TRAINING PROGRAM.] The employer at each retail location where tobacco products are sold shall conduct a training program of at least 30 minutes in length for employees who sell tobacco products at the location that instructs them about the law, the related penalties, and the employer's policy with regard to tobacco sales. The employer shall maintain a written record of training provided to each employee and the record shall be made available to inspectors on demand. If an inspection at any location discloses a violation of section 609.685, notice shall be given to the employer, and the employees shall be retrained as provided by this section.

Subd. 2. [SIGNAGE.] Each licensee shall display on the premises at each location where tobacco products are sold, language stating that the sale of tobacco to persons under age 18 is prohibited by law.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective January 1, 1996."

The motion prevailed. So the amendment was adopted.

S.F. No. 1170, which the committee recommends to pass with the following amendment offered by Ms. Johnston:

Page 21, line 28, after the period, insert "A government agency or local unit of government need sign and certify only the title page or first page of a document described in this subdivision."

The motion prevailed. So the amendment was adopted.

H.F. No. 1478, which the committee recommends to pass with the following amendments offered by Messrs. Dille and Hottinger:

Mr. Dille moved to amend H.F. No. 1478, as amended pursuant to Rule 49, adopted by the Senate April 21, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 1159.)

Page 1, after line 21, insert:

"Sec. 2. Minnesota Statutes 1994, section 17.138, is amended by adding a subdivision to read:

Subd. 3. [BEST MANAGEMENT PRACTICES.] The commissioner of the pollution control agency, in consultation with the commissioner and the feedlot and manure management advisory committee, shall develop voluntary best management practices for odor control at feedlots.

Sec. 3. Minnesota Statutes 1994, section 35.82, subdivision 2, is amended to read:

Subd. 2. [DISPOSITION OF CARCASSES.] (a) Except as provided in subdivision 1b and paragraph (d), every person owning or controlling any domestic animal that has died or been killed otherwise than by being slaughtered for human or animal consumption, shall as soon as reasonably possible bury the carcass at least three feet deep in the ground or thoroughly burn it or dispose of it by another method approved by the board as being effective for the protection of public health and the control of livestock diseases. The board, through its executive secretary, may issue permits to owners of rendering plants located in Minnesota which are operated and conducted as required by law, to transport carcasses of domestic animals and fowl that have died, or have been killed otherwise than by being slaughtered for human or animal consumption, over the public highways to their plants for rendering purposes in accordance with the rules adopted by the board relative to transportation, rendering, and other provisions the board considers necessary to prevent the spread of disease. The board may issue permits to owners of rendering plants located in an adjacent state with which a reciprocal agreement is in effect under subdivision 3.

(b) Carcasses collected by rendering plants under permit may be used for pet food or mink food if the owner or operator meets the requirements of subdivision 1b.

(c) An authorized employee or agent of the board may enter private or public property and inspect the carcass of any domestic animal that has died or has been killed other than by being slaughtered for human or animal consumption. Failure to dispose of the carcass of any domestic animal within the period specified by this subdivision is a public nuisance. The board may petition the district court of the county in which a carcass is located for a writ requiring the abatement of the public nuisance. A civil action commenced under this paragraph does not preclude a criminal prosecution under this section. No person may sell, offer to sell, give away, or convey along a public road or on land the person does not own, the carcass of a domestic animal when the animal died or was killed other than by being slaughtered for human or animal consumption unless it is done with a special permit pursuant to this section. The carcass or parts of a domestic animal that has died or has been killed other than by being slaughtered for human or animal consumption may be transported along a public road for a medical or scientific purpose if the carcass is enclosed in a leakproof container to prevent spillage or the dripping of liquid waste. The board may adopt rules relative to the transportation of the carcass of any domestic animal for a medical or scientific purpose. A carcass on a public thoroughfare may be transported for burial or other disposition in accordance with this section.

No person who owns or controls diseased animals shall negligently or willfully permit them to escape from that control or to run at large.

(d) A sheep producer may compost sheep carcasses owned by the producer on the producer's land without a permit and is exempt from compost facility specifications contained in rules of the board.

(e) The board shall develop best management practices for dead animal disposal and the pollution control agency feedlot division shall publish them for distribution to livestock producers in the state.

Sec. 4. Minnesota Statutes 1994, section 115.55, subdivision 2, is amended to read:

Subd. 2. [LOCAL ORDINANCES.] (a) Any ordinance adopted by a local unit of government to regulate individual sewage treatment systems must be in compliance with the individual sewage treatment system rules by January 1, ~~1996~~ 1998.

(b) A copy of each ordinance adopted under this subdivision must be submitted to the commissioner upon adoption.

Sec. 5. Minnesota Statutes 1994, section 115.56, subdivision 2, is amended to read:

Subd. 2. [LICENSE REQUIRED.] (a) Except as provided in paragraph (b), after March 31, 1996, a person may not design, install, maintain, pump, or inspect an individual sewage treatment system without a license issued by the commissioner.

(b) A license is not required for a person who complies with the applicable requirements if the person is:

(1) a qualified employee of state or local government who has passed the examination described in paragraph (d) or a similar examination;

(2) an individual who constructs an individual sewage treatment system on land that is owned or leased by the individual and functions solely as the individual's dwelling or seasonal dwelling;
or

(3) a farmer who pumps and disposes of sewage waste from individual sewage treatment systems, holding tanks, and privies on land that is owned or leased by the farmer; or

(4) an individual who performs labor or services for a person licensed under this section in connection with the design, installation, maintenance, pumping, or inspection of an individual sewage treatment system at the direction and under the personal supervision of a person licensed under this section.

A person constructing an individual sewage treatment system under clause (2) must consult with a site evaluator or designer before beginning construction. In addition, the system must be inspected before being covered and a compliance report must be provided to the local unit of government after the inspection.

(c) The commissioner, in conjunction with the University of Minnesota extension service or another higher education institution, shall ensure adequate training exists for individual sewage treatment system professionals.

(d) The commissioner shall conduct examinations to test the knowledge of applicants for licensing and shall issue documentation of licensing.

(e) Licenses may be issued only upon successful completion of the required examination and submission of proof of sufficient experience, proof of general liability insurance, and a corporate surety bond in the amount of at least \$10,000.

(f) Notwithstanding paragraph (e), the examination and proof of experience are not required for an individual sewage treatment system professional who, on the effective date of the rules adopted under subdivision 1, holds a certification attained by examination and experience under a voluntary certification program administered by the agency.

(g) Local units of government may not require additional local licenses for individual sewage treatment system professionals."

Page 4, after line 19, insert:

"Sec. 7. Minnesota Statutes 1994, section 116.07, subdivision 7, is amended to read:

Subd. 7. [COUNTIES; PROCESSING OF APPLICATIONS FOR ANIMAL LOT PERMITS.] Any Minnesota county board may, by resolution, with approval of the pollution control agency, assume responsibility for processing applications for permits required by the pollution control agency under this section for livestock feedlots, poultry lots or other animal lots. The responsibility for permit application processing, if assumed by a county, may be delegated by the county board to any appropriate county officer or employee.

(a) For the purposes of this subdivision, the term "processing" includes:

(1) the distribution to applicants of forms provided by the pollution control agency;

(2) the receipt and examination of completed application forms, and the certification, in writing, to the pollution control agency either that the animal lot facility for which a permit is sought by an applicant will comply with applicable rules and standards, or, if the facility will not comply, the respects in which a variance would be required for the issuance of a permit; and

(3) rendering to applicants, upon request, assistance necessary for the proper completion of an application.

(b) For the purposes of this subdivision, the term "processing" may include, at the option of the county board, issuing, denying, modifying, imposing conditions upon, or revoking permits pursuant to the provisions of this section or rules promulgated pursuant to it, subject to review, suspension, and reversal by the pollution control agency. The pollution control agency shall, after written notification, have 15 days to review, suspend, modify, or reverse the issuance of the permit. After this period, the action of the county board is final, subject to appeal as provided in chapter 14.

(c) For the purpose of administration of rules adopted under this subdivision, the commissioner and the agency may provide exceptions for cases where the owner of a feedlot has specific written plans to close the feedlot within five years. These exceptions include waiving requirements for major capital improvements.

(d) For purposes of this subdivision, a discharge caused by an extraordinary natural event such as a precipitation event of greater magnitude than the 25-year, 24-hour event, tornado, or flood in excess of the 100-year flood is not a "direct discharge of pollutants."

(e) In adopting and enforcing rules under this subdivision, the commissioner shall cooperate closely with other governmental agencies.

(f) The pollution control agency shall work with the Minnesota extension service, the department of agriculture, the board of water and soil resources, producer groups, local units of government, as well as with appropriate federal agencies such as the Soil Conservation Service and the Agricultural Stabilization and Conservation Service, to notify and educate producers of rules under this subdivision at the time the rules are being developed and adopted and at least every two years thereafter.

(g) The pollution control agency shall adopt rules governing the issuance and denial of permits for livestock feedlots, poultry lots or other animal lots pursuant to this section. A feedlot permit is not required for livestock feedlots with less than 50 animal units. These rules apply both to permits issued by counties and to permits issued by the pollution control agency directly.

(h) The pollution control agency shall exercise supervising authority with respect to the processing of animal lot permit applications by a county."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "providing for development of best management practices for feedlots; changing requirements for animal feedlot permits and sewage treatment system licenses; allowing composting of sheep carcasses;"

Page 1, line 6, before "and" insert "17.138, by adding a subdivision; 35.82, subdivision 2; 115.55, subdivision 2; 115.56, subdivision 2;"

Page 1, line 7, delete "subdivision 4" and insert "subdivisions 4 and 7"

The motion prevailed. So the amendment was adopted.

Mr. Hottinger moved to amend H.F. No. 1478, as amended pursuant to Rule 49, adopted by the Senate April 21, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 1159.)

Page 1, after line 8, insert:

"ARTICLE 1"

Page 4, after line 19, insert:

"ARTICLE 2"

Section 1. Minnesota Statutes 1994, section 3.842, subdivision 2, is amended to read:

Subd. 2. [JURISDICTION.] The jurisdiction of the commission includes all rules as defined in section 14.02, subdivision 4. The commission also has jurisdiction of rules which are filed with the secretary of state in accordance with ~~section~~ sections 14.38, subdivisions 5, 6, 7, 8, 9, and 11 ~~or were filed with the secretary of state in accordance with the provisions of section 14.38, subdivisions 5 to 9, which were in effect on the date the rules were filed;~~ 14.386; and 14.388.

The commission may periodically review statutory exemptions to the rulemaking provisions of this chapter.

Sec. 2. Minnesota Statutes 1994, section 3.842, subdivision 4, is amended to read:

Subd. 4. [SUSPENSIONS.] (a) The commission may, on any of the grounds listed in paragraph (b) and on the basis of the testimony received at the public hearings, suspend any rule complained of by the affirmative vote of at least six members provided the provisions of section 3.844 have been met. If any rule is suspended, the commission shall as soon as possible place before the legislature, at the next year's session, a bill to repeal the suspended rule. If the bill is not enacted in that year's session, the rule is effective upon adjournment of the session unless the agency has repealed it. If the bill is enacted, the rule is repealed.

(b) A rule suspension under paragraph (a) must be based on one or more of the following reasons:

- (1) an absence of statutory authority;
- (2) an emergency relating to public health, safety, or welfare;
- (3) a failure to comply with legislative intent;
- (4) a conflict with state law;
- (5) a change in circumstances since enactment of the earliest law upon which the rule is based;
- (6) arbitrariness and capriciousness, or imposition of an undue hardship.

(c) This section authorizes the commission to suspend a rule only when the vote to suspend is taken, and the effective date of the suspension occurs, at a time when the legislature could not enact a bill to repeal the rule.

Sec. 3. Minnesota Statutes 1994, section 3.842, is amended by adding a subdivision to read:

Subd. 4a. [OBJECTIONS TO RULES.] (a) If the legislative commission to review administrative rules objects to all or some portion of a rule because the commission considers it to be beyond the procedural or substantive authority delegated to the agency, including a proposed rule submitted under section 14.15, subdivision 4, or 14.26, subdivision 3, paragraph (c), the commission may file that objection in the office of the secretary of state. The filed objection must contain a concise statement of the commission's reasons for its action. An objection to a proposed rule submitted under section 14.15, subdivision 4, or 14.26, subdivision 3, paragraph (c), may not be filed before the rule is adopted.

(b) The secretary of state shall affix to each objection a certification of the date and time of its filing and as soon after the objection is filed as practicable shall transmit a certified copy of it to the agency issuing the rule in question and the revisor of statutes. The secretary of state shall also maintain a permanent register open to public inspection of all objections by the commission.

(c) The legislative commission to review administrative rules shall publish and index an objection filed under this section in the next issue of the State Register. The revisor of statutes shall indicate its existence adjacent to the rule in question when that rule is published in Minnesota Rules.

(d) Within 14 days after the filing of an objection by the commission to a rule, the issuing agency shall respond in writing to the commission. After receipt of the response, the commission may withdraw or modify its objection.

(e) After the filing of an objection by the commission that is not subsequently withdrawn, the burden is upon the agency in any proceeding for judicial review or for enforcement of the rule to establish that the whole or portion of the rule objected to is valid.

(f) The failure of the commission to object to a rule is not an implied legislative authorization of its validity.

(g) Pursuant to sections 14.44 and 14.45, the commission may petition for a declaratory judgment to determine the validity of any rule objected to by the commission.

This action must be started within two years after an objection is filed in the office of the secretary of state.

(h) The commission may intervene in litigation arising from agency action. For purposes of this paragraph, agency action means the whole or part of a rule, or the failure to issue a rule.

Sec. 4. Minnesota Statutes 1994, section 4A.05, subdivision 2, is amended to read:

Subd. 2. [FEES.] The director shall set fees under section ~~16A.128, subdivision 2,~~ 16A.1285 reflecting the actual costs of providing the center's information products and services to clients.

Fees collected must be deposited in the state treasury and credited to the land management information center revolving account. Money in the account is appropriated to the director for operation of the land management information system, including the cost of services, supplies, materials, labor, and equipment, as well as the portion of the general support costs and statewide indirect costs of the office that is attributable to the land management information system. The director may require a state agency to make an advance payment to the revolving fund sufficient to cover the agency's estimated obligation for a period of 60 days or more. If the revolving fund is abolished or liquidated, the total net profit from operations must be distributed to the funds from which purchases were made. The amount to be distributed to each fund must bear to the net profit the same ratio as the total purchases from each fund bear to the total purchases from all the funds during a period of time that fairly reflects the amount of net profit each fund is entitled to receive under this distribution.

Sec. 5. Minnesota Statutes 1994, section 14.04, is amended to read:

14.04 [AGENCY ORGANIZATION; GUIDEBOOK.]

To assist interested persons dealing with it, each agency shall, in a manner prescribed by the commissioner of administration, prepare a description of its organization, stating the process whereby general course and method of its operations and where and how the public may obtain information or make submissions or requests. The commissioner of administration shall publish these descriptions at least once every four years commencing in 1981 in a guidebook of state agencies. Notice of the publication of the guidebook shall be published in the State Register and given in newsletters, newspapers, or other publications, or through other means of communication.

Sec. 6. Minnesota Statutes 1994, section 14.05, subdivision 2, is amended to read:

Subd. 2. [AUTHORITY TO MODIFY PROPOSED RULE.] (a) An agency may modify a proposed rule in accordance with the procedures of the administrative procedure act. However, an agency may not modify a proposed rule so that it is substantially different from the proposed rule in the notice of intent to adopt rules or notice of hearing.

(b) A modification does not make a proposed rule substantially different if:

(1) the differences are within the scope of the matter announced in the notice of intent to adopt or notice of hearing and are in character with the issues raised in that notice;

(2) the differences are a logical outgrowth of the contents of the notice of intent to adopt or notice of hearing and the comments submitted in response to the notice; and

(3) the notice of intent to adopt or notice of hearing provided fair warning that the outcome of that rulemaking proceeding could be the rule in question.

(c) In determining whether the notice of intent to adopt or notice of hearing provided fair warning that the outcome of that rulemaking proceeding could be the rule in question the following factors must be considered:

(1) the extent to which persons who will be affected by the rule should have understood that the rulemaking proceeding on which it is based could affect their interests;

(2) the extent to which the subject matter of the rule or issues determined by the rule are different from the subject matter or issues contained in the notice of intent to adopt or notice of hearing; and

(3) the extent to which the effects of the rule differ from the effects of the proposed rule contained in the notice of intent to adopt or notice of hearing.

Sec. 7. Minnesota Statutes 1994, section 14.05, is amended by adding a subdivision to read:

Subd. 5. [REVIEW AND REPEAL OF RULES.] By December 1 of each year, an agency shall submit a list of all the rules of the agency to the governor, the legislative commission to review administrative rules, and the revisor of statutes. The list must identify any rules that are obsolete and should be repealed. The list must also include an explanation of why the rule is obsolete and the agency's timetable for repeal.

Sec. 8. Minnesota Statutes 1994, section 14.06, is amended to read:

14.06 [REQUIRED RULES.]

(a) Each agency shall adopt rules, in the form prescribed by the revisor of statutes, setting forth the nature and requirements of all formal and informal procedures related to the administration of official agency duties to the extent that those procedures directly affect the rights of or procedures available to the public.

(b) Upon the request of any person, and as soon as feasible and to the extent practicable, each agency shall adopt rules to supersede those principles of law or policy lawfully declared by the agency as the basis for its decisions in particular cases it intends to rely on as precedents in future cases. This paragraph does not apply to the public utilities commission.

Sec. 9. Minnesota Statutes 1994, section 14.08, is amended to read:

14.08 [~~REVISOR OF STATUTES~~ APPROVAL OF RULE AND RULE FORM; COSTS.]

(a) Two copies of a rule adopted pursuant to ~~the provisions of section 14.26 or 14.32~~ shall be submitted by the agency to the ~~attorney general~~ chief administrative law judge. The ~~attorney general~~ chief administrative law judge shall send one copy of the rule to the revisor on the same day as it is submitted by the agency under section 14.26 ~~or 14.32~~. Within five days after receipt of the rule, excluding weekends and holidays, the revisor shall either return the rule with a certificate of approval of the form of the rule to the ~~attorney general~~ chief administrative law judge or notify the ~~attorney general~~ chief administrative law judge and the agency that the form of the rule will not be approved.

If the ~~attorney general~~ chief administrative law judge disapproves a rule, the agency may modify it and the agency shall submit two copies of the modified rule to the ~~attorney general~~ chief administrative law judge who shall send a copy to the revisor for approval as to form as described in this paragraph.

(b) One copy of a rule adopted after a public hearing shall be submitted by the agency to the revisor for approval of the form of the rule. Within five working days after receipt of the rule, the revisor shall either return the rule with a certificate of approval to the agency or notify the agency that the form of the rule will not be approved.

(c) If the revisor refuses to approve the form of the rule, the revisor's notice shall revise the rule so it is in the correct form.

(d) The ~~attorney general~~ chief administrative law judge shall assess an agency for the ~~attorney general's~~ actual cost of processing rules under this section. ~~The agency shall pay the attorney general's assessments using the procedures of section 8.15.~~ Each agency shall include in its budget money to pay the ~~attorney general's~~ assessments. Receipts from the assessment must be deposited in the ~~state treasury and credited to the general fund~~ administrative hearings account created in section 14.54.

Sec. 10. Minnesota Statutes 1994, section 14.09, is amended to read:

14.09 [PETITION FOR ADOPTION OF RULE.]

Any interested person may petition an agency requesting the adoption, ~~suspension~~, amendment, or repeal of any rule. The petition shall be specific as to what action is requested and the need for the action. Upon receiving a petition an agency shall have 60 days in which to make a specific and detailed reply in writing as to its planned disposition of the request and the reasons for its planned disposition of the request. If the agency states its intention to hold a public hearing on the subject of the request, it shall proceed according to sections 14.05 to 14.36 ~~14.28~~. The ~~attorney general~~ chief administrative law judge shall prescribe by rule the form for all petitions under this section and may prescribe further procedures for their submission, consideration, and disposition.

Sec. 11. [14.101] [ADVICE ON POSSIBLE RULES.]

Subdivision 1. [REQUIRED NOTICE.] In addition to seeking information by other methods

designed to reach persons or classes of persons who might be affected by the proposal, an agency, before publication of a notice of intent to adopt or a notice of hearing, shall solicit comments from the public on the subject matter of a possible rulemaking proposal under active consideration within the agency by causing notice to be published in the State Register. The notice must include a description of the subject matter of the proposal, the types of groups and individuals likely to be affected, and indicate where, when, and how persons may comment on the proposal and whether and how drafts of any proposal may be obtained from the agency.

Subd. 2. [ADVISORY COMMITTEES.] Each agency may also appoint committees to comment, before publication of a notice of intent to adopt or a notice of hearing, on the subject matter of a possible rulemaking under active consideration within the agency. The membership of those committees must be published at least annually in the State Register.

Subd. 3. [EFFECT OF GOOD FAITH COMPLIANCE.] If an agency has made a good faith effort to comply with this section, a rule may not be invalidated on the grounds that the contents of this notice are insufficient or inaccurate.

Sec. 12. [14.125] [TIME LIMIT ON AUTHORITY TO ADOPT, AMEND, OR REPEAL RULES.]

An agency shall publish a notice of intent to adopt rules or a notice of hearing within 18 months of the effective date of the law authorizing or requiring rules to be adopted, amended, or repealed. If the notice is not published within the time limit imposed by this section, the authority for the rules expires. The agency shall not use other law in existence at the time of the expiration of rulemaking authority under this section as authority to adopt, amend, or repeal these rules.

An agency that publishes a notice of intent to adopt rules or a notice of hearing within the time limit specified in this section may subsequently amend or repeal the rules without additional legislative authorization.

Sec. 13. Minnesota Statutes 1994, section 14.131, is amended to read:

14.131 [STATEMENT OF NEED AND REASONABLENESS.]

Before the agency orders the publication of a rulemaking notice required by section 14.14, subdivision 1a, the agency must prepare, review, and make available for public review a statement of the need for and reasonableness of the rule ~~and a fiscal note if required by section 3.982.~~ The statement of need and reasonableness must be prepared under rules adopted by the chief administrative law judge, and must include the following to the extent the agency, through reasonable effort, can ascertain this information:

(1) a description of the classes of persons who probably will be affected by the proposed rule, including classes that will bear the costs of the proposed rule and classes that will benefit from the proposed rule;

(2) the probable costs to the agency and to any other agency of the implementation and enforcement of the proposed rule and any anticipated effect on state revenues;

(3) a determination of whether there are less costly methods or less intrusive methods for achieving the purpose of the proposed rule;

(4) a description of any alternative methods for achieving the purpose of the proposed rule that were seriously considered by the agency and the reasons why they were rejected in favor of the proposed rule;

(5) the probable costs of complying with the proposed rule; and

(6) an assessment of any differences between the proposed rule and existing federal regulations and a specific analysis of the need for and reasonableness of each difference.

For rules setting, adjusting, or establishing regulatory, licensure, or other charges for goods and services, the statement of need and reasonableness must include the comments and recommendations of the commissioner of finance and must address any fiscal and policy concerns raised during the review process, as required by section 16A.1285.

The statement must also describe the agency's efforts to provide additional notification to persons or classes of persons who may be affected by the proposed rule or must explain why these efforts were not made.

The agency shall send a copy of the statement of need and reasonableness to the legislative commission to review administrative rules when it becomes available for public review.

Sec. 14. Minnesota Statutes 1994, section 14.14, subdivision 1a, is amended to read:

Subd. 1a. [NOTICE OF RULE HEARING.] (a) Each agency shall maintain a list of all persons who have registered with the agency for the purpose of receiving notice of rule ~~hearings proceedings~~. The agency may inquire as to whether those persons on the list wish to maintain their names thereon and may remove names for which there is a negative reply or no reply within 60 days. The agency shall, at least 30 days prior to the date set for the hearing, give notice of its intention to adopt rules by United States mail to all persons on its list, and by publication in the State Register. The mailed notice shall include either a copy of the proposed rule or a description of the nature and effect of the proposed rule and an announcement that a free copy of the proposed rule is available on request from the agency. Each agency may, at its own discretion, also contact persons not on its list ~~and may give~~ who may be affected by the rule being proposed. In addition, each agency shall make reasonable efforts to notify persons or classes of persons who may be affected by the rule being proposed by giving notice of its intention in newsletters, newspapers, or other publications, or through other means of communication. The notice in the State Register must include the proposed rule or an amended rule in the form required by the revisor under section 14.07, together with a citation to the most specific statutory authority for the proposed rule, a statement of the place, date, and time of the public hearing, a statement that persons may register with the agency for the purpose of receiving notice of rule proceedings and notice that a rule has been adopted, and other information as required by law or rule. When an entire rule is proposed to be repealed, the agency need only publish that fact, giving the citation to the rule to be repealed in the notice.

(b) The legislative commission to review administrative rules may authorize an agency to omit from the notice of rule hearing the text of any proposed rule, the publication of which would be unduly cumbersome, expensive, or otherwise inexpedient if:

- (1) knowledge of the rule is likely to be important to only a small class of persons;
- (2) the notice of rule hearing states that a free copy of the entire rule is available upon request to the agency; and
- (3) the notice of rule hearing states in detail the specific subject matter of the omitted rule, cites the statutory authority for the proposed rule, and details the proposed rule's purpose and motivation.

Sec. 15. Minnesota Statutes 1994, section 14.15, subdivision 3, is amended to read:

Subd. 3. [FINDING OF SUBSTANTIAL ~~CHANGE DIFFERENCE~~.] If the report contains a finding that a rule has been modified in a way which makes it substantially different, as determined under section 14.05, subdivision 2, from that which was originally proposed, or that the agency has not met the requirements of sections 14.131 to 14.18, it shall be submitted to the chief administrative law judge for approval. If the chief administrative law judge approves the finding of the administrative law judge, the chief administrative law judge shall advise the agency and the revisor of statutes of actions which will correct the defects. The agency shall not adopt the rule until the chief administrative law judge determines that the defects have been corrected or, if applicable, that the agency has satisfied the rule requirements for the adoption of a substantially different rule.

Sec. 16. Minnesota Statutes 1994, section 14.15, subdivision 4, is amended to read:

Subd. 4. [NEED OR REASONABLENESS NOT ESTABLISHED.] If the chief administrative law judge determines that the need for or reasonableness of the rule has not been established pursuant to section 14.14, subdivision 2, and if the agency does not elect to follow the suggested actions of the chief administrative law judge to correct that defect, then the agency shall submit the

proposed rule to the legislative commission to review administrative rules for the commission's advice and comment. The agency shall not adopt the rule until it has received and considered the advice of the commission. However, the agency is not required to ~~delay adoption longer~~ wait for the commission's advice for more than 30 60 days after the commission has received the agency's submission. Advice of the commission shall not be binding on the agency.

Sec. 17. Minnesota Statutes 1994, section 14.16, subdivision 1, is amended to read:

Subdivision 1. [REVIEW OF MODIFICATIONS.] If the report of the administrative law judge finds no defects, the agency may proceed to adopt the rule. After receipt of the administrative law judge's report, if the agency makes any modifications to the rule other than those recommended by the administrative law judge, it must return the rule to the chief administrative law judge for a review on the issue of ~~substantial change~~ whether the rule as modified is substantially different, as determined under section 14.05, subdivision 2, from the rule as originally proposed. If the chief administrative law judge determines that the modified rule is substantially different from that which was originally proposed, the chief administrative law judge shall advise the agency of actions which will correct the defects. The agency shall not adopt the modified rule until the chief administrative law judge determines that the defects have been corrected or, if applicable, that the agency has satisfied the rule requirements for the adoption of a substantially different rule.

The agency shall give notice to all persons who requested to be informed that the rule has been adopted and filed with the secretary of state. This notice shall be given on the same day that the rule is filed.

Sec. 18. Minnesota Statutes 1994, section 14.18, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] A rule is effective after it has been subjected to all requirements described in sections 14.131 to 14.20 and five working days after the notice of adoption is published in the State Register unless a later date is required by law or specified in the rule. If the rule adopted is the same as the proposed rule, publication may be made by publishing notice in the State Register that the rule has been adopted as proposed and by citing the prior publication. If the rule adopted differs from the proposed rule, the portions of the adopted rule which differ from the proposed rule shall be included in the notice of adoption together with a citation to the prior State Register publication of the remainder of the proposed rule. The nature of the modifications must be clear to a reasonable person when the notice of adoption is considered together with the State Register publication of the proposed rule, except that modifications may also be made which comply with the form requirements of section 14.07, subdivision 7.

If the agency omitted from the notice of proposed rule adoption the text of the proposed rule, as permitted by section 14.14, subdivision 1a, paragraph (b), the legislative commission to review administrative rules may provide that the notice of the adopted rule need not include the text of any changes from the proposed rule. However, the notice of adoption must state in detail the substance of the changes made from the proposed rule, and must state that a free copy of that portion of the adopted rule that was the subject of the rulemaking proceeding, not including any material adopted by reference as permitted by section 14.07, is available upon request to the agency.

Sec. 19. Minnesota Statutes 1994, section 14.19, is amended to read:

14.19 [DEADLINE TO COMPLETE RULEMAKING.]

The agency shall, within 180 days after issuance of the administrative law judge's report, submit its notice of adoption, amendment, ~~suspension~~, or repeal to the State Register for publication. If the agency has not submitted its notice to the State Register within 180 days, the rule is automatically withdrawn. The agency shall not adopt the withdrawn rules without again following the procedures of sections 14.05 to 14.36. It shall report to the legislative commission to review administrative rules, other appropriate committees of the legislature, and the governor its failure to adopt rules and the reasons for that failure. The 180-day time limit of this section does not include any days used for review by the chief administrative law judge, ~~the attorney general~~, or the legislative commission to review administrative rules if the review is required by law.

Sec. 20. Minnesota Statutes 1994, section 14.22, subdivision 1, is amended to read:

Subdivision 1. [CONTENTS.] (a) Unless an agency proceeds directly to a public hearing on a proposed rule and gives the notice prescribed in section 14.14, subdivision 1a, the agency shall give notice of its intention to adopt a rule without public hearing. The notice shall be given by publication in the State Register and by United States mail to persons who have registered their names with the agency pursuant to section 14.14, subdivision 1a. The mailed notice shall include either a copy of the proposed rule or a description of the nature and effect of the proposed rule and an announcement that a free copy of the proposed rule is available on request from the agency. Each agency may, at its own discretion, also contact persons not on its list who may be affected by the rule being proposed. In addition, each agency shall make reasonable efforts to notify persons or classes of persons who may be affected by the rule by giving notice of its intention in newsletters, newspapers, or other publications, or through other means of communication. The notice in the State Register shall include the proposed rule or the amended rule in the form required by the revisor under section 14.07, ~~and~~ a citation to the most specific statutory authority for the proposed rule, a statement that persons may register with the agency for the purpose of receiving notice of rule proceedings and notice that a rule has been submitted to the chief administrative law judge, and other information as required by law or rule. When an entire rule is proposed to be repealed, the notice need only state that fact, giving the citation to the rule to be repealed in the notice. The notice shall include a statement advising the public:

(1) that they have 30 days in which to submit comment in support of or in opposition to the proposed rule and that comment is encouraged;

(2) that each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed;

(3) that if 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held;

(4) of the manner in which persons shall request a public hearing on the proposed rule;

~~(5) that the name and address of the person requesting a public hearing shall be stated of the requirements contained in section 14.25 relating to a written request for a public hearing, and that the requester is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and propose any change proposed desired;~~

(6) that the proposed rule may be modified if the modifications are supported by the data and views submitted; and

~~(7) that if a hearing is not required, notice of the date of submission of the proposed rule to the attorney general chief administrative law judge for review will be mailed to any person requesting to receive the notice.~~

In connection with the statements required in clauses (1) and (3), the notice must also include the date on which the 30-day comment period ends.

(b) The legislative commission to review administrative rules may authorize an agency to omit from the notice of intent to adopt the text of any proposed rule, the publication of which would be unduly cumbersome, expensive, or otherwise inexpedient if:

(1) knowledge of the rule is likely to be important to only a small class of persons;

(2) the notice of intent to adopt states that a free copy of the entire rule is available upon request to the agency; and

(3) the notice of intent to adopt states in detail the specific subject matter of the omitted rule, cites the statutory authority for the proposed rule, and details the proposed rule's purpose and motivation.

Sec. 21. Minnesota Statutes 1994, section 14.23, is amended to read:

14.23 [STATEMENT OF NEED AND REASONABLENESS.]

Before the date of the section 14.22 notice, the agency shall prepare a statement of need and

reasonableness which shall be available to the public. The statement of need and reasonableness must include the analysis required in section 14.131 and the comments and recommendations of the commissioner of finance, and must address any fiscal and policy concerns raised during the review process, as required by section 16A.1285. The statement must also describe the agency's efforts to provide additional notification to persons or classes of persons who may be affected by the proposed rules or must explain why these efforts were not made. For at least 30 days following the notice, the agency shall afford all interested persons the public an opportunity to request a public hearing and to submit data and views on the proposed rule in writing.

The agency shall send a copy of the statement of need and reasonableness to the legislative commission to review administrative rules when it becomes available to the public.

Sec. 22. Minnesota Statutes 1994, section 14.24, is amended to read:

14.24 [MODIFICATIONS OF PROPOSED RULE.]

The proposed rule may be modified if the modifications are supported by the data and views submitted to the agency and do not result in a ~~substantial change~~ substantially different rule, as determined under section 14.05, subdivision 2, from the rule as originally proposed. An agency may adopt a substantially different rule after satisfying the rule requirements for the adoption of a substantially different rule.

Sec. 23. Minnesota Statutes 1994, section 14.25, is amended to read:

14.25 [PUBLIC HEARING ~~REQUIRED~~.]

Subdivision 1. [REQUESTS FOR HEARING.] If, during the 30-day period allowed for comment, 25 or more persons submit to the agency a written request for a public hearing of the proposed rule, the agency shall proceed under the provisions of sections 14.14 to 14.20. The written request must include: (1) the name and address of the person requesting the public hearing; and (2) the portion or portions of the rule to which the person objects or a statement that the person opposes the entire rule. A notice of the public hearing must be published in the State Register and mailed to those persons who submitted a written request for the public hearing. Unless the agency has modified the proposed rule, the notice need not include the text of the proposed rule but only a citation to the State Register pages where the text appears.

A written request for a public hearing that does not comply with the requirements of this section is invalid and must not be counted by the agency for purposes of determining whether a public hearing must be held.

Subd. 2. [WITHDRAWAL OF HEARING REQUESTS.] If a request for a public hearing has been withdrawn, the agency must give written notice of that fact to all persons who have requested the public hearing. The notice must explain why the request is being withdrawn, and must include a description of any action the agency has taken or will take that affected or may have affected the decision to withdraw the request. The notice must also invite persons to submit written comments to the agency relating to the withdrawal. The notice and any written comments received by the agency is part of the rulemaking record submitted to the administrative law judge under section 14.14 or 14.26. The administrative law judge shall review the notice and any comments received and determine whether the withdrawal is consistent with section 14.001, clauses (2), (4), and (5).

This subdivision applies only to a withdrawal of a hearing request that affects whether a public hearing must be held and only if the agency has taken any action to obtain the withdrawal of the hearing request.

Sec. 24. Minnesota Statutes 1994, section 14.26, is amended to read:

14.26 [ADOPTION OF PROPOSED RULE; SUBMISSION TO ~~ATTORNEY GENERAL~~ ADMINISTRATIVE LAW JUDGE.]

Subdivision 1. [SUBMISSION.] If no hearing is required, the agency shall submit to ~~the attorney general~~ an administrative law judge assigned by the chief administrative law judge the proposed rule and notice as published, the rule as proposed for adoption, any written comments received by the agency, and a statement of need and reasonableness for the rule. The agency shall

give notice to all persons who requested to be informed that these materials have been submitted to the ~~attorney general~~ administrative law judge. This notice shall be given on the same day that the record is submitted. If the proposed rule has been modified, the notice shall state that fact, and shall state that a free copy of the proposed rule, as modified, is available upon request from the agency. The rule and these materials shall be submitted to the ~~attorney general~~ administrative law judge within 180 days of the day that the comment period for the rule is over or the rule is automatically withdrawn. The agency shall report its failure to adopt the rules and the reasons for that failure to the legislative commission to review administrative rules, other appropriate legislative committees, and the governor.

Subd. 2. [RESUBMISSION.] Even if the 180-day period expires while the ~~attorney general~~ administrative law judge reviews the rule, if the ~~attorney general~~ administrative law judge rejects the rule, the agency may resubmit it after taking corrective action. The resubmission must occur within 30 days of when the agency receives written notice of the disapproval. If the rule is again disapproved, the rule is withdrawn. An agency may resubmit at any time before the expiration of the 180-day period. If the agency withholds some of the proposed rule, it may not adopt the withheld portion without again following the procedures of sections 14.14 to 14.28, ~~or 14.29 to 14.36.~~

Subd. 3. [REVIEW.] (a) The ~~attorney general~~ administrative law judge shall, within 14 days, approve or disapprove the rule as to its legality and its form to the extent the form relates to legality, including the ~~issue~~ issues of ~~substantial change~~ whether the rule if modified is substantially different, as determined under section 14.05, subdivision 2, from the rule as originally proposed, and ~~determine~~ whether the agency has the authority to adopt the rule, and whether the record demonstrates a rational basis for the need for and reasonableness of the proposed rule within 14 days. If the rule is approved, the ~~attorney general~~ administrative law judge shall promptly file two copies of it in the office of the secretary of state. The secretary of state shall forward one copy of each rule to the revisor of statutes. If the rule is disapproved, the ~~attorney general~~ administrative law judge shall state in writing the reasons and make recommendations to overcome the ~~deficiencies, and~~ defects.

(b) The written disapproval must be submitted to the chief administrative law judge for approval. If the chief administrative law judge approves of the findings of the administrative law judge, the chief administrative law judge shall send the statement of the reasons for disapproval of the rule to the agency, the legislative commission to review administrative rules, and the revisor of statutes and advise the agency and the revisor of statutes of actions that will correct the defects. The rule shall not be filed in the office of the secretary of state, nor published until the ~~deficiencies~~ chief administrative law judge determines that the defects have been ~~overcome~~ corrected or, if applicable, that the agency has satisfied the rule requirements for the adoption of a substantially different rule. ~~The attorney general shall send a statement of reasons for disapproval of the rule to the agency, the chief administrative law judge, the legislative commission to review administrative rules, and to the revisor of statutes.~~

(c) If the chief administrative law judge determines that the need for or reasonableness of the rule has not been established, and if the agency does not elect to follow the suggested actions of the chief administrative law judge to correct that defect, then the agency shall submit the proposed rule to the legislative commission to review administrative rules for the commission's advice and comment. The agency shall not adopt the rule until it has received and considered the advice of the commission. However, the agency is not required to wait for the commission's advice for more than 60 days after the commission has received the agency's submission.

(d) The ~~attorney general~~ administrative law judge shall disregard any error or defect in the proceeding due to the agency's failure to satisfy any procedural requirements imposed by law or rule if the ~~attorney general~~ administrative law judge finds:

(1) that the failure did not deprive any person or entity of an opportunity to participate meaningfully in the rulemaking process; or

(2) that the agency has taken corrective action to cure the error or defect so that the failure did not deprive any person or entity of an opportunity to participate meaningfully in the rulemaking process.

Subd. 4. [COSTS.] The ~~attorney-general~~ office of administrative hearings shall assess an agency for the actual cost of processing rules under this section. ~~The agency shall pay the attorney general's assessments using the procedures of section 8.15.~~ Each agency shall include in its budget money to pay the attorney general's assessment. Receipts from the assessment must be deposited in the ~~state treasury and credited to the general fund~~ administrative hearings account created in section 14.54.

Sec. 25. Minnesota Statutes 1994, section 14.365, is amended to read:

14.365 [OFFICIAL RULEMAKING RECORD.]

The agency shall maintain the official rulemaking record for every rule adopted pursuant to sections 14.05 to ~~14.36~~ 14.28. The record shall be available for public inspection. The record required by this section constitutes the official and exclusive agency rulemaking record with respect to agency action on or judicial review of the rule. The record shall contain:

- (1) copies of all publications in the State Register pertaining to the rule;
- (2) all written petitions, requests, submissions, or comments received by the agency, or the administrative law judge, ~~or the attorney-general~~ pertaining to the rule;
- (3) the statement of need and reasonableness for the rule, ~~if any;~~
- (4) the official transcript of the hearing if one was held, or the tape recording of the hearing if a transcript was not prepared;
- (5) the report of the administrative law judge, if any;
- (6) the rule in the form last submitted to the administrative law judge under sections 14.14 to 14.20 or first submitted to the ~~attorney-general~~ administrative law judge under sections 14.22 to 14.28;
- (7) the ~~attorney-general's~~ administrative law judge's written statement of required modifications and of approval or disapproval by the chief administrative law judge, if any;
- (8) any documents required by applicable rules of the office of administrative hearings ~~or of the attorney-general;~~
- (9) the agency's order adopting the rule;
- (10) the revisor's certificate approving the form of the rule; and
- (11) a copy of the adopted rule as filed with the secretary of state.

Sec. 26. [14.366] [PUBLIC RULEMAKING DOCKET.]

(a) Each agency shall maintain a current, public rulemaking docket.

(b) The rulemaking docket must contain a listing of the precise subject matter of each possible proposed rule currently under active consideration within the agency for proposal, the name and address of agency personnel with whom persons may communicate with respect to the matter, and an indication of its present status within the agency.

(c) The rulemaking docket must list each pending rulemaking proceeding. A rulemaking proceeding is pending from the time it is begun, by publication of the notice of solicitation, the notice of intent to adopt, or notice of hearing, to the time it is terminated, by publication of a notice of withdrawal or the rule becoming effective. For each rulemaking proceeding, the docket must indicate:

- (1) the subject matter of the proposed rule;
- (2) a citation to all published notices relating to the proceeding;
- (3) where written comments on the proposed rule may be inspected;

- (4) the time during which written comments may be made;
- (5) the names of persons who have made written requests for a public hearing, where those requests may be inspected, and where and when the hearing will be held;
- (6) the current status of the proposed rule and any agency determinations with respect to the rule;
- (7) any known timetable for agency decisions or other action in the proceeding;
- (8) the date of the rule's adoption;
- (9) the date the rule was filed with the secretary of state; and
- (10) when the rule will become effective.

Sec. 27. [14.386] [PROCEDURE FOR ADOPTING EXEMPT RULES; DURATION.]

(a) A rule adopted, amended, or repealed by an agency, under a statute authorizing or requiring rules to be adopted but excluded from the rulemaking provisions of chapter 14 or from the definition of a rule, has the force and effect of law only if:

- (1) the revisor of statutes approves the form of the rule by certificate;
 - (2) the office of administrative hearings approves the rule as to its legality within 14 days after the agency submits it for approval and files two copies of the rule with the revisor's certificate in the office of the secretary of state; and
 - (3) a copy is published by the agency in the State Register.
- (b) A rule adopted under this section is effective for a period of two years from the date of publication of the rule in the State Register. The authority for the rule expires at the end of this two-year period.

(c) The chief administrative law judge shall adopt rules relating to the rule approval duties imposed by this section and section 14.388, including rules establishing standards for review.

(d) This section does not apply to rules adopted, amended, or repealed under section 14.388.

This section also does not apply to:

- (1) rules implementing emergency powers pursuant to sections 12.31 to 12.37;
- (2) rules of agencies directly in the legislative or judicial branches;
- (3) rules of the regents of the University of Minnesota;
- (4) rules of the department of military affairs;
- (5) rules of the comprehensive health association provided in section 62E.10;
- (6) rules of the tax court provided by section 271.06;
- (7) rules concerning only the internal management of the agency or other agencies, and which do not directly affect the rights of or procedure available to the public;
- (8) rules of the commissioner of corrections relating to the placement and supervision of inmates serving a supervised release term, the internal management of institutions under the commissioner's control, and rules adopted under section 609.105 governing the inmates of those institutions;
- (9) rules relating to weight limitations on the use of highways when the substance of the rules is indicated to the public by means of signs;
- (10) opinions of the attorney general;

(11) the systems architecture plan and long-range plan of the state education management information system provided by section 121.931;

(12) the data element dictionary and the annual data acquisition calendar of the department of education to the extent provided by section 121.932;

(13) the occupational safety and health standards provided in section 182.655;

(14) revenue notices and tax information bulletins of the commissioner of revenue;

(15) uniform conveyancing forms adopted by the commissioner of commerce under section 507.09;

(16) game and fish rules of the commissioner of natural resources adopted under section 84.027, subdivision 13, or sections 97A.0451 to 97A.0459; or

(17) experimental and special management waters designated by the commissioner of natural resources under sections 97C.001 and 97C.005.

Sec. 28. [14.387] [LEGAL STATUS OF EXISTING EXEMPT RULES.]

A rule adopted on or before the day following final enactment of this section, and which was not adopted under sections 14.05 to 14.36 or their predecessor provisions, does not have the force and effect of law on and after July 1, 1997, and the authority for the rule expires on that date.

This section does not apply to:

(1) rules implementing emergency powers under sections 12.31 to 12.37;

(2) rules of agencies directly in the legislative or judicial branches;

(3) rules of the regents of the University of Minnesota;

(4) rules of the department of military affairs;

(5) rules of the comprehensive health association provided in section 62E.10;

(6) rules of the tax court provided by section 271.06;

(7) rules concerning only the internal management of the agency or other agencies, and which do not directly affect the rights of or procedure available to the public;

(8) rules of the commissioner of corrections relating to the placement and supervision of inmates serving a supervised release term, the internal management of institutions under the commissioner's control, and rules adopted under section 609.105 governing the inmates of those institutions;

(9) rules relating to weight limitations on the use of highways when the substance of the rules is indicated to the public by means of signs;

(10) opinions of the attorney general;

(11) the systems architecture plan and long-range plan of the state education management information system provided by section 121.931;

(12) the data element dictionary and the annual data acquisition calendar of the department of education to the extent provided by section 121.932;

(13) the occupational safety and health standards provided in section 182.655;

(14) revenue notices and tax information bulletins of the commissioner of revenue;

(15) uniform conveyancing forms adopted by the commissioner of commerce under section 507.09;

(16) game and fish rules of the commissioner of natural resources adopted under section 84.027, subdivision 13, or sections 97A.0451 to 97A.0459; or

(17) experimental and special management waters designated by the commissioner of natural resources under sections 97C.001 and 97C.005.

Sec. 29. [14.388] [GOOD CAUSE EXEMPTION.]

If an agency for good cause finds that the rulemaking provisions of this chapter are unnecessary, impracticable, or contrary to the public interest when adopting, amending, or repealing a rule to:

(1) address a serious and immediate threat to the public health, safety, or welfare;

(2) comply with a court order or a requirement in federal law in a manner that does not allow for compliance with sections 14.14 to 14.28;

(3) incorporate specific changes set forth in applicable statutes when no interpretation of law is required; or

(4) make changes that do not alter the sense, meaning, or effect of a rule,

the agency may adopt, amend, or repeal the rule after satisfying the requirements of section 14.386, paragraph (a), clauses (1) to (3). The agency shall incorporate its findings and a brief statement of its supporting reasons in its order adopting, amending, or repealing the rule.

In review of the rule under section 14.386, the office of administrative hearings shall determine whether the agency has provided adequate justification for its use of this section.

Rules adopted, amended, or repealed under clauses (1) and (2) are effective for a period of two years from the date of publication of the rule in the State Register.

Rules adopted, amended, or repealed under clause (3) or (4) are effective upon publication in the State Register.

Sec. 30. Minnesota Statutes 1994, section 14.48, is amended to read:

14.48 [CREATION OF OFFICE OF ADMINISTRATIVE HEARINGS; CHIEF ADMINISTRATIVE LAW JUDGE APPOINTED; OTHER ADMINISTRATIVE LAW JUDGES APPOINTED.]

A state office of administrative hearings is created. The office shall be under the direction of a chief administrative law judge who shall be learned in the law and appointed by the governor, with the advice and consent of the senate, for a term ending on June 30 of the sixth calendar year after appointment. Senate confirmation of the chief administrative law judge shall be as provided by section 15.066. The chief administrative law judge may hear cases and shall appoint additional administrative law judges and compensation judges to serve in the office as necessary to fulfill the duties prescribed in ~~sections 14.48 to 14.56~~ chapters 14 and chapter 176. The chief administrative law judge may delegate to a subordinate employee the exercise of a specified statutory power or duty as deemed advisable, subject to the control of the chief administrative law judge. Every delegation must be by written order filed with the secretary of state. All administrative law judges and compensation judges shall be in the classified service except that the chief administrative law judge shall be in the unclassified service, but may be removed only for cause. All administrative law judges shall have demonstrated knowledge of administrative procedures and shall be free of any political or economic association that would impair their ability to function officially in a fair and objective manner. All workers' compensation judges shall be learned in the law, shall have demonstrated knowledge of workers' compensation laws and shall be free of any political or economic association that would impair their ability to function officially in a fair and objective manner.

Sec. 31. Minnesota Statutes 1994, section 14.51, is amended to read:

14.51 [PROCEDURAL RULES FOR HEARINGS.]

The chief administrative law judge shall adopt rules to govern: (1) the procedural conduct of all hearings, relating to both rule adoption, amendment, suspension or repeal hearings, contested case hearings, and workers' compensation hearings, and to govern the conduct of voluntary mediation sessions for rulemaking and contested cases other than those within the jurisdiction of the bureau of mediation services. ~~Temporary rulemaking authority is granted to the chief administrative law judge for the purpose of implementing Laws 1981, chapter 346, sections 2 to 6, 103 to 122, 127 to 135, and 141; and~~ (2) the review of rules adopted without a public hearing. The procedural rules ~~for hearings~~ shall be binding upon all agencies and shall supersede any other agency procedural rules with which they may be in conflict. The procedural rules ~~for hearings~~ shall include in addition to normal procedural matters provisions relating to ~~recessing and reconvening new hearings~~ the procedure to be followed when the proposed final rule of an agency is substantially different, as determined under section 14.05, subdivision 2, from that which was proposed at the public hearing. The procedural rules shall establish a procedure whereby the proposed final rule of an agency shall be reviewed by the chief administrative law judge ~~to determine whether or not a new hearing is required because~~ on the issue of substantial changes whether the proposed final rule of the agency is substantially different than that which was proposed or failure of the agency to meet the requirements of sections 14.131 to 14.18 chapter 14. The rules must also provide: (1) an expedited procedure, consistent with section 14.001, clauses (1) to (5), for the adoption of substantially different rules by agencies; and (2) a procedure to allow an agency to receive prior binding approval of its plan regarding the additional notice contemplated under sections 14.101, 14.131, 14.14, 14.22, and 14.23. Upon the chief administrative law judge's own initiative or upon written request of an interested party, the chief administrative law judge may issue a subpoena for the attendance of a witness or the production of books, papers, records or other documents as are material to the matter being heard. The subpoenas shall be enforceable through the district court in the district in which the subpoena is issued.

Sec. 32. Minnesota Statutes 1994, section 16A.1285, subdivision 2, is amended to read:

Subd. 2. [POLICY.] Unless otherwise provided by law, specific charges falling within definitions stipulated in subdivision 1 must be set ~~in the manner prescribed in this subdivision provided that: (1) agencies, when setting, adjusting, or authorizing any charge for goods or services that are of direct, immediate, and primary benefit to an individual, business, or other nonstate entity, shall set the charges at a level that neither significantly over recovers nor under recovers costs, including overhead costs, involved in providing the services; or (2) that agencies, when setting, adjusting, or establishing regulatory, licensure, or other charges that are levied, in whole or in part, in the public interest shall recover, but are not limited to, the costs involved in performance and administration of the functions involved.~~

In setting, adjusting, or authorizing charges that in whole or in part recover previously unrecovered costs, recovery is limited to those unrecovered costs incurred during the two fiscal years immediately preceding the setting, adjustment, or authorization.

Sec. 33. Minnesota Statutes 1994, section 16A.1285, subdivision 4, is amended to read:

Subd. 4. [RULEMAKING.] (a) Unless otherwise exempted or unless specifically set by law, all charges for goods and services, licenses, and regulation must be established or adjusted as provided in chapter 14; except that agencies may establish or adjust individual the following kinds of charges when:

(1) charges for goods and services ~~are~~ provided for the direct and primary use of a private individual, business, or other similar entity;

(2) ~~charges are~~ nonrecurring charges;

(3) charges that would produce insignificant revenues;

(4) charges ~~are~~ billed within or between state agencies; ~~or~~

(5) charges ~~are~~ for admissions to or for use of public facilities operated by the state, if the charges are set according to prevailing market conditions to recover operating costs.

~~(b) In addition to the exceptions in paragraph (a), agencies may adjust charges, with the approval of the commissioner of finance, if the; or~~

(6) proposed adjustments to charges that are within consumer price level (CPI) ranges stipulated by the commissioner of finance, ~~if the adjustments~~ and do not change the type or purpose of the item being adjusted.

~~(e) Any (b) Departmental earnings changes or adjustments authorized by the commissioner of finance or listed in paragraph (a), clause (1), (5), or (6), must be reported by the commissioner of finance to the chairs of the senate committee on finance and the house ways and means committee before August 1 November 30 of each year.~~

Sec. 34. Minnesota Statutes 1994, section 16A.1285, subdivision 5, is amended to read:

Subd. 5. [PROCEDURE.] The commissioner of finance shall review and comment on all departmental charges submitted for approval under chapter 14. The commissioner's comments and recommendations must be included in the statement of need and reasonableness and must address any fiscal and policy concerns raised during the review process.

Sec. 35. Minnesota Statutes 1994, section 17.84, is amended to read:

17.84 [DUTIES OF THE COMMISSIONER.]

Within 30 days of the receipt of the ~~notices~~ notice provided in section 17.82 ~~or 17.83~~, the commissioner shall review the agency's proposed action, shall negotiate with the agency, and shall recommend to the agency in writing the implementation either of the action as proposed or an alternative. In making recommendations, the commissioner shall follow the statement of policy contained in section 17.80. ~~If the proposed agency action is the adoption of a rule, the recommendation of the commissioner shall be made a part of the record in the rule hearing.~~ If the agency receives no response from the commissioner within 30 days, it shall be deemed a recommendation that the agency take the action as proposed.

Sec. 36. Minnesota Statutes 1994, section 18E.03, subdivision 3, is amended to read:

Subd. 3. [DETERMINATION OF RESPONSE AND REIMBURSEMENT FEE.] (a) The commissioner shall determine the amount of the response and reimbursement fee under subdivision 4 after a public hearing, ~~but notwithstanding section 16A.128~~, based on:

- (1) the amount needed to maintain an unencumbered balance in the account of \$1,000,000;
- (2) the amount estimated to be needed for responses to incidents as provided in subdivision 2, clauses (1) and (2); and

(3) the amount needed for payment and reimbursement under section 18E.04.

(b) The commissioner shall determine the response and reimbursement fee so that the total balance in the account does not exceed \$5,000,000.

(c) Money from the response and reimbursement fee shall be deposited in the treasury and credited to the agricultural chemical response and reimbursement account.

Sec. 37. Minnesota Statutes 1994, section 43A.04, is amended by adding a subdivision to read:

Subd. 11. [TRAINING FOR AGENCY RULEMAKING STAFF.] The commissioner, in cooperation with the office of administrative hearings, the attorney general, the revisor of statutes, and experienced agency rulemaking staff, shall provide training to agency staff involved in rulemaking, including information about the availability of mediators through the office of administrative hearings.

The commissioner may charge agency staff a registration fee for attending this training. The fee must be set at a level that permits the commissioner to recover the costs, excluding costs of staff time for staff positions funded through general fund appropriations, of providing this training.

The office of administrative hearings, the attorney general, agencies involved in providing this training, and the revisor of statutes shall not assess the commissioner for the cost of staff time to conduct the training provided under this subdivision.

Sec. 38. Minnesota Statutes 1994, section 62N.05, is amended by adding a subdivision to read:

Subd. 4. [RECOVERY OF COSTS.] The provisions of section 16A.1285, subdivision 2, limiting recovery of costs to the two fiscal years immediately preceding the setting, adjustment, or authorization of fees do not apply to fees charged to entities licensed under this chapter. This subdivision expires June 30, 1999.

Sec. 39. Minnesota Statutes 1994, section 84.027, is amended by adding a subdivision to read:

Subd. 13. [GAME AND FISH RULES.] (a) The commissioner of natural resources may adopt rules under sections 97A.0451 to 97A.0459 and this subdivision that are authorized under:

(1) chapters 97A, 97B, and 97C to set open seasons and areas, to close seasons and areas, to select hunters for areas, to provide for tagging and registration of game, to prohibit or allow taking of wild animals to protect a species, and to prohibit or allow importation, transportation, or possession of a wild animal; and

(2) sections 84.093, 84.14, 84.15, and 84.152 to set seasons for harvesting wild ginseng roots and wild rice and to restrict or prohibit harvesting in designated areas.

Clause (2) does not limit or supersede the commissioner's authority to establish opening dates, days, and hours of the wild rice harvesting season under section 84.14, subdivision 3.

(b) If conditions exist that do not allow the commissioner to comply with sections 97A.0451 to 97A.0459, the commissioner may adopt a rule under this subdivision by submitting the rule to the attorney general for review under section 97A.0455, publishing a notice in the State Register and filing the rule with the secretary of state and the legislative commission to review administrative rules, and complying with section 97A.0459, and including a statement of the emergency conditions and a copy of the rule in the notice. The notice may be published after it is received from the attorney general or five business days after it is submitted to the attorney general, whichever is earlier.

(c) Rules adopted under paragraph (b) are effective upon publishing in the State Register and may be effective up to seven days before publishing and filing under paragraph (b), if:

(1) the commissioner of natural resources determines that an emergency exists;

(2) the attorney general approves the rule; and

(3) for a rule that affects more than three counties the commissioner publishes the rule once in a legal newspaper published in Minneapolis, St. Paul, and Duluth, or for a rule that affects three or fewer counties the commissioner publishes the rule once in a legal newspaper in each of the affected counties.

(d) Except as provided in paragraph (e), a rule published under paragraph (c), clause (3), may not be effective earlier than seven days after publication.

(e) A rule published under paragraph (c), clause (3), may be effective the day the rule is published if the commissioner gives notice and holds a public hearing on the rule within 15 days before publication.

(f) The commissioner shall attempt to notify persons or groups of persons affected by rules adopted under paragraphs (b) and (c) by public announcements, posting, and other appropriate means as determined by the commissioner.

(g) Notwithstanding section 97A.0458, a rule adopted under this subdivision is effective for the period stated in the notice but not longer than 18 months after the rule is adopted.

Sec. 40. [97A.0451] [AUTHORITY FOR USE OF EMERGENCY RULES PROCEDURE; EXPIRATION OF AUTHORITY.]

Subdivision 1. [WHEN TO USE EMERGENCY RULEMAKING.] When the commissioner is directed by statute, federal law, or court order to adopt, amend, suspend, or repeal a rule in a manner that does not allow for compliance with sections 14.14 to 14.28, or if the commissioner is

expressly required or authorized by statute to adopt emergency rules, the commissioner shall adopt emergency rules in accordance with sections 97A.0451 to 97A.0459.

Subd. 2. [180-DAY TIME LIMIT.] Unless the commissioner is directed by federal law or court order to adopt, amend, suspend, or repeal a rule in a manner that does not allow for compliance with sections 14.14 to 14.28, the commissioner may not adopt an emergency rule later than 180 days after the effective date of the statutory authority, except as provided in section 84.027, subdivision 13. If emergency rules are not adopted within the time allowed, the authority for the rules expires. The time limit of this section does not include any days used for review by the attorney general. If the 180-day period expires while the attorney general is reviewing the rule and the attorney general disapproves the rule, the commissioner may resubmit the rule to the attorney general after taking corrective action. The resubmission must occur within five working days after the commissioner receives written notice of disapproval. If the rule is again disapproved by the attorney general, it is withdrawn.

Sec. 41. [97A.0452] [NOTICE OF PROPOSED ADOPTION OF EMERGENCY RULE.]

The proposed emergency rule must be published with a notice of intent to adopt emergency rules in the State Register, and the same notice must be mailed to all persons registered with the commissioner to receive notice of any rulemaking proceedings. The notice must include a statement advising the public that a free copy of the proposed rule is available on request from the commissioner and that notice of the date of submission of the proposed emergency rule to the attorney general will be mailed to any person requesting to receive the notice. For at least 25 days after publication the commissioner shall afford all interested persons an opportunity to submit data and views on the proposed emergency rule in writing. The notice must also include the date on which the 25-day comment period ends.

Sec. 42. [97A.0453] [NOTICE TO COMMITTEES FOR FEES FIXED BY RULE.]

Before the commissioner submits notice to the State Register of intent to adopt emergency rules that establish or adjust fees, the commissioner shall comply with section 16A.128, subdivision 2a.

Sec. 43. [97A.0454] [MODIFICATIONS OF PROPOSED EMERGENCY RULE.]

The proposed emergency rule may be modified if the modifications are supported by the data and views submitted to the commissioner.

Sec. 44. [97A.0455] [SUBMISSION OF PROPOSED EMERGENCY RULE TO ATTORNEY GENERAL.]

Subdivision 1. [SUBMISSION.] The commissioner shall submit to the attorney general the proposed emergency rule as published, with any modifications. On the same day that it is submitted, the commissioner shall mail notice of the submission to all persons who requested to be informed that the proposed emergency rule has been submitted to the attorney general. If the proposed emergency rule has been modified, the notice must state that fact, and must state that a free copy of the proposed emergency rule, as modified, is available upon request from the commissioner.

Subd. 2. [REVIEW.] The attorney general shall review the proposed emergency rule as to its legality, review its form to the extent the form relates to legality, and shall approve or disapprove the proposed emergency rule and any modifications on the tenth working day following the date of receipt of the proposed emergency rule from the commissioner. The attorney general shall send a statement of reasons for disapproval of the rule to the commissioner, the chief administrative law judge, the legislative commission to review administrative rules, and to the revisor of statutes.

The attorney general shall disregard any error or defect in the proceeding due to the commissioner's failure to satisfy any procedural requirement imposed by law or rule if the attorney general finds:

- (1) that the failure did not deprive any person or entity of an opportunity to participate meaningfully in the rulemaking process; or
- (2) that the commissioner has taken corrective action to cure the error or defect so that the

failure did not deprive any person or entity of an opportunity to participate meaningfully in the rulemaking process.

Subd. 3. [COSTS.] The attorney general shall assess the commissioner for the actual cost of processing rules under this section. The commissioner shall include in the department's budget money to pay the attorney general's assessment. Receipts from the assessment must be deposited in the state treasury and credited to the general fund.

Sec. 45. [97A.0456] [EFFECTIVE DATE OF EMERGENCY RULE.]

The emergency rule takes effect five working days after approval by the attorney general. The attorney general shall file two copies of the approved emergency rule with the secretary of state. The secretary of state shall forward one copy of each approved and filed emergency rule to the revisor of statutes. Failure of the attorney general to approve or disapprove a proposed emergency rule within ten working days is approval.

Sec. 46. [97A.0457] [PUBLICATION OF APPROVAL.]

As soon as practicable, notice of the attorney general's decision must be published in the State Register and the adopted rule must be published in the manner as provided for adopted rules in section 14.18.

Sec. 47. [97A.0458] [EFFECTIVE PERIOD OF EMERGENCY RULE.]

Emergency rules adopted under sections 97A.0451 to 97A.0459 shall be effective for the period stated in the notice of intent to adopt emergency rules which may not be longer than 180 days. The emergency rules may be continued in effect for an additional period of up to 180 days if the commissioner gives notice of continuation by publishing notice in the State Register and mailing the same notice to all persons registered with the commissioner to receive notice of any rulemaking proceedings. The continuation is not effective until these notices have been mailed. No emergency rule may remain in effect on a date 361 days after its original effective date. The emergency rules may not be continued in effect after 360 days without following the procedure of sections 14.14 to 14.28.

Sec. 48. [97A.0459] [APPROVAL OF FORM OF EMERGENCY RULE.]

No approved emergency rule shall be filed with the secretary of state or published in the State Register unless the revisor of statutes has certified that the emergency rule's form is approved.

Sec. 49. Minnesota Statutes 1994, section 116.07, subdivision 4d, is amended to read:

Subd. 4d. [PERMIT FEES.] (a) The agency may collect permit fees in amounts not greater than those necessary to cover the reasonable costs of reviewing and acting upon applications for agency permits and implementing and enforcing the conditions of the permits pursuant to agency rules. Permit fees shall not include the costs of litigation. The agency shall adopt rules under section 16A.128 establishing the amounts and methods of collection of any permit fees collected under this subdivision. The fee schedule must reflect reasonable and routine permitting, implementation, and enforcement costs. The agency may impose an additional enforcement fee to be collected for a period of up to two years to cover the reasonable costs of implementing and enforcing the conditions of a permit under the rules of the agency. Any money collected under this paragraph shall be deposited in the special revenue account.

(b) ~~Notwithstanding paragraph (a), and section 16A.128, subdivision 1,~~ the agency shall collect an annual fee from the owner or operator of all stationary sources, emission facilities, emissions units, air contaminant treatment facilities, treatment facilities, potential air contaminant storage facilities, or storage facilities subject to the requirement to obtain a permit under Title V of the federal Clean Air Act Amendments of 1990, Public Law Number 101-549, Statutes at Large, volume 104, pages 2399 et seq., or section 116.081. The annual fee shall be used to pay for all direct and indirect reasonable costs, including attorney general costs, required to develop and administer the permit program requirements of Title V of the federal Clean Air Act Amendments of 1990, Public Law Number 101-549, Statutes at Large, volume 104, pages 2399 et seq., and sections of this chapter and the rules adopted under this chapter related to air contamination and noise. Those costs include the reasonable costs of reviewing and acting upon an application for a

permit; implementing and enforcing statutes, rules, and the terms and conditions of a permit; emissions, ambient, and deposition monitoring; preparing generally applicable regulations; responding to federal guidance; modeling, analyses, and demonstrations; preparing inventories and tracking emissions; providing information to the public about these activities; and, after June 30, 1992, the costs of acid deposition monitoring currently assessed under section 116C.69, subdivision 3.

(c) The agency shall adopt fee rules in accordance with the procedures in section ~~16A.128, subdivisions 1a and 2a~~, 16A.1285 that will result in the collection, in the aggregate, from the sources listed in paragraph (b), of the following amounts:

(1) in fiscal years 1992 and 1993, the amount appropriated by the legislature from the air quality account in the environmental fund for the agency's air quality program;

(2) for fiscal year 1994 and thereafter, an amount not less than \$25 per ton of each volatile organic compound; pollutant regulated under United States Code, title 42, section 7411 or 7412 (section 111 or 112 of the federal Clean Air Act); and each pollutant, except carbon monoxide, for which a national primary ambient air quality standard has been promulgated; and

(3) for fiscal year 1994 and thereafter, the agency fee rules may also result in the collection, in the aggregate, from the sources listed in paragraph (b), of an amount not less than \$25 per ton of each pollutant not listed in clause (2) that is regulated under Minnesota Rules, chapter 7005, or for which a state primary ambient air quality standard has been adopted.

The agency must not include in the calculation of the aggregate amount to be collected under the fee rules any amount in excess of 4,000 tons per year of each air pollutant from a source.

(d) To cover the reasonable costs described in paragraph (b), the agency shall provide in the rules promulgated under paragraph (c) for an increase in the fee collected in each year beginning after fiscal year 1993 by the percentage, if any, by which the Consumer Price Index for the most recent calendar year ending before the beginning of the year the fee is collected exceeds the Consumer Price Index for the calendar year 1989. For purposes of this paragraph the Consumer Price Index for any calendar year is the average of the Consumer Price Index for all-urban consumers published by the United States Department of Labor, as of the close of the 12-month period ending on August 31 of each calendar year. The revision of the Consumer Price Index that is most consistent with the Consumer Price Index for calendar year 1989 shall be used.

(e) Any money collected under paragraphs (b) to (d) must be deposited in an air quality account in the environmental fund and must be used solely for the activities listed in paragraph (b).

(f) Persons who wish to construct or expand an air emission facility may offer to reimburse the agency for the costs of staff overtime or consultant services needed to expedite permit review. The reimbursement shall be in addition to fees imposed by paragraphs (a) to (d). When the agency determines that it needs additional resources to review the permit application in an expedited manner, and that expediting the review would not disrupt air permitting program priorities, the agency may accept the reimbursement. Reimbursements accepted by the agency are appropriated to the agency for the purpose of reviewing the permit application. Reimbursement by a permit applicant shall precede and not be contingent upon issuance of a permit and shall not affect the agency's decision on whether to issue or deny a permit, what conditions are included in a permit, or the application of state and federal statutes and rules governing permit determinations.

Sec. 50. Minnesota Statutes 1994, section 144.98, subdivision 3, is amended to read:

Subd. 3. [FEES.] (a) An application for certification under subdivision 1 must be accompanied by the annual fee specified in this subdivision. The fees are for:

(1) base certification fee, \$250; and

(2) test category certification fees:

Test Category	Certification Fee
Bacteriology	\$100
Inorganic chemistry, fewer than four constituents	\$ 50

Inorganic chemistry, four or more constituents	\$150
Chemistry metals, fewer than four constituents	\$100
Chemistry metals, four or more constituents	\$250
Volatile organic compounds	\$300
Other organic compounds	\$300

(b) The total annual certification fee is the base fee plus the applicable test category fees. The annual certification fee for a contract laboratory is 1.5 times the total certification fee.

(c) Laboratories located outside of this state that require an on-site survey will be assessed an additional \$1,200 fee.

(d) The commissioner of health may adjust fees under section ~~16A.128, subdivision 2~~ 16A.1285 without rulemaking. Fees must be set so that the total fees support the laboratory certification program. Direct costs of the certification service include program administration, inspections, the agency's general support costs, and attorney general costs attributable to the fee function.

Sec. 51. Minnesota Statutes 1994, section 221.0335, is amended to read:

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,~~ 16A.1285 to cover the costs of administering and enforcing this section and the costs of hazardous materials incident response capability under sections 299A.48 to 299A.52 and 299K.095. All fees collected under this section must be deposited in the general fund.

Sec. 52. Minnesota Statutes 1994, section 326.2421, subdivision 3, is amended to read:

Subd. 3. [ALARM AND COMMUNICATION CONTRACTOR'S LICENSES.] No person may lay out, install, maintain, or repair alarm and communication systems, unless the person is licensed as an alarm and communication contractor under this subdivision, or is a licensed electrical contractor under section 326.242, subdivision 6, or is an employee of the contractor. The board of electricity shall issue an alarm and communication contractor's license to any individual, corporation, partnership, sole proprietorship, or other business entity that provides adequate proof that a bond and insurance in the amounts required by section 326.242, subdivision 6, have been obtained by the applicant. The board ~~may initially~~ shall set license fees ~~without rulemaking,~~ pursuant to section ~~16A.128~~ 16A.1285. Installation of alarm and communication systems are subject to inspection and inspection fees as provided in section 326.244, subdivision 1a.

Sec. 53. Minnesota Statutes 1994, section 341.10, is amended to read:

341.10 [LICENSE FEES.]

The board shall have authority to collect and require the payment of a license fee in an amount set by the board from the owners of franchises or licenses. ~~Notwithstanding section 16A.128, subdivision 1a,~~ The fee is not subject to approval by the commissioner of finance and need not recover all costs. The board shall require the payment of the fee at the time of the issuance of the license or franchise to the owner. The moneys so derived shall be collected by the board and paid to the state treasurer. The board shall have authority to license all boxers, managers, seconds, referees and judges and may require them to pay a license fee. All moneys collected by the board from such licenses shall be paid to the state treasurer.

Sec. 54. [APPROPRIATION.]

(a) \$35,000 is appropriated from the general fund to the administrative hearings account in Minnesota Statutes, section 14.54, for the purposes of section 55. The appropriation is available until spent and must be reimbursed to the general fund by June 30, 1997.

(b) The office of the attorney general shall transfer \$15,000 in fiscal year 1996 to the office of administrative hearings.

Sec. 55. [TRANSFER OF RULE REVIEW AUTHORITY.]

(a) The rule review duties of the office of the attorney general are transferred to the office of administrative hearings on January 1, 1996. Minnesota Statutes, section 15.039, does not apply to this transfer.

(b) Proposed rules for which a notice under Minnesota Statutes, section 14.22 or 14.30, has been published in the State Register before January 1, 1996, shall continue to be reviewed by the attorney general under the rule review authority transferred by this article and are governed by Minnesota Statutes 1994, chapter 14, and Minnesota Rules, chapter 2010.

(c) Except as otherwise provided in paragraph (b), Minnesota Rules, chapter 2010, shall be enforced by the office of administrative hearings until it is amended or repealed by that office.

Sec. 56. [REVISOR INSTRUCTION.]

The revisor of statutes shall correct or remove the references in Minnesota Statutes and Minnesota Rules to the statutory sections repealed in this article.

The revisor of statutes shall change the terms "office of attorney general," "attorney general," or similar terms to "office of administrative hearings," "chief administrative law judge," "administrative law judge," or similar terms in Minnesota Rules, chapter 2010, to reflect the intent of the legislature to transfer the attorney general's rule review functions in the manner provided in this article.

Sec. 57. [REPEALER.]

(a) Minnesota Statutes 1994, sections 3.846; 14.12; 14.1311; and 14.235, are repealed.

(b) Minnesota Statutes 1994, sections 14.29; 14.30; 14.305; 14.31; 14.32; 14.33; 14.34; 14.35; and 14.36, are repealed.

(c) Minnesota Statutes 1994, sections 14.10, 14.11; 14.115; and 17.83, are repealed.

Sec. 58. [EFFECTIVE DATE.]

Sections 1 to 3; 5; 7; 8; 11; 16; 28; 35; 57, paragraph (c); and the rulemaking authority granted in sections 27 and 31 are effective the day following final enactment. Section 12 applies to laws authorizing or requiring rulemaking that are finally enacted after January 1, 1996. Section 32 is effective for costs incurred after June 30, 1995. Sections 4, 33, 34, 36, and 49 to 54 are effective July 1, 1995. The remainder of the article is effective January 1, 1996.

ARTICLE 3

Section 1. [REPEALER; DEPARTMENT OF AGRICULTURE.]

Minnesota Rules, parts 1540.0010, subparts 12, 18, 21, 22, and 24; 1540.0060; 1540.0070; 1540.0080; 1540.0100; 1540.0110; 1540.0120; 1540.0130; 1540.0140; 1540.0150; 1540.0160; 1540.0170; 1540.0180; 1540.0190; 1540.0200; 1540.0210; 1540.0220; 1540.0230; 1540.0240; 1540.0260; 1540.0320; 1540.0330; 1540.0340; 1540.0350; 1540.0370; 1540.0380; 1540.0390; 1540.0400; 1540.0410; 1540.0420; 1540.0440; 1540.0450; 1540.0460; 1540.0490; 1540.0500; 1540.0510; 1540.0520; 1540.0770; 1540.0780; 1540.0800; 1540.0810; 1540.0830; 1540.0880; 1540.0890; 1540.0900; 1540.0910; 1540.0920; 1540.0930; 1540.0940; 1540.0950; 1540.0960; 1540.0970; 1540.0980; 1540.0990; 1540.1000; 1540.1005; 1540.1010; 1540.1020; 1540.1030; 1540.1040; 1540.1050; 1540.1060; 1540.1070; 1540.1080; 1540.1090; 1540.1100; 1540.1110; 1540.1120; 1540.1130; 1540.1140; 1540.1150; 1540.1160; 1540.1170; 1540.1180; 1540.1190; 1540.1200; 1540.1210; 1540.1220; 1540.1230; 1540.1240; 1540.1250; 1540.1255; 1540.1260; 1540.1280; 1540.1290; 1540.1300; 1540.1310; 1540.1320; 1540.1330; 1540.1340; 1540.1350; 1540.1360; 1540.1380; 1540.1400; 1540.1410; 1540.1420; 1540.1430; 1540.1440; 1540.1450; 1540.1460; 1540.1470; 1540.1490; 1540.1500; 1540.1510; 1540.1520; 1540.1530; 1540.1540; 1540.1550; 1540.1560; 1549.1570; 1540.1580; 1540.1590; 1540.1600; 1540.1610; 1540.1620;

1540.1630; 1540.1640; 1540.1650; 1540.1660; 1540.1670; 1540.1680; 1540.1690; 1540.1700; 1540.1710; 1540.1720; 1540.1730; 1540.1740; 1540.1750; 1540.1760; 1540.1770; 1540.1780; 1540.1790; 1540.1800; 1540.1810; 1540.1820; 1540.1830; 1540.1840; 1540.1850; 1540.1860; 1540.1870; 1540.1880; 1540.1890; 1540.1900; 1540.1905; 1540.1910; 1540.1920; 1540.1930; 1540.1940; 1540.1950; 1540.1960; 1540.1970; 1540.1980; 1540.1990; 1540.2000; 1540.2010; 1540.2015; 1540.2020; 1540.2090; 1540.2100; 1540.2110; 1540.2120; 1540.2180; 1540.2190; 1540.2200; 1540.2210; 1540.2220; 1540.2230; 1540.2240; 1540.2250; 1540.2260; 1540.2270; 1540.2280; 1540.2290; 1540.2300; 1540.2310; 1540.2320; 1540.2325; 1540.2330; 1540.2340; 1540.2350; 1540.2360; 1540.2370; 1540.2380; 1540.2390; 1540.2400; 1540.2410; 1540.2420; 1540.2430; 1540.2440; 1540.2450; 1540.2490; 1540.2500; 1540.2510; 1540.2530; 1540.2540; 1540.2550; 1540.2560; 1540.2570; 1540.2580; 1540.2590; 1540.2610; 1540.2630; 1540.2640; 1540.2650; 1540.2660; 1540.2720; 1540.2730; 1540.2740; 1540.2760; 1540.2770; 1540.2780; 1540.2790; 1540.2800; 1540.2810; 1540.2820; 1540.2830; 1540.2840; 1540.3420; 1540.3430; 1540.3440; 1540.3450; 1540.3460; 1540.3470; 1540.3560; 1540.3600; 1540.3610; 1540.3620; 1540.3630; 1540.3700; 1540.3780; 1540.3960; 1540.3970; 1540.3980; 1540.3990; 1540.4000; 1540.4010; 1540.4020; 1540.4030; 1540.4040; 1540.4080; 1540.4190; 1540.4200; 1540.4210; 1540.4220; 1540.4320; 1540.4330; and 1540.4340, are repealed.

Sec. 2. [REPEALER; DEPARTMENT OF COMMERCE.]

Minnesota Rules, parts 2642.0120, subpart 1; 2650.0100; 2650.0200; 2650.0300; 2650.0400; 2650.0500; 2650.0600; 2650.1100; 2650.1200; 2650.1300; 2650.1400; 2650.1500; 2650.1600; 2650.1700; 2650.1800; 2650.1900; 2650.2000; 2650.2100; 2650.3100; 2650.3200; 2650.3300; 2650.3400; 2650.3500; 2650.3600; 2650.3700; 2650.3800; 2650.3900; 2650.4000; 2650.4100; 2655.1000; 2660.0070; and 2770.7400, are repealed.

Sec. 3. [REPEALER; DEPARTMENT OF HEALTH.]

Minnesota Rules, part 4610.2210, is repealed.

Sec. 4. [REPEALER; DEPARTMENT OF HUMAN SERVICES.]

Minnesota Rules, parts 9540.0100; 9540.0200; 9540.0300; 9540.0400; 9540.0500; 9540.1000; 9540.1100; 9540.1200; 9540.1300; 9540.1400; 9540.1500; 9540.2000; 9540.2100; 9540.2200; 9540.2300; 9540.2400; 9540.2500; 9540.2600; and 9540.2700, are repealed.

Sec. 5. [REPEALER; POLLUTION CONTROL AGENCY.]

Minnesota Rules, parts 7002.0410; 7002.0420; 7002.0430; 7002.0440; 7002.0450; 7002.0460; 7002.0470; 7002.0480; 7002.0490; 7047.0010; 7047.0020; 7047.0030; 7047.0040; 7047.0050; 7047.0060; 7047.0070; 7100.0300; 7100.0310; 7100.0320; 7100.0330; 7100.0335; 7100.0340; and 7100.0350, are repealed.

Sec. 6. [REPEALER; DEPARTMENT OF PUBLIC SAFETY.]

Minnesota Rules, parts 7510.6100; 7510.6200; 7510.6300; 7510.6350; 7510.6400; 7510.6500; 7510.6600; 7510.6700; 7510.6800; 7510.6900; and 7510.6910, are repealed.

Sec. 7. [REPEALER; DEPARTMENT OF PUBLIC SERVICE.]

Minnesota Rules, parts 7600.0100; 7600.0200; 7600.0300; 7600.0400; 7600.0500; 7600.0600; 7600.0700; 7600.0800; 7600.0900; 7600.1000; 7600.1100; 7600.1200; 7600.1300; 7600.1400; 7600.1500; 7600.1600; 7600.1700; 7600.1800; 7600.1900; 7600.2000; 7600.2100; 7600.2200; 7600.2300; 7600.2400; 7600.2500; 7600.2600; 7600.2700; 7600.2800; 7600.2900; 7600.3000; 7600.3100; 7600.3200; 7600.3300; 7600.3400; 7600.3500; 7600.3600; 7600.3700; 7600.3800; 7600.3900; 7600.4000; 7600.4100; 7600.4200; 7600.4300; 7600.4400; 7600.4500; 7600.4600; 7600.4700; 7600.4800; 7600.4900; 7600.5000; 7600.5100; 7600.5200; 7600.5300; 7600.5400; 7600.5500; 7600.5600; 7600.5700; 7600.5800; 7600.5900; 7600.6000; 7600.6100; 7600.6200; 7600.6300; 7600.6400; 7600.6500; 7600.6600; 7600.6700; 7600.6800; 7600.6900; 7600.7000; 7600.7100; 7600.7200; 7600.7210; 7600.7300; 7600.7400; 7600.7500; 7600.7600; 7600.7700; 7600.7750; 7600.7800; 7600.7900; 7600.8100; 7600.8200; 7600.8300; 7600.8400; 7600.8500; 7600.8600; 7600.8700; 7600.8800; 7600.8900; 7600.9000; 7600.9100; 7600.9200; 7600.9300; 7600.9400; 7600.9500; 7600.9600; 7600.9700; 7600.9800; 7600.9900; 7625.0100; 7625.0110; 7625.0120; 7625.0200; 7625.0210; 7625.0220; and 7625.0230, are repealed.

Sec. 8. [REPEALER; DEPARTMENT OF REVENUE.]

Minnesota Rules, parts 8120.1100, subpart 3; 8121.0500, subpart 2; 8130.9912; 8130.9913; 8130.9916; 8130.9920; 8130.9930; 8130.9956; 8130.9958; 8130.9968; 8130.9972; 8130.9980; and 8130.9992, are repealed.

ARTICLE 4

Section 1. Minnesota Rules, part 1540.2140, is amended to read:

1540.2140 DISPOSITION OF CONDEMNED MEAT OR PRODUCT AT OFFICIAL ESTABLISHMENTS HAVING NO TANKING FACILITIES.

Any carcass or product condemned at an official establishment which has no facilities for tanking shall be denatured with crude carbolic acid, cresylic disinfectant, or other prescribed agent, or be destroyed by incineration under the supervision of a department employee. When such carcass or product is not incinerated it shall be slashed freely with a knife, before the denaturing agent is applied.

Carcasses and products condemned on account of anthrax, ~~and the materials identified in parts 1540.1300 to 1540.1360,~~ which are derived therefrom at establishments which are not equipped with tanking facilities shall be disposed of by complete incineration, or by thorough denaturing with a prescribed denaturant, and then disposed of in accordance with the requirements of the Board of Animal Health, who shall be notified immediately by the inspector in charge.

Sec. 2. Minnesota Rules, part 7001.0140, subpart 2, is amended to read:

Subp. 2. **Agency findings.** The following findings by the agency constitute justification for the agency to refuse to issue a new or modified permit, to refuse permit reissuance, or to revoke a permit without reissuance:

A. that with respect to the facility or activity to be permitted, the proposed permittee or permittees will not comply with all applicable state and federal pollution control statutes and rules administered by the agency, or conditions of the permit;

B. that there exists at the facility to be permitted unresolved noncompliance with applicable state and federal pollution control statutes and rules administered by the agency, or conditions of the permit and that the permittee will not undertake a schedule of compliance to resolve the noncompliance;

C. that the permittee has failed to disclose fully all facts relevant to the facility or activity to be permitted, or that the permittee has submitted false or misleading information to the agency or to the commissioner;

D. that the permitted facility or activity endangers human health or the environment and that the danger cannot be removed by a modification of the conditions of the permit;

E. that all applicable requirements of Minnesota Statutes, chapter 116D and the rules adopted under Minnesota Statutes, chapter 116D have not been fulfilled;

F. that with respect to the facility or activity to be permitted, the proposed permittee has not complied with any requirement under parts 7002.0210 to 7002.0310, ~~7002.0410 to 7002.0490,~~ or chapter 7046 to pay fees; or

G. that with respect to the facility or activity to be permitted, the proposed permittee has failed to pay a penalty owed under Minnesota Statutes, section 116.072.

Sec. 3. Minnesota Rules, part 7001.0180, is amended to read:

7001.0180 JUSTIFICATION TO COMMENCE REVOCATION WITHOUT REISSUANCE OF PERMIT.

The following constitute justification for the commissioner to commence proceedings to revoke a permit without reissuance:

A. existence at the permitted facility of unresolved noncompliance with applicable state and federal pollution statutes and rules or a condition of the permit, and refusal of the permittee to undertake a schedule of compliance to resolve the noncompliance;

B. the permittee fails to disclose fully the facts relevant to issuance of the permit or submits false or misleading information to the agency or to the commissioner;

C. the commissioner finds that the permitted facility or activity endangers human health or the environment and that the danger cannot be removed by a modification of the conditions of the permit;

D. the permittee has failed to comply with any requirement under parts 7002.0210 to 7002.0310, ~~7002.0410 to 7002.0490~~, or chapter 7046 to pay fees; or

E. the permittee has failed to pay a penalty owed under Minnesota Statutes, section 116.072.

Sec. 4. Minnesota Rules, part 8130.3500, subpart 3, is amended to read:

Subp. 3. **Motor carrier direct pay certificate.** A motor carrier direct pay certificate will be issued to qualified electing carriers by the commissioner of revenue and will be effective as of the date shown on the certificate. ~~A facsimile of the authorized motor carrier direct pay certificate is reproduced at part 8130.9958.~~

Sec. 5. Minnesota Rules, part 8130.6500, subpart 5, is amended to read:

Subp. 5. **Sale of aircraft.** When the dealer sells the aircraft, the selling price must be included in gross sales. The fact that the aircraft commercial use permit has not expired or that the dealer has reported and paid use tax on the aircraft has no effect on the taxability of the sale. The dealer must return the aircraft commercial use permit (unless previously returned) when the dealer files the sales and use tax return for the month in which the sale was made. No credit or refund is given for the \$20 fee originally paid.

~~A facsimile of the authorized aircraft commercial use permit is reproduced at part 8130.9992."~~

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 1076, which the committee recommends to pass, after the following motion:

Ms. Kiscaden moved to amend S.F. No. 1076 as follows:

Page 3, after line 26, insert:

"Sec. 8. Minnesota Statutes 1994, section 116C.771, is amended to read:

116C.771 [ADDITIONAL CASK LIMITATIONS.]

(a) Five casks may be filled and used at Prairie Island on May 11, 1994.

(b) An additional four casks may be filled and used at Prairie Island if ~~the environmental quality board determines that~~, by December 31, 1996, the public utility operating the Prairie Island plant has filed a license application with the United States Nuclear Regulatory Commission for a ~~spent nuclear fuel storage facility off of Prairie Island in Goodhue county, is continuing to make a good faith effort to implement the site, and has constructed, contracted for construction and operation, or purchased installed capacity of 100 megawatts of wind power in addition to wind power under construction or contract on the effective date of this section.~~

(c)(1) An additional eight casks may be filled and placed at Prairie Island if the legislature has not revoked the authorization under clause (2) or the public utility has satisfied the wind power and biomass mandate requirements in sections 216B.2423, subdivision 1, clause (1), and 216B.2424, clause (1), ~~and the alternative site in Goodhue county is operational or under construction.~~ (2) ~~If the site is not under construction or operational or the wind mandates are not satisfied,~~ the legislature may revoke the authorization for the additional eight casks by a law enacted prior to June 1, 1999.

(d) Except as provided under paragraph (e), dry cask storage capacity for high-level nuclear waste within the state may not be increased beyond the casks authorized by section 116C.77 or their equivalent storage capacity.

(e) This section does not prohibit a public utility from applying for or the public utilities commission from granting a certificate of need for dry cask storage to accommodate the decommissioning of a nuclear power plant within this state.

Sec. 9. Minnesota Statutes 1994, section 216C.051, subdivision 4, is amended to read:

Subd. 4. [RADIOACTIVE WASTE MANAGEMENT; FUTURE AND ECONOMIC ANALYSIS.] The legislative task force shall analyze the future of and the economic effects of the continued generation of electric power and radioactive waste at the Prairie Island nuclear power plant. The task force shall include in its report under subdivision 5, a specific discussion of:

(1) when radioactive waste will be removed from Prairie Island for permanent storage outside of the state, who will bear the costs of the future management of the radioactive waste generated by the Prairie Island nuclear generating plant; when that shift in responsibility is likely to occur; and to what extent utility ratepayers and shareholders and state taxpayers will be shielded from the costs to manage the waste in the future;

(2) the probability of an accident and the extent to which persons who may be at risk of personal injury or property damage due to foreseeable or unforeseeable catastrophic events that may allow the release of radioactivity from the nuclear power plant and associated activities could be fully compensated for the injuries or damage and by whom;

(3) a range of reasonable estimates of the costs to manage radioactive waste generated by the nuclear power plant under scenarios to be developed by the task force, ranging from monitoring the waste in the storage pool at Prairie Island to removal of waste from the state beginning in 1998 to permanent storage of the waste in the state; to the extent those costs will necessarily fall on present and future utility ratepayers and shareholders and state taxpayers, how to ensure they can be met without catastrophic disruption of the state's economy in the future; and whether funds should be set aside to ensure that present ratepayers pay the future costs of radioactive waste management based on volume of usage of electricity rather than on the rate structure of the utility;

(4) whether reprocessing and reuse of spent nuclear fuel generated by the Prairie Island nuclear generating plant is technically and economically feasible; if so, how to encourage development of reprocessing and reuse;

(5) whether emerging nuclear technologies, such as integral fast reactors, which can generate electricity without environmental damage while producing no or minimal radioactive waste, are economically feasible and practical electric energy alternatives in the foreseeable future and, if so, how to encourage and take advantage of such technologies;

(6) if the waste is likely to be removed from the state, whether technologies are likely to be economically feasible in the relatively near future for minimizing the handling of the waste and minimizing contamination of additional materials that will need special management prior to transport out of the state, including the availability of combination storage and transport containers; and

~~(7) if the waste is unlikely to be removed from the state or if waste will need to be indefinitely stored outside the power plants after decommissioning, whether sites for storage of the waste outside the structure of the Prairie Island power plant potentially can be found that minimize economic and social disruption, maximize environmental, health, and safety protection, minimize transportation distance, and place the burden of storage of the waste on those communities that enjoy the immediate economic benefits of the existence and operation of the power plants; if potential sites exist, what process should be used to identify and utilize them if necessary; the entity that is searching for an alternative site within the state for the disposal of spent nuclear fuel from the Prairie Island nuclear generating plant, is seeking permits for the site, or is constructing the site shall report progress on those activities every six months to the task force commencing January 1, 1995;~~

~~(8) factors to be used in siting a high-level radioactive waste management facility to include at least:~~

- ~~(i) the proximity of the site to residents and businesses;~~
 - ~~(ii) the proximity of the site to surface waters;~~
 - ~~(iii) the vulnerability of the site to tornadoes and other natural phenomena;~~
 - ~~(iv) the benefits received and the costs incurred by the host and adjacent communities due to operation of the nuclear generating facility that produced the high-level radioactive waste to be managed at the proposed facility;~~
 - ~~(v) the benefits received and costs incurred by the host and adjacent communities due to operation of the proposed waste management facility; and~~
 - ~~(vi) the availability of transportation routes between the nuclear generating plant and the proposed waste management facility; and~~
- ~~(9) federal law related to the interstate transportation of high-level radioactive waste and how that law may operate in relation to an independent spent fuel storage installation located in the state.~~

Sec. 10. [REPEALER.]

Minnesota Statutes 1994, section 116C.80, is repealed."

Amend the title accordingly

Mr. Finn questioned whether the amendment was germane.

The Chair ruled that the amendment was not germane.

Ms. Kiscaden 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 34 and nays 20, as follows:

Those who voted in the affirmative were:

Anderson	Cohen	Kroening	Moe, R.D.	Samuelson
Beckman	Day	Laidig	Mondale	Solon
Berg	Finn	Langseth	Morse	Spear
Berglin	Frederickson	Lessard	Novak	Stumpf
Bertram	Hottinger	Marty	Price	Vickerman
Betzold	Johnson, J.B.	Merriam	Riveness	Wiener
Chandler	Kelly	Metzen	Sams	

Those who voted in the negative were:

Dille	Kleis	Lesewski	Oliver	Runbeck
Johnson, D.E.	Knutson	Limmer	Olson	Scheevel
Johnston	Kramer	Murphy	Ourada	Stevens
Kiscaden	Larson	Neuville	Pariseau	Terwilliger

The decision of the Chair was sustained.

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 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. 358:

H.F. No. 358: A bill for an act relating to utilities; clarifying that public utilities commission may extend deadline for rate suspension period by 20 days when necessary to first make final determination on another, previously filed rate case; allowing exemption from rate regulation for small electric utility franchise; allowing longer review time for granting petition for rehearing by public utilities commission; amending Minnesota Statutes 1994, sections 216B.16, subdivision 2, and by adding a subdivision; and 216B.27, subdivision 4.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Wolf; Olson, E. and Jennings have been appointed as such committee on the part of the House.

House File No. 358 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 May 4, 1995

Ms. Johnson, J.B. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 358, 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. 603:

H.F. No. 603: A bill for an act relating to taxation; making technical and administrative changes, corrections, and clarifications; amending Minnesota Statutes 1994, sections 270.47; 270.48; 270.485; 270.494; 270.50; 270.52; 270.53; 270.69, subdivision 10; 270B.03, subdivision 1; 270B.12, subdivision 2; 270B.14, subdivision 11; 272.121, subdivision 2; 273.11, subdivision 16; 273.1398, by adding a subdivision; 273.17, subdivision 2; 275.065, subdivision 6; 276.04, subdivision 2; 284.28, subdivision 2; 289A.18, subdivision 4; 289A.50, subdivision 1; 290.032, subdivisions 1 and 2; 290A.04, subdivisions 2h and 6; 295.50, subdivisions 1 and 4; 295.53, subdivisions 1 and 5; 295.55, by adding a subdivision; 295.57; 296.01, subdivision 34; 296.025, subdivision 1; 296.12, subdivisions 3 and 4; 297A.01, subdivision 3; 297E.02, subdivisions 1, 6, and 11; 297E.031, subdivision 1; 297E.13, subdivision 5; 298.75, subdivision 2; 325D.33, subdivision 4; 349.163, subdivision 5; 428A.01, subdivision 5; 428A.03, by adding a subdivision; 428A.05; 473.446, subdivision 1; and 473.711, subdivision 2; Laws 1994, chapter 587, article 1, section 27; repealing Minnesota Statutes 1994, sections 60A.15, subdivision 7; 270.49; 270.493; and 290A.04, subdivision 2i; Laws 1988, chapter 698, section 5; and Laws 1989, First Special Session chapter 1, article 7, section 9.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Milbert, Rest and Macklin have been appointed as such committee on the part of the House.

House File No. 603 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 May 4, 1995

Mr. Price moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 603, 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. 265:

H.F. No. 265: A bill for an act relating to gambling; making technical amendments to eliminate references to teleracing facilities; regulating testing facilities for the testing of gambling devices; regulating bingo and lawful purpose expenditures, and credit and sales to delinquent organizations; providing for contributions to certain compulsive gambling programs; amending Minnesota Statutes 1994, sections 240.01, subdivisions 18 and 23; 240.10; 240.19; 240.23; 240.27, subdivisions 2, 3, 4, and 5; 299L.01, subdivision 1; 299L.03, subdivision 1; 299L.07, subdivisions 1, 2, 4, 5, 6, and by adding a subdivision; 349.12, subdivision 25, and by adding a subdivision; 349.17, subdivision 1; 349.191, subdivision 1a; and 349.211, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 299L; repealing Minnesota Statutes 1994, section 240.01, subdivisions 17 and 21.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Dorn, Perlman and Dehler have been appointed as such committee on the part of the House.

House File No. 265 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 May 4, 1995

Mr. Berg moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 265, 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

Ms. Lesewski moved that her name be stricken as a co-author to S.F. No. 1076. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

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

S.F. No. 1688: A bill for an act relating to capital improvements; authorizing spending to acquire and better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing sale of state bonds; requiring periodic reports on the status of authorized and outstanding state bonds; providing for cancellation of certain unused bond authorizations; appropriating money; amending Minnesota Statutes 1994, sections 16A.695, subdivisions 1, 2, 3, and by adding a subdivision; 124.431, subdivisions 2, 5, 6, 7, and 10; 124.494, subdivisions 2, 3, and 4; 446A.12, subdivision 1; Laws 1994, chapters 632, article 3, section 12; 643, sections 2, subdivision 15; 10, subdivision 10; 11, subdivisions 8, 10, and 13; 19, subdivision 8; 23, subdivisions 7 and 28; and 26, subdivisions 3 and 4; proposing coding for new law in Minnesota Statutes, chapter 16A; repealing Laws 1992, chapter 558, section 17.

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

Messrs. Johnson, D.J.; Solon and Janezich introduced--

S.F. No. 1689: A bill for an act relating to capital improvements; authorizing bonds and appropriating money to build an addition to the St. Louis County Heritage and Arts Center.

Referred to the Committee on Jobs, Energy and Community Development.

MEMBERS EXCUSED

Ms. Piper was excused from the Session of today. Ms. Berglin was excused from today's Session for brief periods of time. Mr. Stumpf was excused from the Session of today from 9:00 to 9:40 a.m. Mr. Limmer was excused from the Session of today from 9:00 to 9:47 a.m. and from 12:13 to 12:58 p.m. Mr. Dille and Ms. Wiener were excused from the Session of today from 9:00 to 9:55 a.m. Mr. Mondale was excused from the Session of today from 9:00 to 10:00 a.m. Ms. Pappas was excused from the Session of today from 10:00 to 10:45 a.m. and at 4:00 p.m. Mr. Riveness was excused from the Session of today from 9:00 to 10:55 a.m. Mr. Price was excused from the Session of today from 9:05 to 10:00 a.m. Ms. Johnson, J.B. was excused from the Session of today from 9:15 to 9:40 a.m. Mr. Larson was excused from the Session of today from 9:00 a.m. to 4:20 p.m. Mr. Novak was excused from the Session of today from 9:00 to 10:00 a.m. and from 2:45 to 4:30 p.m. Ms. Ranum was excused from the Session of today at 3:45 p.m. Mr. Beckman was excused from the Session of today from 3:30 to 4:00 p.m. Ms. Krentz was excused from the Session of today at 4:45 p.m. Mr. Terwilliger was excused from the Session of today from 9:15 to 10:15 a.m. and from 11:00 a.m. to 12:00 noon. Mr. Lessard was excused from the Session of today from 9:30 to 10:45 a.m. Mr. Moe, R.D. was excused from the Session of today from 11:55 a.m. to 1:05 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Friday, May 5, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTY-FOURTH DAY

St. Paul, Minnesota, Friday, May 5, 1995

The Senate met at 9:00 a.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Kurt R. Morem.

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

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

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

April 28, 1995

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1995 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 1995	Date Filed 1995
	821	Res. No.3	3:10 p.m. April 28	April 28
	377	97	2:45 p.m. April 28	April 28
	1468	98	2:55 p.m. April 28	April 28
	464	99	2:58 p.m. April 28	April 28
	1645	100	3:00 p.m. April 28	April 28
	1153	101	3:05 p.m. April 28	April 28
	838	102	3:10 p.m. April 28	April 28

Sincerely,
Joan Anderson Growe
Secretary of State

May 4, 1995

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1995 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 1995	Date Filed 1995
	866	109	11:02 a.m. May 3	May 3
	533	110	11:00 a.m. May 3	May 3
	47	111	10:52 a.m. May 3	May 3
	565	112	10:52 a.m. May 3	May 3
	1060	113	10:50 a.m. May 3	May 3
	813	114	10:49 a.m. May 3	May 3
	877	115	10:45 a.m. May 3	May 3
	68	116	10:48 a.m. May 3	May 3
	1011	118	10:55 a.m. May 3	May 3

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 File, herewith returned: S.F. No. 243.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 4, 1995

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. 1402: A bill for an act relating to state government; asking state employees to submit suggestions to improve the efficiency and effectiveness of state government.

Senate File No. 1402 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 4, 1995

CONCURRENCE AND REPASSAGE

Ms. Anderson moved that the Senate concur in the amendments by the House to S.F. No. 1402 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1402 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 48 and nays 15, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Krentz	Morse	Sams
Beckman	Frederickson	Kroening	Novak	Scheevel
Belanger	Hanson	Laidig	Ourada	Solon
Berglin	Hottinger	Langseth	Pappas	Spear
Betzold	Janezich	Lessard	Piper	Stevens
Chandler	Johnson, D.E.	Limmer	Pogemiller	Terwilliger
Chmielewski	Johnson, D.J.	Marty	Price	Vickerman
Day	Johnson, J.B.	Metzen	Ranum	Wiener
Dille	Johnston	Moe, R.D.	Reichgott Junge	
Finn	Kelly	Mondale	Riveness	

Those who voted in the negative were:

Berg	Kleis	Larson	Neuville	Pariseau
Bertram	Knutson	Lesewski	Oliver	Robertson
Kiscaden	Kramer	Merriam	Olson	Runbeck

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. 1199: A bill for an act relating to motor vehicles; requiring vehicle buyer to notify registrar of motor vehicles of vehicle transfer within ten days; imposing fees and penalties; appropriating money; amending Minnesota Statutes 1994, sections 168.101, subdivision 2; 168.11, subdivision 3; 168.15; 168.17; 168A.05, subdivision 5; and 168A.10, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 168; repealing Minnesota Statutes 1994, section 168A.10, subdivision 6.

Senate File No. 1199 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 4, 1995

Mr. Belanger moved that the Senate do not concur in the amendments by the House to S.F. No. 1199, 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. 431 and 1479.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 4, 1995

FIRST READING OF HOUSE BILLS

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

H.F. No. 431: A bill for an act relating to property taxation; including certain homestead property value in the areawide tax base; subjecting certain homestead property value to the areawide tax rate; amending Minnesota Statutes 1994, sections 473F.02, subdivision 8, and by adding subdivisions; 473F.05; 473F.07, subdivision 1; and 473F.08, subdivisions 2, 6, 8a, and by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 277, now on General Orders.

H.F. No. 1479: A bill for an act relating to the environment; establishing an environmental improvement pilot program to promote voluntary compliance with environmental requirements; modifying provisions relating to the voluntary investigation and cleanup program; amending Minnesota Statutes 1994, sections 115B.03, by adding subdivisions; 115B.17, by adding a subdivision; 115B.175, subdivisions 2 and 3; 115B.178, subdivision 1; and 116.02.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1314, now on the Calendar.

REPORTS OF COMMITTEES

Ms. Reichgott Junge 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. 1573 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS

H.F. No.	S.F. No.
1573	1469

CONSENT CALENDAR

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

H.F. No.	S.F. No.
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Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1573 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1573 and insert the language after the enacting clause of S.F. No. 1469, the first engrossment; further, delete the title of H.F. No. 1573 and insert the title of S.F. No. 1469, the first engrossment.

And when so amended H.F. No. 1573 will be identical to S.F. No. 1469, and further recommends that H.F. No. 1573 be given its second reading and substituted for S.F. No. 1469, 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. 1688 was read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 1573 was read the second time.

MOTIONS AND RESOLUTIONS

Messrs. Larson; Moe, R.D.; Stumpf; Finn and Johnson, D.E. introduced--

Senate Resolution No. 64: A Senate resolution honoring Robert D. Decker on his distinguished careers in the military, public service, and education.

Referred to the Committee on Rules and Administration.

SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Ms. Reichgott Junge 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. 1478: A bill for an act relating to state government; requiring notice to the commissioner of agriculture and certain other actions before an agency adopts or repeals rules that affect farming operations; amending Minnesota Statutes 1994, sections 14.11, by adding a subdivision; and 116.07, 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 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1365: A bill for an act relating to public safety; regulating fireworks; modifying the definition of the term fireworks; preempting local regulation of fireworks; prohibiting certain sales to minors; amending Minnesota Statutes 1994, sections 624.20, subdivision 1; and 624.21.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1170: A bill for an act relating to occupations and professions; requiring licensure or certification of geoscientists; adding geoscientists to the board of architecture, engineering, land surveying, landscape architecture, and interior design; providing for certain duties for the board; amending Minnesota Statutes 1994, sections 214.01, subdivision 3; 214.04, subdivision 3; 319A.02, subdivision 2; 326.02, subdivisions 1, 4, 4a, and by adding a subdivision; 326.03, subdivisions 1 and 4; 326.04; 326.05; 326.06; 326.07; 326.08, subdivision 2; 326.09; 326.10, subdivisions 1, 2, and 7; 326.11, subdivision 1; 326.111, subdivisions 1, 2, 3, 4, and 6; 326.12; 326.13; and 326.14.

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 39 and nays 21, as follows:

Those who voted in the affirmative were:

Beckman	Frederickson	Krentz	Morse	Robertson
Belanger	Hanson	Langseth	Novak	Runbeck
Berglin	Janezich	Larson	Pappas	Sams
Bertram	Johnson, D.E.	Lessard	Piper	Solon
Betzold	Johnson, D.J.	Marty	Price	Spear
Chmielewski	Johnson, J.B.	Metzen	Ranum	Stevens
Dille	Johnston	Moe, R.D.	Reichgott Junge	Wiener
Flynn	Kelly	Mondale	Riveness	

Those who voted in the negative were:

Anderson	Hottinger	Kroening	Murphy	Terwilliger
Berg	Kiscaden	Laidig	Neuville	
Chandler	Kleis	Lesewski	Olson	
Day	Knutson	Limmer	Ourada	
Finn	Kramer	Merriam	Pariseau	

So the bill passed and its title was agreed to.

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

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 12, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kroening	Morse	Riveness
Belanger	Hanson	Laidig	Murphy	Runbeck
Berglin	Hottinger	Langseth	Novak	Sams
Bertram	Janezich	Larson	Ourada	Solon
Betzold	Johnson, D.E.	Lessard	Pappas	Spear
Chandler	Johnson, D.J.	Marty	Piper	Stevens
Chmielewski	Johnson, J.B.	Merriam	Pogemiller	Terwilliger
Day	Johnston	Metzen	Price	Wiener
Dille	Kelly	Moe, R.D.	Ranum	
Flynn	Krentz	Mondale	Reichgott Junge	

Those who voted in the negative were:

Berg	Kleis	Lesewski	Neuville	Pariseau
Finn	Knutson	Limmer	Olson	Robertson
Kiscaden	Kramer			

So the bill passed and its title was agreed to.

H.F. No. 1101: A bill for an act relating to water law; making miscellaneous technical corrections to water law; delegation of permit authority; minimal impact permits; removal of hazardous dams; amending Minnesota Statutes 1994, sections 103F.215, subdivision 1; 103F.221, subdivision 1; 103G.005, subdivision 14; 103G.105; 103G.111, subdivision 1; 103G.121, subdivision 1; 103G.135; 103G.245, subdivisions 3 and 5; 103G.271, subdivision 2; 103G.275, subdivision 1; 103G.295, subdivision 4; 103G.301, subdivision 2; 103G.315, subdivisions 12 and 15; 103G.511, subdivision 12; 103G.515, by adding a subdivision; and 103G.611, 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 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 558: A bill for an act relating to commerce; requiring inspections of, reports on, and training for tobacco retailers and employees; establishing administrative penalties; defining display allowance; prohibiting payment of display allowance; establishing penalties; amending Minnesota Statutes 1994, sections 325F.76, by adding a subdivision; 325F.78; and 461.12; proposing coding for new law in Minnesota Statutes, chapters 325F; and 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 62 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Berglin	Chandler	Dille	Frederickson
Belanger	Bertram	Chmielewski	Finn	Hanson
Berg	Betzold	Day	Flynn	Hottinger

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

So the bill passed and its title was agreed to.

S.F. No. 579: A bill for an act relating to commerce; regulating charitable organizations; regulating filing statement; appropriating money; amending Minnesota Statutes 1994, sections 309.501, subdivision 1; 309.52, subdivisions 2 and 7; 309.53, subdivisions 1, 2, 3, and 8; 309.531, subdivisions 1 and 4; 309.54, subdivision 1; 309.556, subdivision 1; 501B.36; 501B.37, subdivision 2, and by adding a subdivision; and 501B.38; repealing Minnesota Statutes 1994, sections 309.53, subdivision 1a.

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 1, as follows:

Those who voted in the affirmative were:

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

Mr. Knutson voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 2: A bill for an act relating to the environment; automobile emissions; providing that a vehicle need not be inspected until the year of its registration is five years more than its model year; changing the inspection fee; providing a contingent expiration date for the inspection program; amending Minnesota Statutes 1994, sections 116.61, subdivision 1, and by adding a subdivision; 116.64, subdivision 1.

Ms. Kiscaden moved that H.F. No. 2, No. 9 on the Calendar, be stricken and placed on General Orders.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the balance of the proceedings on H.F. No. 2. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Kiscaden motion.

The roll was called, and there were yeas 17 and nays 49, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Lessard	Pariseau	Wiener
Belanger	Kelly	Merriam	Ranum	
Berglin	Kiscaden	Oliver	Robertson	
Chandler	Krentz	Pappas	Runbeck	

Those who voted in the negative were:

Beckman	Hottinger	Laidig	Murphy	Sams
Berg	Janezich	Langseth	Neuville	Samuelson
Bertram	Johnson, D.E.	Larson	Novak	Scheevel
Betzold	Johnson, D.J.	Lesewski	Olson	Solon
Chmielewski	Johnson, J.B.	Limmer	Ourada	Spear
Day	Johnston	Marty	Piper	Stevens
Dille	Kleis	Metzen	Pogemiller	Stumpf
Finn	Knutson	Moe, R.D.	Price	Terwilliger
Frederickson	Kramer	Mondale	Reichgott Junge	Vickerman
Hanson	Kroening	Morse	Riveness	

The motion did not prevail.

H.F. No. 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:

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

So the bill passed and its title was agreed to.

S.F. No. 503: A bill for an act relating to civil actions; providing for the Minnesota collection enterprise; imposing duties and providing powers; providing for the disclosure of certain data; imposing a collection penalty; providing for venue of conciliation court actions; authorizing certain appearances; appropriating money; amending Minnesota Statutes 1994, sections 8.16, by adding a subdivision; 16D.02, subdivision 6, and by adding a subdivision; 16D.04, subdivisions 1 and 3; 16D.06; 16D.08, subdivision 2; 491A.01, subdivision 8; and 491A.02, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 16D.

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:

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

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

Messrs. Chmielewski and Kleis voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1089: A bill for an act relating to traffic regulations; exempting highways, freeways, and expressways from noise limits; requiring noise abatement study and measures for freeways and expressways contingent on available funding; requiring annual noise abatement report; amending Minnesota Statutes 1994, sections 116.07, subdivision 2a; 160.02, by adding a subdivision; 161.125, subdivision 1; and 169.14, subdivision 5d.

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 18, as follows:

Those who voted in the affirmative were:

Beckman	Hottinger	Laidig	Olson	Samuelson
Belanger	Janezich	Langseth	Ourada	Scheevel
Berg	Johnson, D.E.	Larson	Pariseau	Solon
Bertram	Johnson, J.B.	Lesewski	Piper	Stevens
Betzold	Johnston	Lessard	Pogemiller	Stumpf
Chmielewski	Kelly	Metzen	Price	Terwilliger
Day	Kleis	Moe, R.D.	Reichgott Junge	Vickerman
Dille	Knutson	Murphy	Riveness	Wiener
Frederickson	Kramer	Neuville	Robertson	
Hanson	Kroening	Oliver	Runbeck	

Those who voted in the negative were:

Anderson	Flynn	Limmer	Morse	Sams
Berglin	Johnson, D.J.	Marty	Novak	Spear
Chandler	Kiscaden	Merriam	Pappas	
Finn	Krentz	Mondale	Ranum	

So the bill passed and its title was agreed to.

S.F. No. 512: A bill for an act relating to human services; licensing; administrative hearings; vulnerable adults reporting act; imposing criminal penalties; appropriating money; amending Minnesota Statutes 1994, sections 13.46, subdivision 4; 13.82, subdivision 10, and by adding subdivisions; 13.88; 13.99, subdivision 113; 144.4172, subdivision 8; 144.651, subdivisions 14 and 21; 144A.103, subdivision 1; 144A.612; 144B.13; 148B.68, subdivision 1; 214.10, subdivision 2a; 245A.04, subdivisions 3 and 3b; 253B.02, subdivision 4a; 256.045, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, and by adding a subdivision; 256E.03, subdivision 2; 256E.081, subdivision 4; 268.09, subdivision 1; 325F.692, subdivision 2; 525.703, subdivision 3; 609.224, subdivision 2; 609.268, subdivisions 1 and 2; 609.72, by adding a subdivision; 609.7495, subdivision 1; 626.556, subdivision 12; 626.557, subdivisions 1, 3, 3a, 4, 5, 6, 7, 8, 9, 10, 14, 16, 17, 18, and by adding subdivisions; and 631.40, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 144; 609; and 626; repealing Minnesota Statutes 1994, sections 609.23; 609.231; and 626.557, subdivisions 2, 10a, 11, 11a, 12, 13, 15, and 19.

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:

Anderson	Bertram	Finn	Janezich	Kelly
Beckman	Betzold	Flynn	Johnson, D.E.	Kleis
Belanger	Chandler	Frederickson	Johnson, D.J.	Knutson
Berg	Day	Hanson	Johnson, J.B.	Kramer
Berglin	Dille	Hottinger	Johnston	Krentz

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

Mr. Chmielewski voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 871: A bill for an act relating to state government; administrative rulemaking; revising the procedures for the adoption and review of agency rules; requiring fees to cover costs; appropriating money; amending Minnesota Statutes 1994, sections 3.842, subdivisions 2, 4, and by adding a subdivision; 4A.05, subdivision 2; 14.04; 14.05, subdivision 2, and by adding a subdivision; 14.06; 14.08; 14.09; 14.131; 14.14, subdivision 1a; 14.15, subdivisions 3 and 4; 14.16, subdivision 1; 14.18, subdivision 1; 14.19; 14.22, subdivision 1; 14.23; 14.24; 14.25; 14.26; 14.365; 14.48; 14.51; 16A.1285, subdivisions 2, 4, and 5; 17.84; 18E.03, subdivision 3; 43A.04, by adding a subdivision; 62N.05, by adding a subdivision; 84.027, by adding a subdivision; 116.07, subdivision 4d; 144.98, subdivision 3; 221.0335; 326.2421, subdivision 3; and 341.10; Minnesota Rules, parts 1540.2140; 7001.0140, subpart 2; 7001.0180; 8130.3500, subpart 3; and 8130.6500, subpart 5; proposing coding for new law in Minnesota Statutes, chapters 14; and 97A; repealing Minnesota Statutes 1994, sections 3.846; 14.10; 14.11; 14.115; 14.12; 14.1311; 14.235; 14.29; 14.30; 14.305; 14.31; 14.32; 14.33; 14.34; 14.35; 14.36; and 17.83; Minnesota Rules, chapters 2650; 7047; 7600; 7625; and 9540; Minnesota Rules, parts 1540.0010, subparts 12, 18, 21, 22, and 24; 1540.0060; 1540.0070; 1540.0080; 1540.0100; 1540.0110; 1540.0120; 1540.0130; 1540.0140; 1540.0150; 1540.0160; 1540.0170; 1540.0180; 1540.0190; 1540.0200; 1540.0210; 1540.0220; 1540.0230; 1540.0240; 1540.0260; 1540.0320; 1540.0330; 1540.0340; 1540.0350; 1540.0370; 1540.0380; 1540.0390; 1540.0400; 1540.0410; 1540.0420; 1540.0440; 1540.0450; 1540.0460; 1540.0490; 1540.0500; 1540.0510; 1540.0520; 1540.0770; 1540.0780; 1540.0800; 1540.0810; 1540.0830; 1540.0880; 1540.0890; 1540.0900; 1540.0910; 1540.0920; 1540.0930; 1540.0940; 1540.0950; 1540.0960; 1540.0970; 1540.0980; 1540.0990; 1540.1000; 1540.1005; 1540.1010; 1540.1020; 1540.1030; 1540.1040; 1540.1050; 1540.1060; 1540.1070; 1540.1080; 1540.1090; 1540.1100; 1540.1110; 1540.1120; 1540.1130; 1540.1140; 1540.1150; 1540.1160; 1540.1170; 1540.1180; 1540.1190; 1540.1200; 1540.1210; 1540.1220; 1540.1230; 1540.1240; 1540.1250; 1540.1255; 1540.1260; 1540.1280; 1540.1290; 1540.1300; 1540.1310; 1540.1320; 1540.1330; 1540.1340; 1540.1350; 1540.1360; 1540.1380; 1540.1400; 1540.1410; 1540.1420; 1540.1430; 1540.1440; 1540.1450; 1540.1460; 1540.1470; 1540.1490; 1540.1500; 1540.1510; 1540.1520; 1540.1530; 1540.1540; 1540.1550; 1540.1560; 1540.1570; 1540.1580; 1540.1590; 1540.1600; 1540.1610; 1540.1620; 1540.1630; 1540.1640; 1540.1650; 1540.1660; 1540.1670; 1540.1680; 1540.1690; 1540.1700; 1540.1710; 1540.1720; 1540.1730; 1540.1740; 1540.1750; 1540.1760; 1540.1770; 1540.1780; 1540.1790; 1540.1800; 1540.1810; 1540.1820; 1540.1830; 1540.1840; 1540.1850; 1540.1860; 1540.1870; 1540.1880; 1540.1890; 1540.1900; 1540.1905; 1540.1910; 1540.1920; 1540.1930; 1540.1940; 1540.1950; 1540.1960; 1540.1970; 1540.1980; 1540.1990; 1540.2000; 1540.2010; 1540.2015; 1540.2020; 1540.2090; 1540.2100; 1540.2110; 1540.2120; 1540.2180; 1540.2190; 1540.2200; 1540.2210; 1540.2220; 1540.2230; 1540.2240; 1540.2250; 1540.2260; 1540.2270; 1540.2280; 1540.2290; 1540.2300; 1540.2310; 1540.2320; 1540.2325; 1540.2330; 1540.2340; 1540.2350; 1540.2360; 1540.2370; 1540.2380; 1540.2390; 1540.2400; 1540.2410; 1540.2420; 1540.2430; 1540.2440; 1540.2450; 1540.2490; 1540.2500; 1540.2510; 1540.2530; 1540.2540; 1540.2550; 1540.2560; 1540.2570; 1540.2580; 1540.2590; 1540.2610; 1540.2630; 1540.2640; 1540.2650; 1540.2660; 1540.2720; 1540.2730; 1540.2740; 1540.2760; 1540.2770; 1540.2780; 1540.2790; 1540.2800; 1540.2810; 1540.2820; 1540.2830; 1540.2840; 1540.3420; 1540.3430; 1540.3440; 1540.3450; 1540.3460; 1540.3470; 1540.3560; 1540.3600; 1540.3610; 1540.3620; 1540.3630; 1540.3700; 1540.3780; 1540.3960; 1540.3970; 1540.3980; 1540.3990; 1540.4000; 1540.4010; 1540.4020; 1540.4030; 1540.4040; 1540.4080; 1540.4190; 1540.4200; 1540.4210; 1540.4220; 1540.4320; 1540.4330; 1540.4340; 2642.0120, subpart 1; 2655.1000; 2660.0070; 2770.7400; 4610.2210; 7002.0410 to 7002.0490; 7100.0300 to 7100.0350; 7510.6100 to 7510.6910; 8120.1100, subpart 3; 8121.0500, subpart 2; and 8130.9912 to 8130.9992.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 230: A bill for an act relating to claims against governmental units; increasing tort liability limits; amending Minnesota Statutes 1994, sections 3.736, subdivision 4; and 466.04, subdivisions 1 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 45 and nays 21, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Larson	Neuville	Reichgott Junge
Beckman	Janezich	Lessard	Novak	Riveness
Belanger	Johnson, J.B.	Marty	Ourada	Sams
Betzold	Johnston	Merriam	Pappas	Samuelson
Chandler	Kelly	Metzen	Pariseau	Solon
Chmielewski	Knutson	Moe, R.D.	Piper	Spear
Day	Krentz	Mondale	Pogemiller	Terwilliger
Flynn	Kroening	Morse	Price	Vickerman
Hanson	Laidig	Murphy	Ranum	Wiener

Those who voted in the negative were:

Berg	Frederickson	Kramer	Olson	Stumpf
Berglin	Johnson, D.E.	Langseth	Robertson	
Bertram	Johnson, D.J.	Lesewski	Runbeck	
Dille	Kiscaden	Limmer	Scheevel	
Finn	Kleis	Oliver	Stevens	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Olson moved that S.F. No. 1366, No. 12 on General Orders, be stricken and re-referred to the Committee on Environment and Natural Resources. The motion prevailed.

Mr. Riveness moved that S.F. No. 1195, No. 17 on General Orders, be stricken and laid on the table. The motion prevailed.

Mr. Novak moved that S.F. No. 1419, No. 40 on General Orders, be stricken and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

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. 1688 and that the rules of the Senate be so far suspended as to give S.F. No. 1688, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

S.F. No. 1688: A bill for an act relating to capital improvements; authorizing spending to acquire and better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing sale of state bonds; requiring periodic reports on the status of authorized and outstanding state bonds; providing for cancellation of certain unused bond authorizations; appropriating money; amending Minnesota Statutes 1994, sections 16A.695, subdivisions 1, 2, 3, and by adding a subdivision; 124.431, subdivisions 2, 5, 6, 7, and 10; 124.494, subdivisions 2, 3, and 4; 446A.12, subdivision 1; Laws 1994, chapters 632, article 3, section 12; 643, sections 2, subdivision 15; 10, subdivision 10; 11, subdivisions 8, 10, and 13; 19, subdivision 8; 23, subdivisions 7 and 28; and 26, subdivisions 3 and 4; proposing coding for new law in Minnesota Statutes, chapter 16A; repealing Laws 1992, chapter 558, section 17.

Mr. Lessard moved to amend S.F. No. 1688 as follows:

Page 5, after line 14, insert:

"Subd. 4. Littlefork-Big Falls	7,000,000
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This appropriation is from the maximum effort school loan fund to the commissioner of education to make a capital loan to independent school district No. 362, Littlefork-Big Falls, notwithstanding the priority in Laws 1993, chapter 224, article 5, section 45. \$7,000,000 is approved for a capital loan to independent school district No. 362."

Correct the section total, the appropriation summary, and the bond sale authorization accordingly

The motion prevailed. So the amendment was adopted.

Ms. Johnston moved to amend S.F. No. 1688 as follows:

Page 3, after line 45, insert:

"Notwithstanding Minnesota Statutes, section 84.944, subdivision 3, county approval is not required for acquisition of lands and waters described in this subdivision under Minnesota Statutes, section 84.994."

The motion prevailed. So the amendment was adopted.

Mr. Berg moved to amend S.F. No. 1688 as follows:

Page 3, delete lines 29 to 45

Correct the section total, the appropriation summary, and the bond sale authorization accordingly

CALL OF THE SENATE

Ms. Johnston imposed a call of the Senate for the balance of the Berg amendment to S.F. No. 1688. The Sergeant at Arms was instructed to bring in the absent members.

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

The roll was called, and there were yeas 1 and nays 49, as follows:

Mr. Berg voted in the affirmative.

Those who voted in the negative were:

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

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

Mr. Morse moved to amend S.F. No. 1688 as follows:

Page 1, after line 20, insert:

"ARTICLE 1
CAPITAL IMPROVEMENTS"

Page 1, line 26, delete "act" and insert "article"

Page 4, line 6, delete "act" and insert "article"

Page 6, lines 7, 14, and 24, delete "act" and insert "article"

Page 24, line 28, delete "act" and insert "article"

Page 24, after line 28, insert:

"ARTICLE 2

Section 1. Minnesota Statutes 1994, section 446A.02, subdivision 3, is amended to read:

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of ~~trade and economic development~~ the pollution control agency.

Sec. 2. Minnesota Statutes 1994, section 446A.03, subdivision 2, is amended to read:

Subd. 2. [CHAIR; OTHER OFFICERS.] The commissioner of ~~trade and economic development~~ the pollution control agency shall serve as the chair and chief executive officer of the authority. The authority may elect other officers as necessary from its members.

Sec. 3. Minnesota Statutes 1994, section 446A.03, subdivision 3a, is amended to read:

Subd. 3a. [DELEGATION.] In addition to any powers to delegate that members of the authority have as commissioners, they may delegate to the commissioner of ~~trade and economic development~~ the pollution control agency their responsibilities as members of the authority for reviewing and approving financing of eligible projects that have been certified to the authority.

Sec. 4. Minnesota Statutes 1994, section 446A.071, subdivision 7, is amended to read:

Subd. 7. [RULES.] The commissioner of ~~trade and economic development~~ shall adopt rules establishing procedures for the administration of the wastewater infrastructure funding program. The rules must include:

(1) procedures for the administration of the financial assistance program, including application procedures;

(2) provisions establishing eligible uses of funds, forms of assistance, payments, and reporting requirements; and

(3) criteria for determining the amount of supplemental assistance, which must include consideration of: social, economic, and demographic considerations; sewer service charges; financial management; and the ability of significant wastewater contributors to pay their fair share of the costs without supplemental assistance.

Sec. 5. Minnesota Statutes 1994, section 446A.081, subdivision 11, is amended to read:

Subd. 11. [RULES OF THE AUTHORITY.] The commissioner ~~of trade and economic development~~ shall adopt rules containing the procedures for the administration of the authority's duties as provided by this section that include: setting of interest rates, which shall take into account the financial need of the applicant; the amount of project financing to be provided; the collateral required for public drinking water systems and for privately owned public water systems; dedicated sources of revenue or income streams to ensure repayment of loans; and the requirements to ensure proper operation, maintenance, and repair of the water systems financed by the authority.

Sec. 6. Minnesota Statutes 1994, section 446A.081, subdivision 12, is amended to read:

Subd. 12. [RULES OF THE DEPARTMENT.] The ~~department~~ commissioner of trade and economic development shall adopt rules relating to the procedures for administration of the ~~department's~~ department of trade and economic development's duties under the act and this section. ~~The department and the commissioner of the department of trade and economic development may adopt a single set of rules for the program.~~

Sec. 7. [TRANSFER.]

Responsibilities of the department of trade and economic development related to the provision of administrative services to the public facilities authority are transferred to the pollution control agency under Minnesota Statutes, section 15.039.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective July 1, 1995."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Berglin moved to amend S.F. No. 1688 as follows:

Page 2, delete lines 22 to 32

Correct the section total, the appropriation summary, and the bond sale authorization accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 19 and nays 38, as follows:

Those who voted in the affirmative were:

Anderson	Bertram	Kelly	Pappas	Samuelson
Beckman	Chandler	Kroening	Piper	Stumpf
Berg	Chmielewski	Langseth	Pogemiller	Vickerman
Berglin	Finn	Marty	Sams	

Those who voted in the negative were:

Betzold	Johnson, J.B.	Laidig	Moe, R.D.	Oliver
Day	Johnston	Lesewski	Mondale	Olson
Dille	Kiscaden	Lessard	Morse	Ourada
Hanson	Knutson	Limmer	Murphy	Pariseau
Janezich	Kramer	Merriam	Neuville	Price
Johnson, D.E.	Krentz	Metzen	Novak	Ranum

Riveness
RunbeckScheevel
SolonSpear
Stevens

Terwilliger

Wiener

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

S.F. No. 1688 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:

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

Messrs. Berg and Limmer voted in the negative.

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

Mr. Merriam moved that S.F. No. 1688 be laid on the table. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Ms. Reichgott Junge moved that the following members be excused for a meeting of the Special Subcommittee on Ethical Conduct at 11:00 a.m.:

Messrs. Novak, Frederickson, Terwilliger and Ms. Reichgott Junge. 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. 1864 at 11:00 a.m.:

Messrs. Belanger, Hottinger, Johnson, D.J.; Meses. Flynn and Reichgott Junge. The motion prevailed.

GENERAL ORDERS

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

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

S.F. No. 900 and H.F. No. 493, which the committee recommends to pass.

S.F. No. 1019, which the committee recommends to pass, subject to the following motions:

Mr. Oliver moved to amend S.F. No. 1019 as follows:

Page 5, line 20, after the semicolon, insert "and"

Page 5, line 22, delete "; and" and insert a period

Page 5, delete lines 23 to 25

Page 5, line 29, after "municipalities" insert "(1) whose contribution levy exceeds its distribution levy by more than \$200 per household according to the most recent population estimates determined by the metropolitan council; and (2)"

Page 6, line 6, delete "Beginning January 15, 1998," and insert "By August 1, 1997,"

Page 6, line 7, delete "annually" and insert "each year"

Page 6, line 9, delete "(e)" and insert "(g)"

Page 6, after line 17, insert:

"(b) For fiscal years 1997, 1998, and 1999, each municipality in the metropolitan area shall retain the affordable and life-cycle housing opportunities amount calculated under paragraph (g) for the purpose of creating or maintaining affordable and life-cycle housing within the municipality.

(c) By August 31, 1999, and each year thereafter, the council shall determine:

(1) the aggregate amount spent by all municipalities that have not met their affordable and life-cycle housing goals as determined by the council for all of the preceding three years, provided that, for the purposes of this calculation a municipality that has spent an amount in excess of the amount calculated under paragraph (g) shall be counted as spending the amount determined under paragraph (g); and

(2) 85 percent of the aggregate affordable and life-cycle housing opportunities amount calculated by the council under paragraph (g) for all municipalities that have not met their affordable and life-cycle housing goals as determined by the council for all of the preceding three years.

(d) If the amount calculated under paragraph (c), clause (1), equals or exceeds the amount calculated under paragraph (c), clause (2), the council shall allow all municipalities in the metropolitan area to retain the affordable and life-cycle housing opportunities amount calculated under paragraph (g). If the amount calculated under paragraph (c), clause (1), is less than the amount calculated under paragraph (c), clause (2), the council shall allow each"

Page 6, line 18, delete the paragraph coding and delete "(b) A"

Page 6, line 20, delete "may" and insert "to"

Page 6, line 21, delete "(e)" and insert "(g)"

Page 6, line 22, delete "(c)"

Page 6, line 26, delete "(e)" and insert "(g)" and delete "local housing incentives account" and insert "housing and redevelopment authority of the county in which the municipality is located for expenditure within the municipality"

Page 6, lines 27, 30, and 32, delete "(e)" and insert "(g)"

Page 6, line 29, after "located" insert "for expenditure anywhere within the county"

Page 6, line 31, after the period, insert:

"(e)"

Page 7, line 5, delete "(d)" and insert "(f)"

Page 7, lines 7 and 11, delete "(e)" and insert "(g)"

Page 7, line 16, before "(2)" insert "For 1997 and thereafter, the "market value base amount" shall be equal to the product of (i) the market value base amount for the previous year multiplied by (ii) the annual average United States Consumer Price Index for all urban consumers, United

States average, as determined by the United States Department of Labor, for the previous year divided by that annual average for the year before the previous year."

Page 9, after line 16, insert:

"Sec. 2. Minnesota Statutes 1994, section 116J.554, subdivision 2, is amended to read:

Subd. 2. [QUALIFYING SITES.] A site qualifies for a grant under this section, if the following criteria are met:

(1) the site is not scheduled for funding during the current or next fiscal year under the ~~Comprehensive Environmental Response, Compensation, and Liability Act, United States Code, title 42, section 9601, et seq. or under the environmental response, and liability act under sections 115B.01 to 115B.24;~~

(2) the appraised value of the site after adjusting for the effect on the value of the presence or possible presence of contaminants using accepted appraisal methodology (i) is less than 50 percent of the estimated cleanup costs for the site or (ii) is less than or equal to the estimated cleanup costs for the site and the cleanup costs equal or exceed \$3 per square foot for the site; and

(3) if the proposed cleanup is completed, it is expected that the site will be improved with buildings or other improvements and these improvements will provide a substantial increase in the property tax base within a reasonable period of time or the site will be used for an important publicly owned or tax-exempt facility."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Merriam requested division of the amendment as follows:

First portion:

Page 5, line 20, after the semicolon, insert "and"

Page 5, line 22, delete "; and" and insert a period

Page 5, delete lines 23 to 25

Page 5, line 29, after "municipalities" insert "(1) whose contribution levy exceeds its distribution levy by more than \$200 per household according to the most recent population estimates determined by the metropolitan council; and (2)"

Page 6, line 6, delete "Beginning January 15, 1998," and insert "By August 1, 1997,"

Page 6, line 7, delete "annually" and insert "each year"

Page 6, line 9, delete "(e)" and insert "(g)" -

Page 6, after line 17, insert:

"(b) For fiscal years 1997, 1998, and 1999, each municipality in the metropolitan area shall retain the affordable and life-cycle housing opportunities amount calculated under paragraph (g) for the purpose of creating or maintaining affordable and life-cycle housing within the municipality.

(c) By August 31, 1999, and each year thereafter, the council shall determine:

(1) the aggregate amount spent by all municipalities that have not met their affordable and life-cycle housing goals as determined by the council for all of the preceding three years, provided that, for the purposes of this calculation a municipality that has spent an amount in excess of the amount calculated under paragraph (g) shall be counted as spending the amount determined under paragraph (g); and

(2) 85 percent of the aggregate affordable and life-cycle housing opportunities amount

calculated by the council under paragraph (g) for all municipalities that have not met their affordable and life-cycle housing goals as determined by the council for all of the preceding three years.

(d) If the amount calculated under paragraph (c), clause (1), equals or exceeds the amount calculated under paragraph (c), clause (2), the council shall allow all municipalities in the metropolitan area to retain the affordable and life-cycle housing opportunities amount calculated under paragraph (g). If the amount calculated under paragraph (c), clause (1), is less than the amount calculated under paragraph (c), clause (2), the council shall allow each"

Page 6, line 18, delete the paragraph coding and delete "(b) A"

Page 6, line 20, delete "may" and insert "to"

Page 6, line 21, delete "(e)" and insert "(g)"

Page 6, line 22, delete "(c)"

Page 6, line 26, delete "(e)" and insert "(g)" and delete "local housing incentives account" and insert "housing and redevelopment authority of the county in which the municipality is located for expenditure within the municipality"

Page 6, lines 27, 30, and 32, delete "(e)" and insert "(g)"

Page 6, line 29, after "located" insert "for expenditure anywhere within the county"

Page 6, line 31, after the period, insert:

"(e)"

Page 7, line 5, delete "(d)" and insert "(f)"

Page 7, lines 7 and 11, delete "(e)" and insert "(g)"

Page 7, line 16, before "(2)" insert "For 1997 and thereafter, the "market value base amount" shall be equal to the product of (i) the market value base amount for the previous year multiplied by (ii) the annual average United States Consumer Price Index for all urban consumers, United States average, as determined by the United States Department of Labor, for the previous year divided by that annual average for the year before the previous year."

Second portion:

Page 9, after line 16, insert:

"Sec. 2. Minnesota Statutes 1994, section 116J.554, subdivision 2, is amended to read:

Subd. 2. [QUALIFYING SITES.] A site qualifies for a grant under this section, if the following criteria are met:

(1) the site is not scheduled for funding during the current or next fiscal year under the ~~Comprehensive Environmental Response, Compensation, and Liability Act, United States Code, title 42, section 9601, et seq. or under the environmental response, and liability act under sections 115B.01 to 115B.24;~~

(2) the appraised value of the site after adjusting for the effect on the value of the presence or possible presence of contaminants using accepted appraisal methodology (i) is less than 50 percent of the estimated cleanup costs for the site or (ii) is less than or equal to the estimated cleanup costs for the site and the cleanup costs equal or exceed \$3 per square foot for the site; and

(3) if the proposed cleanup is completed, it is expected that the site will be improved with buildings or other improvements and these improvements will provide a substantial increase in the property tax base within a reasonable period of time or the site will be used for an important publicly owned or tax-exempt facility."

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

Mr. Oliver withdrew the second portion of the amendment.

Mr. Mondale moved to amend S.F. No. 1019 as follows:

Page 6, line 2, delete from "The" through page 6, line 4, to "1996."

The motion prevailed. So the amendment was adopted.

Mr. Merriam moved to amend S.F. No. 1019 as follows:

Pages 17 and 18, delete section 8

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 23 and nays 37, as follows:

Those who voted in the affirmative were:

Anderson	Cohen	Krentz	Marty	Runbeck
Beckman	Hanson	Kroening	Merriam	Spear
Betzold	Janezich	Langseth	Morse	Vickerman
Chandler	Johnson, J.B.	Lessard	Novak	
Chmielewski	Kleis	Limmer	Reichgott Junge	

Those who voted in the negative were:

Belanger	Johnson, D.E.	Lesewski	Pappas	Samuelson
Berglin	Johnson, D.J.	Metzen	Pariseau	Scheevel
Bertram	Kelly	Moe, R.D.	Piper	Stevens
Day	Kiscaden	Mondale	Pogemiller	Terwilliger
Dille	Knutson	Murphy	Price	Wiener
Finn	Kramer	Neuville	Riveness	
Flynn	Laidig	Oliver	Robertson	
Frederickson	Larson	Olson	Sams	

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

Mr. Mondale moved to amend S.F. No. 1019 as follows:

Page 3, line 24, delete from "A" through page 3, line 26, to "met."

The motion prevailed. So the amendment was adopted.

The question was taken on the recommendation to pass S.F. No. 1019.

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

Those who voted in the affirmative were:

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

Mr. Bertram, Ms. Johnston and Mr. Merriam voted in the negative.

The motion prevailed. So S.F. No. 1019 was recommended to pass.

S.F. No. 885, which the committee recommends to pass with the following amendment offered by Ms. Ranum:

Page 2, line 20, reinstate the stricken "(a)"

Page 3, lines 7 to 9, reinstate the stricken language

Page 3, line 10, reinstate the stricken "within" and after the stricken "two" insert "five" and reinstate the stricken "years following the first conviction, regardless of"

Page 3, line 11, reinstate the stricken language

Page 3, lines 31 to 36, reinstate the stricken language

Page 4, lines 1 and 2, reinstate the stricken language

Page 4, line 3, reinstate the stricken language and delete the new language

Page 4, delete lines 4 to 7

Page 4, line 8, delete everything before "The"

Page 4, lines 28 to 30, delete the new language

The motion prevailed. So the amendment was adopted.

H.F. No. 1567, which the committee recommends to pass with the following amendment offered by Mr. Pogemiller:

Amend H.F. No. 1567, the unofficial engrossment, as follows:

Page 7, line 25, before "Agreements" insert "Government entities may enter into"

Page 7, line 26, delete everything after "trust"

Page 7, delete lines 27 to 29

Page 7, line 30, delete "trust or investment company's" and insert "whose"

Page 7, line 32, before the period, insert ", or shares of an investment company which is registered under the Federal Investment Company Act of 1940, and whose shares are registered under the Federal Securities Act of 1933, as long as the investment company's fund receives the highest credit rating and is rated in one of the two highest risk rating categories by at least one nationally recognized statistical rating organization"

The motion prevailed. So the amendment was adopted.

H.F. No. 479, which the committee recommends to pass with the following amendments offered by Messrs. Morse, Scheevel and Merriam:

Mr. Morse moved to amend H.F. No. 479, as amended pursuant to Rule 49, adopted by the Senate March 27, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 548.)

Page 2, line 5, after "refuges" insert "and the commissioner may not establish any special seasons or other restrictions on hunting in the areas based on their status as part of a state park"

The motion prevailed. So the amendment was adopted.

Mr. Scheevel moved to amend H.F. No. 479, as amended pursuant to Rule 49, adopted by the Senate March 27, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 548.)

Page 2, line 5, after the period, insert "Within these areas, the following described land must be managed primarily for public trout fishing and trout fishing management by fisheries managers of the division of fish and wildlife: In that portion of Section 25, Township 102 North, Range 12 West, added to the park by this subdivision, a strip of land 264 feet in width lying 132 feet on each side of the center line of the stream located on, and flowing through, the land. The fisheries management activities that may be engaged in include, but are not limited to, fisheries habitat improvement, both instream and on adjacent land, together with necessary access to the stream and adjacent land."

The motion prevailed. So the amendment was adopted.

Mr. Merriam moved to amend H.F. No. 479, as amended pursuant to Rule 49, adopted by the Senate March 27, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 548.)

Page 2, delete lines 17 to 19

Page 2, line 20, delete "4" and insert "3"

Page 2, line 35, delete "subdivisions 13"

Page 2, line 36, delete "and 20, are" and insert "subdivision 20, is"

The motion prevailed. So the amendment was adopted.

H.F. No. 1238, which the committee recommends to pass with the following amendment offered by Ms. Olson:

Amend H.F. No. 1238, as amended pursuant to Rule 49, adopted by the Senate April 27, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 897.)

Page 23, after line 33, insert:

"Sec. 29. Minnesota Statutes 1994, section 103B.611, subdivision 1, is amended to read:

Subdivision 1. [COMPOSITION.] The district is governed by a board composed of members ~~elected~~ appointed by the governing bodies of the municipalities included in the district. Each municipality ~~shall elect~~ may appoint one member.

Sec. 30. Minnesota Statutes 1994, section 103B.611, subdivision 2, is amended to read:

Subd. 2. [TERM.] The term of office of each board member is three years unless the appointing municipality recalls the member and either appoints another member for the balance of the term or leaves the office vacant for the balance of the term. This subdivision applies both to members serving on the effective date of this act and to members appointed after the effective date of this act."

Page 24, after line 5, insert:

"Sec. 33. [EFFECTIVE DATE.]

Under Minnesota Statutes, section 645.023, subdivision 1, clause (a), section 29 takes effect, without local approval, the day following final enactment."

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. 1270, which the committee recommends to pass with the following amendment offered by Mr. Dille:

Page 1, line 13, delete "one" and insert "one-half"

The motion prevailed. So the amendment was adopted.

S.F. No. 467, which the committee recommends to pass with the following amendment offered by Mr. Mondale:

Page 1, after line 16, insert:

"PUBLIC SAFETY RADIO COMMUNICATION SYSTEM

Section 1. [174.70] [PUBLIC SAFETY RADIO COMMUNICATIONS.]

The commissioner of transportation may exercise the powers granted in this chapter and in sections 473.891 to 473.905 to plan and implement the communications system as provided in sections 473.891 to 473.905."

Page 2, line 21, delete "public corporation" and insert "political subdivision"

Page 2, line 27, delete "16" and insert "17"

Page 2, line 28, delete "Fourteen" and insert "Fifteen"

Page 2, line 32, delete "Minneapolis and St. Paul" and insert "Minneapolis, St. Paul, and Bloomington"

Page 3, line 13, delete "15th" and insert "16th"

Page 3, line 14, delete "16th" and insert "17th"

Page 20, line 32, delete "in the" and insert ", quasi-public"

Re-number the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 15, delete "chapter" and insert "chapters 174 and"

The motion prevailed. So the amendment was adopted.

H.F. No. 833, which the committee recommends to pass with the following amendment offered by Mr. Terwilliger:

Amend H.F. No. 833, as amended pursuant to Rule 49, adopted by the Senate March 27, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 841.)

Pages 2 and 3, delete section 5

Re-number the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 371, which the committee recommends to pass with the following amendment offered by Ms. Olson:

Page 2, after line 9, insert:

"Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective upon metropolitan council approval of plans presented by the commissioner to:

(1) construct one additional lane on each roadway of I-394 at or near its interchange with Penn Avenue;

(2) preserve the existence of an additional lane eastbound between Penn Avenue and the Dunwoody Boulevard exit; and

(3) erect continuous noise barriers adjacent to the westbound roadway of the highway between Wirth Parkway and Penn Avenue, and on the eastbound roadway of the highway between Madeira Avenue and Wirth Parkway, with the consent of all affected owners of commercial property."

The motion prevailed. So the amendment was adopted.

On motion of Mr. Betzold, 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.

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. 1105: Ms. Krentz, Mr. Betzold and Ms. Kiscaden.

H.F. No. 265: Messrs. Berg, Janezich and Neuville.

H.F. No. 358: Meses. Johnson, J.B.; Anderson and Lesewski.

H.F. No. 603: Messrs. Price; Johnson, D.J. and Moe, R.D.

S.F. No. 1199: Messrs. Belanger, Marty and Knutson.

S.F. No. 992: Ms. Kiscaden, Mr. Betzold and Ms. Berglin.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Mr. Cohen was excused from the Session of today from 9:30 to 11:45 a.m. Mr. Kleis was excused from the Session of today from 11:20 to 11:40 a.m. Mr. Stumpf was excused from the Session of today from 9:00 to 10:00 and at 11:30 a.m. Mr. Vickerman was excused from the Session of today from 9:45 to 10:30 a.m. Mr. Kelly was excused from the Session of today at 1:15 p.m. Mr. Samuelson was excused from the Session of today at 1:40 p.m. Mr. Murphy was excused from the Session of today from 1:30 to 2:15 p.m. Ms. Ranum was excused from the Session of today at 2:30 p.m. Mr. Johnson, D.J. was excused from the Session of today at 2:40 p.m. Mr. Oliver was excused from the Session of today from 1:45 to 2:45 p.m. Ms. Piper was excused from the Session of today at 3:00 p.m. Mr. Janezich was excused from the Session of today at 3:15 p.m. Mr. Terwilliger was excused from the Session of today at 3:20 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Monday, May 8, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTY-FIFTH DAY

St. Paul, Minnesota, Monday, May 8, 1995

The Senate met at 9:00 a.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Gary J. Benedict.

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

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

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

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 File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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

Senate File No. 1112 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 5, 1995

Mr. Ourada moved that S.F. No. 1112 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. 1404: A bill for an act relating to insurance; regulating reinsurance intermediaries; providing for the investment of funds held by reinsurance intermediaries; amending Minnesota Statutes 1994, sections 60A.715; and 60A.73, subdivision 4.

Senate File No. 1404 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 5, 1995

CONCURRENCE AND REPASSAGE

Mr. Solon moved that the Senate concur in the amendments by the House to S.F. No. 1404 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1404 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:

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

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. 440: A bill for an act relating to insurance; regulating coverages, notice provisions, enforcement provisions, and licensees; the comprehensive health association; increasing the lifetime benefit limit; making technical changes; providing for certain breast cancer coverage; prohibiting certain rate differentials within the same town or city; amending Minnesota Statutes 1994, sections 60A.06, subdivision 3; 60A.085; 60A.111, subdivision 2; 60A.124; 60A.23, subdivision 8; 60A.26; 60A.951, subdivisions 2 and 5; 60A.954, subdivision 1; 60K.03, subdivision 7; 60K.14, subdivision 1; 61A.03, subdivision 1; 61A.071; 61A.092, subdivisions 3 and 6; 61B.28, subdivisions 8 and 9; 62A.042; 62A.135; 62A.136; 62A.14; 62A.141; 62A.31, subdivisions 1h and 1i; 62A.46, subdivision 2, and by adding a subdivision; 62A.48, subdivisions 1 and 2; 62A.50, subdivision 3; 62C.14, subdivisions 5 and 14; 62E.02, subdivision 7; 62E.12;

62F.02, subdivision 2; 62I.09, subdivision 2; 62L.02, subdivision 16; 62L.03, subdivision 5; 65A.01, by adding a subdivision; 65B.06, subdivision 3; 65B.08, subdivision 1; 65B.09, subdivision 1; 65B.10, subdivision 3; 65B.61, subdivision 1; 72A.20, subdivisions 13, 23, and by adding a subdivision; 72B.05; 79.251, subdivision 5, and by adding a subdivision; 79.34, subdivision 2; 79.35; 79A.01, by adding a subdivision; 79A.02, subdivision 4; 79A.03, by adding a subdivision; 176.181, subdivision 2; 299F.053, subdivision 2; and 515A.3-112; proposing coding for new law in Minnesota Statutes, chapters 60A; and 62A; repealing Minnesota Statutes 1994, sections 61A.072, subdivision 3; and 65B.07, subdivision 5.

Senate File No. 440 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 5, 1995

Mr. Hottinger moved that the Senate do not concur in the amendments by the House to S.F. No. 440, 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 5 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1110: A bill for an act relating to human services; appropriating money for the department of human services and health, for the veterans nursing homes board, for the health-related boards, for the council on disability, for the ombudsman for mental health and mental retardation, and for the ombudsman for families; modifying day training and habilitation services; creating the consumer support program; modifying child care programs; defining and including essential persons in determining AFDC eligibility; modifying the Minnesota Supplemental Aid program by making it consistent with the federal SSI program; modifying group residential housing; limiting the admission of certain high-functioning persons to nursing facilities; modifying hospital inflation and requiring inflation adjustments to reflect prior overpayments; modifying medical assistance disproportionate share payments; establishing hospital peer groups; establishing long-term hospital rates; modifying treatment of certain trusts; modifying treatment of assets and income for institutionalized persons; reducing the pharmacy dispensing fee; establishing pharmacy copayments in medical assistance and general assistance medical care; establishing a service allowance for certain persons denied admission to a nursing facility; increasing reimbursement rates for certain home care services provided in Anoka county; modifying certain intergovernmental transfers; clarifying the county nursing home payment adjustment; requiring a discount in general assistance medical care prepaid contracts; eliminating payment for gender reassignment services under general assistance medical care; providing a two percent rate increase for certain providers; authorizing certain demonstration projects; modifying certain parental fees; modifying medical assistance eligibility criteria for certain disabled children; modifying requirements for personal care assistants and personal care assistant organizations; modifying coverage for personal care services and reducing maximum hours of service; expanding certain services under medical assistance managed care for disabled children; authorizing certain studies; authorizing exceptions to the nursing home moratorium and modifying reimbursements for legislatively-approved exceptions; modifying requirements for hospital-attached nursing facility status; modifying nursing facility reimbursement and inflationary adjustments; establishing a contractual alternative payment system for nursing facilities; modifying reimbursement for intermediate care facilities for persons with mental retardation or related conditions; establishing transition mental health services; modifying chemical dependency treatment programs; providing Faribault and Cambridge regional human services center downsizing agreements; decreasing certain license and permit fees; modifying the licensing and inspecting of hotel, restaurant, and other food and lodging establishments; amending Minnesota Statutes 1994, sections 62A.045; 62A.046; 62A.048; 62A.27; 144.0721, by adding subdivisions; 144.122; 144.226, subdivision 1; 144A.071, subdivision 4a; 144A.33, subdivision 3; 144A.43, subdivision 3; 144A.47; 147.01, subdivision 6; 157.03; 198.003, subdivisions 3 and 4; 245.4882, subdivision 5; 245.4886, by adding a subdivision; 246.18, subdivision 4, and by adding a subdivision; 246.23, subdivision 2;

252.27, subdivision 2a; 252.292, subdivision 4; 252.46, subdivision 6, and by adding a subdivision; 254A.17, subdivision 3; 254B.05, subdivision 4; 256.025, subdivisions 1 and 2; 256.026; 256.73, subdivision 3a; 256.736, subdivisions 3 and 13; 256.74, subdivision 1; 256.9365; 256.9657, subdivision 3; 256.9685, subdivision 1b, and by adding subdivisions; 256.969, subdivisions 1, 9, 24, and by adding subdivisions; 256B.055, subdivision 12; 256B.056, by adding a subdivision; 256B.0575; 256B.0625, subdivisions 8, 8a, 13, 19a, and by adding subdivisions; 256B.0627, subdivisions 1, 2, 4, and 5; 256B.0641, subdivision 1; 256B.0911, subdivisions 4 and 7; 256B.0913, by adding subdivisions; 256B.0915, subdivision 2, and by adding a subdivision; 256B.092, subdivision 4; 256B.15, subdivisions 1a, 2, and by adding a subdivision; 256B.19, subdivisions 1c and 1d; 256B.431, subdivisions 2b, 2j, 17, 23, and by adding subdivisions; 256B.49, subdivision 1, and by adding subdivisions; 256B.501, subdivisions 3, 3c, and by adding a subdivision; 256B.69, subdivisions 4, 5, 6, 9, and by adding subdivisions; 256D.03, subdivisions 3b, 4, and by adding a subdivision; 256D.051, subdivision 6; 256D.36, subdivision 1; 256D.385; 256D.405, subdivision 3; 256D.425, subdivision 1, and by adding a subdivision; 256D.435, subdivisions 1, 3, 4, 5, 6, and by adding a subdivision; 256D.44, subdivisions 1, 2, 3, 4, 5, and 6; 256D.45, subdivision 1; 256D.48, subdivision 1; 256H.03, subdivision 4; 256H.05, subdivision 6; 256I.04, subdivision 3; 256I.05, subdivision 1a; 393.07, subdivision 10; 501B.89, subdivision 1, and by adding a subdivision; and Laws 1993, First Special Session chapter 1, article 8, section 51, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 157; 256; and 256B; proposing coding for new law as Minnesota Statutes, chapter 144D; repealing Minnesota Statutes 1994, sections 38.161; 38.162; 144.0723, subdivision 5; 157.01; 157.02; 157.031; 157.04; 157.045; 157.05; 157.08; 157.12; 157.13; 157.14; 252.47; 256.851; 256B.501, subdivisions 3d, 3e, and 3f; 256D.35, subdivisions 14 and 19; 256D.36, subdivision 1a; 256D.37; 256D.425, subdivision 3; 256D.435, subdivisions 2, 7, 8, 9, and 10; 256D.44, subdivision 7; 256E.06, subdivisions 12 and 13; 256I.04, subdivision 1b; and Minnesota Rules, part 9500.1452, subpart 2, item B.

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

Greenfield, Wejcman, Huntley, Onnen and Vickerman.

Senate File No. 1110 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 5, 1995

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1207:

H.F. No. 1207: A bill for an act relating to traffic regulations; increasing maximum length of certain combinations of vehicles from 65 to 70 feet; amending Minnesota Statutes 1994, section 169.81, subdivision 3.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Winter, Schumacher and Daggett have been appointed as such committee on the part of the House.

House File No. 1207 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 May 5, 1995

Mr. Murphy moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1207, 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. 1377.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 5, 1995

FIRST READING OF HOUSE BILLS

The following bill was read the first time and referred to the committee indicated.

H.F. No. 1377: A bill for an act relating to agriculture; clarifying certain procedures for agricultural chemical response reimbursement; amending Minnesota Statutes 1994, sections 18E.02, by adding a subdivision; and 18E.04, subdivisions 2 and 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1270, now on the Calendar.

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. 431 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.
431	277				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 431 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 431 and insert the language after the enacting clause of S.F. No. 277, the first engrossment; further, delete the title of H.F. No. 431 and insert the title of S.F. No. 277, the first engrossment.

And when so amended H.F. No. 431 will be identical to S.F. No. 277, and further recommends that H.F. No. 431 be given its second reading and substituted for S.F. No. 277, 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. 1479 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.
				1479	1314

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1479 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1479 and insert the language after the enacting clause of S.F. No. 1314, the third engrossment; further, delete the title of H.F. No. 1479 and insert the title of S.F. No. 1314, the third engrossment.

And when so amended H.F. No. 1479 will be identical to S.F. No. 1314, and further recommends that H.F. No. 1479 be given its second reading and substituted for S.F. No. 1314, 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. 431 and 1479 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Bertram introduced--

Senate Resolution No. 65: A Senate resolution declaring Saturday, May 27th, 1995, as "Otto Schaefer Day" in Melrose, Minnesota.

Referred to the Committee on Rules and Administration.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Morse moved that the following members be excused for a Conference Committee on S.F. No. 106 at 9:30 a.m.

Messrs. Morse, Laidig, Lessard, Finn and Ms. Olson. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

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 bill was read the first time and referred to the committee indicated.

Ms. Reichgott Junge, Messrs. Spear and Merriam introduced--

S.F. No. 1690: A bill for an act proposing an amendment to the Minnesota Constitution, article IV, section 12; permitting the legislature to call itself into special session.

Referred to the Committee on Rules and Administration.

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

S.F. No. 1319: A bill for an act relating to taxation; property tax; extending the availability of valuation exclusions for certain improvements made to property in 1992; amending Laws 1993, chapter 375, article 5, section 44.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 479: A bill for an act relating to parks and recreation; additions to and deletions from state parks; establishing a new state park and deleting two state waysides; amending Minnesota Statutes 1994, section 84.054, by adding a subdivision; repealing Minnesota Statutes 1994, section 85.013, subdivisions 13 and 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 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 371: A bill for an act relating to transportation; abolishing certain restrictions relating to highway construction; amending Minnesota Statutes 1994, sections 161.1231, subdivision 1; and 473.391; repealing Minnesota Statutes 1994, sections 161.123; and 161.124.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 1238: A bill for an act relating to waters; planning, development, review, reporting, and coordination of surface and groundwater management in the metropolitan area; amending Minnesota Statutes 1994, sections 103B.205, by adding a subdivision; 103B.211, subdivision 1; 103B.231, subdivisions 3, 4, 6, 7, 8, 9, 11, and by adding a subdivision; 103B.235, subdivision 3; 103B.241, subdivision 1; 103B.245, subdivisions 1 and 4; 103B.251, subdivisions 3 and 7; 103B.255, subdivisions 6, 7, 8, 9, 10, and 12; 103B.311, subdivisions 4 and 6; 103B.3369, subdivisions 5 and 6; 103B.355; and 103B.611, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 103B; repealing Minnesota Statutes 1994, sections 103B.227, subdivision 6; 103B.231, subdivisions 5 and 12; and 103B.3365.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 885: A bill for an act relating to public nuisance; modifying the grounds and procedure for proving a nuisance; amending Minnesota Statutes 1994, sections 617.80, subdivisions 2, 4, 5, 8, and by adding a subdivision; 617.81, subdivision 2; 617.82; and 617.85.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Anderson	Berg	Chandler	Day	Flynn
Beckman	Berglin	Chmielewski	Dille	Frederickson
Belanger	Betzold	Cohen	Finn	Hanson

Hottinger	Krentz	Metzen	Piper	Solon
Janezich	Kroening	Moe, R.D.	Pogemiller	Spear
Johnson, D.E.	Laidig	Morse	Price	Stevens
Johnson, D.J.	Langseth	Murphy	Ranum	Stumpf
Johnson, J.B.	Larson	Neuville	Reichgott Junge	Terwilliger
Johnston	Lesewski	Novak	Robertson	Vickerman
Kiscaden	Lessard	Oliver	Runbeck	Wiener
Kleis	Limmer	Olson	Sams	
Knutson	Marty	Ourada	Samuelson	
Kramer	Merriam	Pariseau	Scheevel	

So the bill passed and its title was agreed to.

S.F. No. 900: A bill for an act relating to human services; defining interpretive guidelines; changing licensing requirements and reconsideration for foster care; assessing fines; adding provisions for drop-in child care programs; changing a definition; adding provisions for the Minnesota family preservation act; expanding eligibility for Indian child welfare grants; amending Minnesota Statutes 1994, sections 14.03, subdivision 3; 245A.02, by adding a subdivision; 245A.03, subdivision 2a; 245A.04, subdivisions 3, 3b, 7, and 9; 245A.06, subdivisions 2 and 4, and by adding a subdivision; 245A.07, subdivision 3; 245A.09, by adding subdivisions; 245A.14, subdivision 6; 256.12, subdivision 14; 256.8711; 256D.02, subdivision 5; 256F.01; 256F.02; 256F.03, subdivision 5, and by adding a subdivision; 256F.04, subdivisions 1 and 2; 256F.05, subdivisions 2, 3, 4, 5, 7, 8, and by adding a subdivision; 256F.06, subdivisions 1, 2, and 4; 257.3571, subdivision 1; 257.3572; and 257.3577, subdivisions 1, 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 245A; repealing Minnesota Statutes 1994, sections 256F.05, subdivisions 2a and 4a; and 256F.06, 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:

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

So the bill passed and its title was agreed to.

H.F. No. 493: A bill for an act relating to retirement; various local public employee pension plans; providing for various benefit modifications and related changes that require local governing body approval; repealing Laws 1969, chapter 1088; Laws 1971, chapter 114; Laws 1978, chapters 562, section 32; and 753; Laws 1979, chapters 97; 109, section 1; and 201, section 27; Laws 1981, chapters 157, section 1; and 224, sections 250 and 254; Laws 1985, chapter 259, section 3; and Laws 1990, chapter 570, article 7, section 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 51 and nays 11, as follows:

Those who voted in the affirmative were:

Anderson	Berglin	Chmielewski	Dille	Frederickson
Beckman	Betzold	Cohen	Finn	Hanson
Belanger	Chandler	Day	Flynn	Hottinger

Janezich	Kroening	Moe, R.D.	Price	Stumpf
Johnson, D.E.	Laidig	Morse	Ranum	Terwilliger
Johnson, D.J.	Langseth	Murphy	Reichgott Junge	Vickerman
Johnson, J.B.	Larson	Novak	Sams	Wiener
Johnston	Lesewski	Olson	Samuelson	
Kleis	Lessard	Ourada	Solon	
Knutson	Marty	Piper	Spear	
Krentz	Metzen	Pogemiller	Stevens	

Those who voted in the negative were:

Berg	Limmer	Neuville	Pariseau	Runbeck
Kiscaden	Merriam	Oliver	Robertson	Scheevel
Kramer				

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. 217 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 217: A bill for an act relating to family law; providing for enforcement of child support obligations; expanding enforcement remedies for child support; authorizing programs; providing for resolution of custody and visitation disputes; creating a central child support payment center; modifying child support data collection and publication; imposing penalties; adding provisions relating to recognition of parentage; adding provisions for administrative proceedings; modifying children's supervised visitation facilities; appropriating money; amending Minnesota Statutes 1994, sections 13.46, subdivision 2; 168A.05, subdivisions 2, 3, 7, and by adding a subdivision; 168A.16; 168A.20, by adding a subdivision; 168A.21; 168A.29, subdivision 1; 214.101, subdivisions 1 and 4; 256.87, subdivision 5; 256.978, subdivision 1; 256F.09, subdivisions 1, 2, 3, and by adding subdivisions; 257.34, subdivision 1, and by adding a subdivision; 257.55, subdivision 1; 257.57, subdivision 2; 257.60; 257.67, subdivision 1; 257.75, subdivision 3, and by adding a subdivision; 517.08, subdivisions 1b and 1c; 518.171, subdivision 2a; 518.24; 518.551, subdivision 12, and by adding subdivisions; 518.5511, subdivisions 1, 2, 3, 4, 5, 7, and 9; 518.575; 518.611, subdivisions 1, 2, 5, and 8a; 518.613, subdivisions 1 and 2; 518.614, subdivision 1; 518.64, subdivision 4, and by adding a subdivision; 518C.310; 548.15; and 609.375, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 171; 256; 257; and 518; repealing Minnesota Statutes 1994, sections 214.101, subdivisions 2 and 3; 256F.09, subdivision 4; 518.561; 518.611, subdivision 8; and 518.64, subdivision 6.

CALL OF THE SENATE

Mr. Lessard imposed a call of the Senate for the balance of the proceedings on S.F. No. 217. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Lessard moved to amend S.F. No. 217 as follows:

Page 27, line 7, after the period, insert "The court, administrative law judge, or public authority shall also consider the impact of any failure of the obligee to cooperate with visitation and other parental rights of the obligor on the obligor's failure to make timely support payments."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 46 and nays 20, as follows:

Those who voted in the affirmative were:

Beckman	Berg	Chandler	Day	Frederickson
Belanger	Bertram	Chmielewski	Dille	Hanson

Janezich	Kroening	Metzen	Pariseau	Stevens
Johnson, D.E.	Laidig	Moe, R.D.	Riveness	Stumpf
Johnson, D.J.	Langseth	Murphy	Robertson	Terwilliger
Johnston	Larson	Neuville	Runbeck	Vickerman
Kiscaden	Lesewski	Novak	Sams	
Kleis	Lessard	Oliver	Samuelson	
Knutson	Limmer	Olson	Scheevel	
Kramer	Merriam	Ourada	Solon	

Those who voted in the negative were:

Anderson	Finn	Krentz	Pappas	Ranum
Berglin	Flynn	Marty	Piper	Reichgott Junge
Betzold	Hottinger	Mondale	Pogemiller	Spear
Cohen	Johnson, J.B.	Morse	Price	Wiener

The motion prevailed. So the amendment was adopted.

Mr. Frederickson moved to amend S.F. No. 217 as follows:

Page 19, after line 22, insert:

"Sec. 18. Minnesota Statutes 1994, 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. The notice must contain the full names of the parties to the proceeding, their social security account numbers, and their birth dates. 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 (i). 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
\$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.						
\$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- 5000	25%	30%	35%	39%	43%	47%	50%

or the amount

in effect under paragraph (k)

Guidelines for support for an obligor with a monthly income in excess of the income limit currently in effect under paragraph (k) shall be the same dollar amounts as provided for in the guidelines for an obligor with a monthly income equal to the limit in effect.

Net Income defined as:

Total monthly income less	* (i) Federal Income Tax
	* (ii) State Income Tax
	(iii) Social Security Deductions
	(iv) Reasonable Pension Deductions
*Standard Deductions apply-use of tax tables recommended	(v) Union Dues
	(vi) Cost of Dependent Health Insurance Coverage
	(vii) Cost of Individual or Group Health/Hospitalization Coverage or an Amount for Actual Medical Expenses
	(viii) A Child Support or Maintenance Order that is Currently Being Paid.

"Net income" does not include:

(1) the income of the obligor's spouse, but does include in-kind payments received by the obligor in the course of employment, self-employment, or operation of a business if the payments reduce the obligor's living expenses; or

(2) compensation received by a party for employment in excess of a 40-hour work week, provided that:

(i) support is nonetheless ordered in an amount at least equal to the guidelines amount based on income not excluded under this clause; and

(ii) the party demonstrates, and the court finds, that:

(A) the excess employment began after the filing of the petition for dissolution;

(B) the excess employment reflects an increase in the work schedule or hours worked over that of the two years immediately preceding the filing of the petition;

(C) the excess employment is voluntary and not a condition of employment;

(D) the excess employment is in the nature of additional, part-time or overtime employment compensable by the hour or fraction of an hour; and

(E) the party's compensation structure has not been changed for the purpose of affecting a support or maintenance obligation.

The court shall review the work-related and education-related child care costs paid and shall allocate the costs to each parent in proportion to each parent's net income, as determined under this subdivision, after the transfer of child support and spousal maintenance, unless the allocation would be substantially unfair to either parent. There is a presumption of substantial unfairness if after the sum total of child support, spousal maintenance, and child care costs is subtracted from the noncustodial parent's income, the income is at or below 100 percent of the federal poverty guidelines. The cost of child care for purposes of this paragraph is 75 percent of the actual cost

paid for child care, to reflect the approximate value of state and federal tax credits available to the custodial parent. The actual cost paid for child care is the total amount received by the child care provider for the child or children from the obligee or any public agency. The amount allocated for child care expenses is considered child support but is not subject to a cost-of-living adjustment under section 518.641. The amount allocated for child care expenses terminates when the child care costs end.

(c) In addition to the child support guidelines, the court shall take into consideration the following factors in setting or modifying child support or in determining whether to deviate from the guidelines:

(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 (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) which parent receives the income taxation dependency exemption and what financial benefit the parent receives from it;

(5) the parents' debts as provided in paragraph (d); and

(6) the obligor's receipt of assistance under sections 256.72 to 256.87 or 256B.01 to 256B.40.

(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.

(e) Any schedule prepared under paragraph (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.

(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.

(g) If payment of debt is ordered pursuant to this section, the payment shall be ordered to be in the nature of child support.

(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.

(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 amount of support calculated under the guidelines, the reasons for the deviation, and shall specifically address the criteria in paragraph (b) and how the deviation serves the best interest of the child. The provisions of this paragraph apply whether or not the parties are each represented by independent counsel and have entered into a written agreement. The court shall review stipulations presented to it for conformity to the guidelines and the court is not required to conduct a hearing, but the parties shall provide the documentation of earnings required under subdivision 5b.

(j) Except as provided in paragraph (l), 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.

(l) The court may deviate downward from the guidelines if:

(1) the child for whom child support is sought is more than five years old and the obligor discovered or was informed of the existence of the parent and child relationship within one year of commencement of the action seeking child support;

(2) the obligor is a custodian for or pays support for other children; and

(3) the obligor's family income is less than 175 percent of the federal poverty guidelines."

Page 30, line 22, after the period, insert "The amendments by section 18 to Minnesota Statutes, sections 518.551, subdivision 5, paragraphs (j) and (l) 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 33 and nays 32, as follows:

Those who voted in the affirmative were:

Beckman	Frederickson	Laidig	Oliver	Solon
Belanger	Johnson, D.E.	Langseth	Olson	Stevens
Berg	Johnston	Larson	Ourada	Stumpf
Bertram	Kleis	Lesewski	Pariseau	Terwilliger
Chmielewski	Knutson	Lessard	Sams	Vickerman
Day	Kramer	Limmer	Samuelson	
Dille	Kroening	Neuville	Scheevel	

Those who voted in the negative were:

Anderson	Hanson	Merriam	Pappas	Robertson
Berglin	Hottinger	Metzen	Piper	Runbeck
Betzold	Janezich	Moe, R.D.	Pogemiller	Spear
Chandler	Johnson, J.B.	Mondale	Price	Wiener
Cohen	Kiscaden	Morse	Ranum	
Finn	Krentz	Murphy	Reichgott Junge	
Flynn	Marty	Novak	Riveness	

The motion prevailed. So the amendment was adopted.

Mr. Merriam moved to amend S.F. No. 217 as follows:

Pages 1 to 4, delete section 1

Pages 16 to 18, delete section 15

Page 61, delete lines 30 to 33

Page 61, line 34, delete "5" and insert "4"

Page 62, line 3, delete "6" and insert "5"

Page 62, line 11, delete "7" and insert "6"

Page 62, line 16, delete "8" and insert "7"

Page 62, line 21, delete "9" and insert "8"

Page 62, line 26, delete "10" and insert "9"

Page 62, line 31, delete "11" and insert "10"

Page 62, line 36, delete "12" and insert "11"

Page 63, line 4, delete "13" and insert "12"

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 39 and nays 27, as follows:

Those who voted in the affirmative were:

Beckman	Hanson	Laidig	Murphy	Runbeck
Belanger	Hottinger	Langseth	Neuville	Sams
Berg	Janezich	Larson	Novak	Samuelson
Bertram	Johnson, D.E.	Lesewski	Oliver	Scheevel
Chmielewski	Johnson, D.J.	Lessard	Olson	Solon
Day	Johnston	Limmer	Ourada	Stumpf
Dille	Kleis	Merriam	Pariseau	Vickerman
Frederickson	Kramer	Metzen	Riveness	

Those who voted in the negative were:

Anderson	Flynn	Marty	Pogemiller	Stevens
Berglin	Johnson, J.B.	Moe, R.D.	Price	Terwilliger
Betzold	Kiscaden	Mondale	Ranum	Wiener
Chandler	Knutson	Morse	Reichgott Junge	
Cohen	Krentz	Pappas	Robertson	
Finn	Kroening	Piper	Spear	

The motion prevailed. So the amendment was adopted.

Mr. Betzold moved to amend the Lessard amendment to S.F. No. 217, adopted by the Senate May 8, 1995, as follows:

Page 1, after line 1, insert:

"Page 27, line 1, after "AGREEMENTS" insert "; VISITATION MOTIONS"

Page 1, line 6, after the period, insert "The court shall consider the impact of any failure of the obligor to pay timely child support in any motion to modify visitation rights."

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

The roll was called, and there were yeas 23 and nays 42, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Merriam	Piper	Riveness
Berglin	Flynn	Moe, R.D.	Pogemiller	Spear
Betzold	Johnson, J.B.	Mondale	Price	Wiener
Chandler	Krentz	Novak	Ranum	
Cohen	Marty	Pappas	Reichgott Junge	

Those who voted in the negative were:

Beckman	Janezich	Laidig	Neuville	Scheevel
Belanger	Johnson, D.E.	Langseth	Oliver	Solon
Berg	Johnson, D.J.	Larson	Olson	Stevens
Bertram	Johnston	Lesewski	Ourada	Stumpf
Chmielewski	Kiscaden	Lessard	Pariseau	Terwilliger
Day	Kleis	Limmer	Robertson	Vickerman
Dille	Knutson	Metzen	Runbeck	
Frederickson	Kramer	Morse	Sams	
Hanson	Kroening	Murphy	Samuelson	

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

Mr. Neuville moved to amend S.F. No. 217 as follows:

Page 50, after line 34, insert:

"Sec. 11. [257.90] [EMANCIPATION OF MINOR.]

Upon petition of a minor or a minor's parent, or legal guardian if both parents are deceased, the court may declare that the minor is emancipated if:

(a)(1) The parents, or legal guardian if both parents are deceased, consent to the relinquishment of parental control and authority over the minor; and

(2) the minor is able to provide for the minor's own care and support; or

(b) The minor is married.

A declaration of emancipation of a minor legally confers upon the minor all the rights, duties, and legal obligations of an adult."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Neuville then moved to amend the Neuville amendment to S.F. No. 217 as follows:

Page 1, line 9, delete "and"

Page 1, after line 9, insert:

"(2) the minor consents to the emancipation; and"

Page 1, line 10, delete "(2)" and insert "(3)"

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

Mr. Neuville withdrew his amendment, as amended.

RECONSIDERATION

Having voted on the prevailing side, Mr. Hottinger moved that the vote whereby the Merriam amendment to S.F. No. 217 was adopted on May 8, 1995, be now reconsidered.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 41 and nays 24, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Limmer	Pogemiller	Spear
Beckman	Hottinger	Marty	Price	Stevens
Belanger	Janezich	Mondale	Ranum	Stumpf
Berglin	Johnson, D.E.	Morse	Reichgott Junge	Terwilliger
Betzold	Johnson, D.J.	Murphy	Riveness	Wiener
Chandler	Johnson, J.B.	Novak	Robertson	
Cohen	Kiscaden	Olson	Sams	
Flynn	Krentz	Pappas	Scheevel	
Frederickson	Kroening	Piper	Solon	

Those who voted in the negative were:

Berg	Finn	Laidig	Merriam	Pariseau
Bertram	Johnston	Langseth	Metzen	Runbeck
Chmielewski	Kleis	Larson	Neuville	Samuelson
Day	Knutson	Lesewski	Oliver	Vickerman
Dille	Kramer	Lessard	Ourada	

The motion prevailed. So the vote was reconsidered.

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

The roll was called, and there were yeas 28 and nays 38, as follows:

Those who voted in the affirmative were:

Beckman	Finn	Larson	Oliver	Scheevel
Berg	Johnston	Lesewski	Olson	Solon
Bertram	Kleis	Lessard	Ourada	Stumpf
Chmielewski	Kramer	Merriam	Pariseau	Vickerman
Day	Laidig	Metzen	Runbeck	
Dille	Langseth	Neuville	Samuelson	

Those who voted in the negative were:

Anderson	Hanson	Krentz	Novak	Robertson
Belanger	Hottinger	Kroening	Pappas	Sams
Berglin	Janezich	Limmer	Piper	Spear
Betzold	Johnson, D.E.	Marty	Pogemiller	Stevens
Chandler	Johnson, D.J.	Moe, R.D.	Price	Terwilliger
Cohen	Johnson, J.B.	Mondale	Ranum	Wiener
Flynn	Kiscaden	Morse	Reichgott Junge	
Frederickson	Knutson	Murphy	Riveness	

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

Mr. Cohen moved to amend S.F. No. 217 as follows:

Page 16, lines 14, 15, and 18, delete "a worker" and insert "an employee"

Page 16, line 19, delete "Worker" and insert "Employee"

Page 16, line 21, delete "Worker" and insert "Employee"

Page 16, lines 26 and 36, delete "workers" and insert "employees"

Page 16, line 31, delete "worker" and insert "employee"

Page 17, lines 7 and 10, delete "worker" and insert "employee"

Page 17, lines 12 and 22, delete "worker's" and insert "employee's"

Page 18, lines 1 and 4, delete "worker" and insert "employee"

Page 18, after line 18, insert:

"Subd. 9. [INDEPENDENT CONTRACTORS.] (a) [GOVERNMENTAL REPORTING.] The state and all political subdivisions of the state, when acting in the capacity of an employer, shall report the hiring of any person as an independent contractor to the centralized employment registry in the same manner as the hiring of an employee.

(b) [PRIVATE EMPLOYER REPORTING.] The attorney general and the commissioner of human services shall work with representatives of the employment community and industries that use independent contractors in the regular course of business to develop a plan to include the reporting of independent contractors by all employers to the centralized employment registry by July 1, 1996. The attorney general and the commissioner of human services shall present the plan in the form of proposed legislation to the legislature by February 1, 1996."

The motion prevailed. So the amendment was adopted.

Mr. Frederickson moved to amend S.F. No. 217 as follows:

Page 51, after line 17, insert:

"Sec. 12. [EFFECTIVE DATE; APPLICATION.]

Sections 1 and 9 are effective the day following final enactment and apply retroactively to 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. Cohen moved to amend S.F. No. 217 as follows:

Page 19, after line 22, insert:

"Sec. 18. Minnesota Statutes 1994, 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. The notice must contain the full names of the parties to the proceeding, their social security account numbers, and their birth dates. 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 (i). 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
\$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.						
\$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- 5000	25%	30%	35%	39%	43%	47%	50%

or the amount
in effect under
paragraph (k)

Guidelines for support for an obligor with a monthly income in excess of the income limit currently in effect under paragraph (k) shall be the same dollar amounts as provided for in the guidelines for an obligor with a monthly income equal to the limit in effect.

Net Income defined as:

Total monthly income less	* (i) Federal Income Tax
	* (ii) State Income Tax
	(iii) Social Security Deductions
	(iv) Reasonable Pension Deductions
*Standard Deductions apply- use of tax tables recommended	(v) Union Dues
	(vi) Cost of Dependent Health Insurance Coverage
	(vii) Cost of Individual or Group Health/Hospitalization Coverage or an Amount for Actual Medical Expenses
	(viii) A Child Support or Maintenance Order that is Currently Being Paid.

"Net income" does not include:

(1) the income of the obligor's spouse, but does include in-kind payments received by the obligor in the course of employment, self-employment, or operation of a business if the payments reduce the obligor's living expenses; or

(2) compensation received by a party for employment in excess of a 40-hour work week, provided that:

(i) support is nonetheless ordered in an amount at least equal to the guidelines amount based on income not excluded under this clause; and

(ii) the party demonstrates, and the court finds, that:

(A) the excess employment began after the filing of the petition for dissolution;

(B) the excess employment reflects an increase in the work schedule or hours worked over that of the two years immediately preceding the filing of the petition;

(C) the excess employment is voluntary and not a condition of employment;

(D) the excess employment is in the nature of additional, part-time or overtime employment compensable by the hour or fraction of an hour; and

(E) the party's compensation structure has not been changed for the purpose of affecting a support or maintenance obligation.

The court shall review the work-related and education-related child care costs paid and shall allocate the costs to each parent in proportion to each parent's net income, as determined under this subdivision, after the transfer of child support and spousal maintenance, unless the allocation would be substantially unfair to either parent. There is a presumption of substantial unfairness if after the sum total of child support, spousal maintenance, and child care costs is subtracted from the noncustodial parent's income, the income is at or below 100 percent of the federal poverty guidelines. The cost of child care for purposes of this paragraph is 75 percent of the actual cost paid for child care, to reflect the approximate value of state and federal tax credits available to the custodial parent. The actual cost paid for child care is the total amount received by the child care provider for the child or children of the obligor from the obligee or any public agency. The court shall require verification of employment or school attendance and documentation of child care expenses from the obligee and the public agency, if applicable. If child care expenses fluctuate during the year because of seasonal employment or school attendance of the obligee or extended periods of visitation with the obligor, the court shall determine child care expenses based on an average monthly cost. The amount allocated for child care expenses is considered child support but is not subject to a cost-of-living adjustment under section 518.641. The amount allocated for child care expenses terminates automatically when the child care costs end without any action by the obligor to reduce, modify, or terminate the order. In other cases where there is a substantial increase or decrease in child care expenses, the parties may modify the order under section 518.64.

(c) In addition to the child support guidelines, the court shall take into consideration the following factors in setting or modifying child support or in determining whether to deviate from the guidelines:

(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 (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) which parent receives the income taxation dependency exemption and what financial benefit the parent receives from it;

(5) the parents' debts as provided in paragraph (d); and

(6) the obligor's receipt of assistance under sections 256.72 to 256.87 or 256B.01 to 256B.40.

(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.

(e) Any schedule prepared under paragraph (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.

(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.

(g) If payment of debt is ordered pursuant to this section, the payment shall be ordered to be in the nature of child support.

(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.

(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 amount of support calculated under the guidelines, the reasons for the deviation, and shall specifically address the criteria in paragraph (b) and how the deviation serves the best interest of the child. The provisions of this paragraph apply whether or not the parties are each represented by independent counsel and have entered into a written agreement. The court shall review stipulations presented to it for conformity to the guidelines and the court is not required to conduct a hearing, but the parties shall provide the documentation of earnings required under subdivision 5b.

(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."

Page 29, after line 19, insert:

"Sec. 25. Minnesota Statutes 1994, 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 256B.01 to 256B.40; (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; (5) extraordinary medical expenses of the child not provided for under section 518.171; or (6) the addition of work-related or education-related child care expenses of the obligee or a substantial increase or decrease in existing work-related or education-related child care expenses.

It is presumed that there has been a substantial change in circumstances under clause (1), (2), or (4) and 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. The court may provide that a reduction in the amount allocated for child care expenses based on a substantial decrease in the expenses is effective as of the date the expenses decreased.

(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."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Lessard moved to amend S.F. No. 217 as follows:

Page 19, after line 22, insert:

"Sec. 18. Minnesota Statutes 1994, 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. The notice must contain the full names of the parties to the proceeding, their social security account numbers, and their birth dates. 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 (i). 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
\$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.						
\$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- 5000	25%	30%	35%	39%	43%	47%	50%

or the amount
in effect under
paragraph (k)

Guidelines for support for an obligor with a monthly income in excess of the income limit currently in effect under paragraph (k) shall be the same dollar amounts as provided for in the guidelines for an obligor with a monthly income equal to the limit in effect.

Net Income defined as:

Total monthly
income less

*(i) Federal Income Tax

*(ii) State Income Tax

(iii) Social Security
Deductions

(iv) Reasonable
Pension Deductions

*Standard
Deductions apply-
use of tax tables
recommended

(v) Union Dues

(vi) Cost of Dependent Health
Insurance Coverage

(vii) Cost of Individual or Group
Health/Hospitalization
Coverage or an
Amount for Actual
Medical Expenses

(viii) A Child Support or
Maintenance Order that is
Currently Being Paid.

"Net income" does not include:

(1) the income of the obligor's spouse, but does include in-kind payments received by the obligor in the course of employment, self-employment, or operation of a business if the payments reduce the obligor's living expenses; or

(2) compensation received by a party for employment in excess of a 40-hour work week, provided that:

(i) support is nonetheless ordered in an amount at least equal to the guidelines amount based on income not excluded under this clause; and

(ii) the party demonstrates, and the court finds, that:

(A) the excess employment began after the filing of the petition for dissolution;

(B) the excess employment reflects an increase in the work schedule or hours worked over that of the two years immediately preceding the filing of the petition;

(C) the excess employment is voluntary and not a condition of employment;

(D) the excess employment is in the nature of additional, part-time or overtime employment compensable by the hour or fraction of an hour; and

(E) the party's compensation structure has not been changed for the purpose of affecting a support or maintenance obligation.

The court shall review the work-related and education-related child care costs paid and shall allocate the costs to each parent in proportion to each parent's net income, as determined under this subdivision, after the transfer of child support and spousal maintenance, unless the allocation would be substantially unfair to either parent. There is a presumption of substantial unfairness if after the sum total of child support, spousal maintenance, and child care costs is subtracted from the noncustodial parent's income, the income is at or below 100 percent of the federal poverty guidelines. The cost of child care for purposes of this paragraph is 75 percent of the actual cost paid for child care, to reflect the approximate value of state and federal tax credits available to the custodial parent. The actual cost paid for child care is the total amount received by the child care provider for the child or children from the obligee or any public agency. The amount allocated for child care expenses is considered child support but is not subject to a cost-of-living adjustment under section 518.641. The amount allocated for child care expenses terminates when the child care costs end.

(c) In addition to the child support guidelines, the court shall take into consideration the following factors in setting or modifying child support or in determining whether to deviate from the guidelines:

(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 (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) which parent receives the income taxation dependency exemption and what financial benefit the parent receives from it;

(5) the parents' debts as provided in paragraph (d); and

(6) the obligor's receipt of assistance under sections 256.72 to 256.87 or 256B.01 to 256B.40.

(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.

(e) Any schedule prepared under paragraph (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.

(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.

(g) If payment of debt is ordered pursuant to this section, the payment shall be ordered to be in the nature of child support.

(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.

(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 amount of support calculated under the guidelines, the reasons for the deviation, and shall specifically address the criteria in paragraph (b) and how the deviation serves the best interest of the child. The court may deviate downward from the guidelines if both parties agree and the court finds that it is in the best interests of the child. Nothing in this paragraph prohibits the court from deviating downward in other cases. 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."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Ms. Berglin moved to amend the second Lessard amendment to S.F. No. 217 as follows:

Page 6, line 7, before "The" insert "Except in cases where child support payments are assigned to the public agency under section 256.74,"

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

The question was taken on the adoption of the second Lessard amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Mr. Neville moved to amend S.F. No. 217 as follows:

Page 19, after line 22, insert:

"Sec. 18. Minnesota Statutes 1994, 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. The notice must contain the full names of the parties to the proceeding, their social security account numbers, and their birth dates. 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 (i). 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
\$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.						
\$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- 5000	25%	30%	35%	39%	43%	47%	50%

or the amount in effect under paragraph (k)

Guidelines for support for an obligor with a monthly income in excess of the income limit currently in effect under paragraph (k) shall be the same dollar amounts as provided for in the guidelines for an obligor with a monthly income equal to the limit in effect.

Net Income defined as:

Total monthly
income less

*(i) Federal Income Tax

*(ii) State Income Tax

- (iii) Social Security Deductions
- (iv) Reasonable Pension Deductions
- (v) Union Dues
- (vi) Cost of Dependent Health Insurance Coverage
- (vii) Cost of Individual or Group Health/Hospitalization Coverage or an Amount for Actual Medical Expenses
- (viii) A Child Support or Maintenance Order that is Currently Being Paid.

*Standard Deductions apply-use of tax tables recommended

"Net income" does not include:

(1) the income of the obligor's spouse, but does include in-kind payments received by the obligor in the course of employment, self-employment, or operation of a business if the payments reduce the obligor's living expenses; or

(2) compensation received by a party for employment in excess of a 40-hour work week, provided that:

(i) support is nonetheless ordered in an amount at least equal to the guidelines amount based on income not excluded under this clause; and

(ii) the party demonstrates, and the court finds, that:

(A) the excess employment began after the filing of the petition for dissolution;

(B) the excess employment reflects an increase in the work schedule or hours worked over that of the two years immediately preceding the filing of the petition;

(C) the excess employment is voluntary and not a condition of employment;

(D) the excess employment is in the nature of additional, part-time or overtime employment compensable by the hour or fraction of an hour; and

(E) the party's compensation structure has not been changed for the purpose of affecting a support or maintenance obligation.

The court shall review the work-related and education-related child care costs paid and shall allocate the costs to each parent in proportion to each parent's net income, as determined under this subdivision, after the transfer of child support and spousal maintenance, unless the allocation would be substantially unfair to either parent. There is a presumption of substantial unfairness if after the sum total of child support, spousal maintenance, and child care costs is subtracted from the noncustodial parent's income, the income is at or below 100 percent of the federal poverty guidelines. The cost of child care for purposes of this paragraph is 75 percent of the actual cost paid for child care, to reflect the approximate value of state and federal tax credits available to the custodial parent. The actual cost paid for child care is the total amount received by the child care provider for the child or children from the obligee or any public agency. The amount allocated for child care expenses is considered child support but is not subject to a cost-of-living adjustment under section 518.641. The amount allocated for child care expenses terminates when the child care costs end.

(c) In addition to the child support guidelines, the court shall take into consideration the following factors in setting or modifying child support or in determining whether to deviate from the guidelines:

(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 (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) which parent receives the income taxation dependency exemption and what financial benefit the parent receives from it;

(5) the parents' debts as provided in paragraph (d); and

(6) the obligor's receipt of assistance under sections 256.72 to 256.87 or 256B.01 to 256B.40; and

(7) any child of the obligor other than a child who is the subject of the support order currently before the court, if the obligor provides a home, care, and support for the child or pays support for the child under a court order.

(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.

(e) Any schedule prepared under paragraph (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.

(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.

(g) If payment of debt is ordered pursuant to this section, the payment shall be ordered to be in the nature of child support.

(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.

(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 amount of support calculated under the guidelines, the reasons for the deviation, and shall specifically address the criteria in paragraph (b) and how the deviation serves the best interest of the child. The provisions of this paragraph apply whether or not the parties are each represented by independent counsel and have entered into a written agreement. The court shall review stipulations presented to it for conformity to the guidelines and the court is not

required to conduct a hearing, but the parties shall provide the documentation of earnings required under subdivision 5b.

(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."

Page 29, after line 19, insert:

"Sec. 25. Minnesota Statutes 1994, 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 256B.01 to 256B.40; (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; (5) extraordinary medical expenses of the child not provided for under section 518.171; ~~or~~ (6) the addition of work-related or education-related child care expenses of the obligee or a substantial increase or decrease in existing work-related or education-related child care expenses; or (7) the obligor's acquisition of a child by birth or adoption, or the imposition on the obligor by court order of a support obligation for a child other than any child who is the subject of the support order the obligor seeks to modify.

It is presumed that there has been a substantial change in circumstances under clause (1), (2), or (4) and 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."

Page 30, line 21, before "Sections" insert "Sections 18 and 25 are effective August 1, 1995, and apply to new orders for support and modifications of existing support orders on or after that date."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Ms. Runbeck moved to amend S.F. No. 217 as follows:

Page 17, line 11, before "Employers" insert "(a) Except as provided in paragraph (b),"

Page 17, after line 19, insert:

"(b) Employers are not required to report the hiring of any person who:

(1) will be employed for less than one month's duration;

(2) will be employed sporadically so that the employee will be paid for less than 350 hours during a continuous six-month period; or

(3) will have gross earnings less than \$300 in every month."

Ms. Runbeck then moved to amend the Runbeck amendment to S.F. No. 217 as follows:

Page 1, line 7, delete "one month's" and insert "four months"

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

The question was taken on the adoption of the Runbeck amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Ms. Kiscaden moved to amend S.F. No. 217 as follows:

Page 48, lines 16 and 20, delete "six months" and insert "three years"

The motion prevailed. So the amendment was adopted.

Mr. Neuville moved to amend S.F. No. 217 as follows:

Page 58, line 18, delete "14" and insert "21"

The motion prevailed. So the amendment was adopted.

Mr. Neuville then moved to amend S.F. No. 217 as follows:

Page 4, line 9, delete "or"

Page 4, line 11, before the period, insert "; or

(20) data on a child support obligee may be disclosed as required under section 518.255"

Page 51, line 1, before "The" insert "Subdivision 1. [GENERAL.]"

Page 51, after line 17, insert:

"Subd. 2. [PROVISION OF INFORMATION.] Notwithstanding subdivision 1, attorneys employed by or under contract with the public authority shall respond to discovery requests and other requests for information to the same extent that they would be required to do if there was an attorney-client relationship between them and the recipient of services."

Mr. Neuville then moved to amend the fifth Neuville amendment to S.F. No. 217 as follows:

Page 1, line 12, after "information" insert "relating to child support"

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

The question was taken on the fifth Neuville amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Ms. Lesewski moved to amend S.F. No. 217 as follows:

Page 56, line 23, delete "shall" and insert "may"

Page 56, line 24, delete "as designated"

Page 56, delete line 25

Page 56, line 26, delete everything before the period and delete "be required to"

Page 56, line 28, delete everything after the period

Page 56, delete lines 29 and 30

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 38 and nays 22, as follows:

Those who voted in the affirmative were:

Beckman	Hanson	Laidig	Neuville	Samuelson
Belanger	Janezich	Langseth	Oliver	Scheevel
Berg	Johnson, D.E.	Larson	Olson	Stumpf
Bertram	Johnson, D.J.	Lesewski	Ourada	Terwilliger
Chmielewski	Johnson, J.B.	Lessard	Pariseau	Vickerman
Day	Kiscaden	Limmer	Robertson	Wiener
Dille	Kleis	Merriam	Runbeck	
Frederickson	Kramer	Murphy	Sams	

Those who voted in the negative were:

Anderson	Finn	Krentz	Piper	Spear
Berglin	Flynn	Moe, R.D.	Pogemiller	Stevens
Betzold	Hottinger	Mondale	Ranum	
Chandler	Johnston	Morse	Reichgott Junge	
Cohen	Knutson	Pappas	Riveness	

The motion prevailed. So the amendment was adopted.

Ms. Runbeck moved to amend S.F. No. 217 as follows:

Page 27, after line 7, insert:

"Sec. 22. Minnesota Statutes 1994, section 518.613, is amended by adding a subdivision to read:

Subd. 8. [INTEREST ON AMOUNT WRONGFULLY WITHHELD.] If an excessive amount of child support is wrongfully withheld from the obligor's income because of an error by the public authority, the public authority shall pay interest based on the rate under section 549.09 on the amount wrongfully withheld from the time of the withholding until it is repaid to the obligor."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Kiscaden moved to amend S.F. No. 217 as follows:

Pages 10 to 12, delete section 13

Page 30, delete lines 6 to 10

Page 30, line 11, delete "3" and insert "2"

Page 62, delete lines 3 to 10

Page 62, line 11, delete "7" and insert "6"

Page 62, line 16, delete "8" and insert "7"

Page 62, line 21, delete "9" and insert "8"

Page 62, line 26, delete "10" and insert "9"

Page 62, line 31, delete "11" and insert "10"

Page 62, line 36, delete "12" and insert "11"

Page 63, line 4, delete "13" and insert "12"

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 31 and nays 33, as follows:

Those who voted in the affirmative were:

Belanger	Kleis	Lessard	Pariseau	Stevens
Berg	Knutson	Limmer	Reichgott Junge	Stumpf
Chmielewski	Kramer	Merriam	Robertson	Terwilliger
Day	Laidig	Neuville	Runbeck	
Johnson, D.E.	Langseth	Oliver	Samuelson	
Johnston	Larson	Olson	Scheevel	
Kiscaden	Lesewski	Ourada	Solon	

Those who voted in the negative were:

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

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

S.F. No. 217 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 7, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Berg	Chmielewski	Merriam	Runbeck	Scheevel
Bertram	Larson			

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 the Calendar. The motion prevailed.

CALENDAR

H.F. No. 833: A bill for an act relating to local government; modifying certain provisions relating to comprehensive municipal planning in the metropolitan area; amending Minnesota Statutes 1994, sections 103B.235, subdivisions 3, 5, and by adding a subdivision; 462.355, by adding a subdivision; 462.357, subdivision 2; 473.858, subdivision 1; 473.859, subdivisions 1, 2, and 5; 473.864, subdivision 2; and 473.867, by adding a subdivision.

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 1, as follows:

Those who voted in the affirmative were:

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

Ms. Johnston voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1019: A bill for an act relating to metropolitan government; establishing the metropolitan livable communities fund and providing for fund distribution; reducing the levy authority of the metropolitan mosquito control commission; providing for certain revenue sharing; regulating employee layoffs by the metropolitan mosquito control district; authorizing an economic vitality and housing initiative; amending Minnesota Statutes 1994, sections 116J.552, subdivision 2; 116J.555, subdivision 2; 116J.556; 473.167, subdivisions 2, 3, and by adding a subdivision; 473.711, subdivision 2; and 473F.08, subdivisions 3a, 5, 7a, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 1994, sections 473.704, subdivision 15; 504.33; 504.34; and 504.35.

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:

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

Those who voted in the negative were:

Berg	Betzold	Lessard	Neuville	Samuelson
Bertram	Johnston	Merriam		

So the bill passed and its title was agreed to.

S.F. No. 467: A bill for an act relating to metropolitan government; providing for coordination and consolidation of public safety radio communications systems; providing governance and finance of the state and regional elements of a regionwide public safety radio communication system; extending the public safety channel moratorium; authorizing the use of 911 emergency telephone service fees for costs of the regionwide public safety radio communication system; authorizing the issuance of bonds by the metropolitan council; abolishing the metropolitan radio board on a certain date and transferring its duties and responsibilities; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 473.

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 1, as follows:

Those who voted in the affirmative were:

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

Ms. Johnston voted in the negative.

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 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 the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 870 and 1543.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 8, 1995

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. 255: A bill for an act relating to elevators; regulating persons who may do elevator work; appropriating money; amending Minnesota Statutes 1994, sections 183.355, subdivision 3; 183.357, subdivisions 1, 2, and 4; and 183.358; proposing coding for new law in Minnesota Statutes, chapter 183.

Senate File No. 255 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 8, 1995

Ms. Hanson moved that the Senate do not concur in the amendments by the House to S.F. No. 255, 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. 734: A bill for an act relating to telecommunications; regulating the 911 system; imposing requirements on private switch telephone service; imposing a civil penalty; amending Minnesota Statutes 1994, sections 403.02, by adding subdivisions; and 403.04.

Senate File No. 734 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 8, 1995

Mr. Chandler moved that the Senate do not concur in the amendments by the House to S.F. No. 734, 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. 1279: A bill for an act relating to privacy; providing for the classification of and access to government data; clarifying data provisions; providing for survival of actions under the data practices act; computer matching; eliminating report requirements; imposing penalties; providing for the classification and release of booking photographs; conforming provisions dealing with financial assistance data; limiting the release of copies of videotapes of child abuse victims; requiring a court order in certain cases; amending Minnesota Statutes 1994, sections 13.03, subdivision 6; 13.06, subdivision 6; 13.072, subdivision 1, and by adding a subdivision; 13.08, subdivision 1; 13.10, subdivision 5; 13.31, subdivision 1; 13.32, subdivision 2; 13.43, subdivisions 2, 5, and by adding a subdivision; 13.46, subdivisions 1 and 2; 13.49; 13.50, subdivision 2; 13.551; 13.79; 13.793; 13.82, subdivisions 3a, 5, 6, 10, and by adding a subdivision; 13.83, subdivision 2; 13.89, subdivision 1; 13.90; 13.99, subdivisions 1, 12, 20, 21a, 42a, 54, 55, 64, 78, 79, 112, and by adding subdivisions; 41B.211; 144.0721, subdivision 2; 144.225, by adding a subdivision; 144.335, subdivisions 2 and 3a; 144.3351; 144.651, subdivisions 21 and 26; 253B.03, subdivisions 3 and 4; 260.161, by adding a subdivision; 268.12, subdivision 12; 270B.02, subdivision 3; 270B.03, subdivision 1; 270B.12, subdivision 2; 270B.14, subdivisions 1 and 11; 336.9-407; 336.9-411; 383B.225, subdivision 6; 388.24, subdivision 4; and 401.065, subdivision 3a; Laws 1993, chapter 192, section 110; proposing coding for new law in Minnesota Statutes, chapters 13; 13B; 270B; and 611A; repealing Minnesota Statutes 1994, sections 13.38, subdivision 4; 13.69, subdivision 2; 13.71, subdivisions 9, 10, 11, 12, 13, 14, 15, 16, and 17; 13B.04; and Laws 1990, chapter 566, section 9, as amended.

Senate File No. 1279 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 8, 1995

Mr. Finn moved that the Senate do not concur in the amendments by the House to S.F. No. 1279, 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 refuses to concur in the Senate amendments to House File No. 1700:

H.F. No. 1700: A bill for an act relating to the organization and operation of state government; appropriating money for the judicial branch, public safety, public defense, corrections, and for other criminal justice agencies and purposes; making changes to various criminal laws and penalties; modifying juvenile justice provisions; amending Minnesota Statutes 1994, sections 2.722, subdivision 1; 3.732, subdivision 1; 16A.285; 43A.18, by adding a subdivision; 120.101, subdivision 1; 120.14; 120.17, subdivisions 5a, 6, and 7; 120.181; 120.73, by adding a subdivision; 124.18, by adding a subdivision; 124.32, subdivision 6; 125.05, by adding a subdivision; 125.09, subdivision 1; 127.20; 127.27, subdivision 10; 145A.05, subdivision 7a; 152.18, subdivision 1; 171.04, subdivision 1; 171.29, subdivision 2; 176.192; 179A.03, subdivision 7; 242.31, subdivision 1; 243.166; 243.23, subdivision 3; 243.51, subdivisions 1 and 3; 243.88, by adding a subdivision; 260.015, subdivision 21; 260.115, subdivision 1; 260.125; 260.126, subdivision 5; 260.131, subdivision 4, and by adding a subdivision; 260.132, subdivisions 1, 4, and by adding a subdivision; 260.155, subdivisions 2 and 4; 260.161, subdivision 3; 260.181, subdivision 4; 260.185, subdivision 6, and by adding subdivisions; 260.191, subdivision 1; 260.193, subdivision 4; 260.195, subdivision 3, and by adding a subdivision; 260.215, subdivision 1; 260.291, subdivision 1; 271.06, subdivision 4; 299A.33, subdivision 3; 299A.35, subdivision 1; 299A.51, subdivision 2; 299C.065, subdivisions 1a, 3, and 3a; 299C.10, subdivision 1, and by adding a subdivision; 299C.62, subdivision 4; 357.021, subdivision 2; 364.09; 388.24, subdivision 4; 401.065, subdivision 3a; 401.10; 466.03, by adding a subdivision; 480.30; 481.01; 494.03; 518.165, by adding subdivisions; 518B.01, subdivisions 2, 4,

8, 14, and by adding a subdivision; 609.055, subdivision 2; 609.101, subdivisions 1, 2, and 3; 609.115, by adding a subdivision; 609.135, by adding a subdivision; 609.1352, subdivisions 1, 3, and 5; 609.152, subdivision 1; 609.19; 609.3451, subdivision 1; 609.485, subdivisions 2 and 4; 609.605, subdivision 4; 609.746, subdivision 1; 609.748, subdivision 3a; 609.749, subdivision 5; 611.27, subdivision 4; 611A.01; 611A.04, subdivision 1; 611A.19, subdivision 1; 611A.31, subdivision 2; 611A.53, subdivision 2; 611A.71, subdivision 7; 611A.73, subdivision 3; 611A.74; 617.23; 624.22; 624.712, subdivision 5; 626.841; 626.843, subdivision 1; 626.861, subdivisions 1 and 4; 628.26; 629.341, subdivision 1; 629.715, subdivision 1; 629.72, subdivisions 1, 2, and 6; 641.14; and 641.15, subdivision 2; Laws 1993, chapter 255, sections 1, subdivisions 1 and 4; and 2; and Laws 1994, chapter 643, section 79, subdivisions 1, 2, and 4; proposing coding for new law in Minnesota Statutes, chapters 8; 16B; 120; 127; 243; 244; 257; 260; 299A; 299C; 299F; 401; 504; 563; 609; 611A; 626; and 629; proposing coding for new law as Minnesota Statutes, chapter 260A; repealing Minnesota Statutes 1994, sections 121.166; 126.25; and 611A.61, subdivision 3; Laws 1994, chapter 576, section 1.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Murphy, Skoglund, Pugh, Bishop and Swenson, D. have been appointed as such committee on the part of the House.

House File No. 1700 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 May 8, 1995

Mr. Beckman moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1700, 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.

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. 1207: Messrs. Murphy, Vickerman and Ms. Lesewski.

S.F. No. 255: Ms. Hanson, Messrs. Murphy and Dille.

S.F. No. 440: Messrs. Hottinger, Larson and Janezich.

S.F. No. 734: Messrs. Chandler, Novak and Ms. Anderson.

H.F. No. 1700: Messrs. Beckman, Spear, Kelly, Laidig and Neuville.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Mr. Kelly was excused from the Session of today. Ms. Pappas was excused from the Session of

today from 9:00 to 10:15 a.m. Mr. Mondale was excused from the Session of today from 9:00 to 10:20 a.m. Mr. Riveness was excused from the Session of today from 9:00 to 10:00 a.m. Mr. Bertram was excused from the Session of today from 9:00 to 10:35 a.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Tuesday, May 9, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTY-SIXTH DAY

St. Paul, Minnesota, Tuesday, May 9, 1995

The Senate met at 9:00 a.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Mr. Eric O. Strom.

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

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

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committee indicated.

April 11, 1995

The Honorable Allan H. Spear
President of the Senate

Dear Sir:

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

COMMISSIONER, DEPARTMENT OF LABOR AND INDUSTRY

Gary Bastian, 2220 Ide Ct., Maplewood, Ramsey County, effective April 12, 1995, for a term expiring on the first Monday in January, 1999.

(Referred to the Committee on Jobs, Energy and Community Development.)

Warmest regards,
Arne H. Carlson, Governor

May 5, 1995

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1995 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 1995	Date Filed 1995
	1320	119	9:04 a.m. May 5	May 5
	383	120	9:03 a.m. May 5	May 5
	1425	121	9:02 a.m. May 5	May 5
	1626	122	9:06 a.m. May 5	May 5
	733	123	9:05 a.m. May 5	May 5
	354	125	9:05 a.m. May 5	May 5
	1194	126	9:15 a.m. May 5	May 5
	1008	127	9:12 a.m. May 5	May 5
	399	128	9:10 a.m. May 5	May 5
	32	129	9:08 a.m. May 5	May 5
	651	130	9:07 a.m. May 5	May 5
	244	131	9:06 a.m. May 5	May 5

Sincerely,
Joan Anderson Growe
Secretary of State

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. 1199: A bill for an act relating to motor vehicles; requiring vehicle buyer to notify registrar of motor vehicles of vehicle transfer within ten days; imposing fees and penalties; appropriating money; amending Minnesota Statutes 1994, sections 168.101, subdivision 2; 168.11, subdivision 3; 168.15; 168.17; 168A.05, subdivision 5; and 168A.10, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 168; repealing Minnesota Statutes 1994, section 168A.10, subdivision 6.

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

Erhardt, Pugh and Lieder.

Senate File No. 1199 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 8, 1995

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. 1134: A bill for an act relating to financial institutions; regulating notices, electronic financial terminals, mergers with subsidiaries, the powers and duties of the commissioner of commerce, reporting and records requirements, lending powers, the powers and duties of institutions, detached facilities, and interstate banking; making technical changes; regulating mortgage prepayments; allowing written waivers of the right to prepay without penalty under certain circumstances; clarifying definition of franchise; permitting a delinquency and collection charge; amending Minnesota Statutes 1994, sections 46.04, subdivision 1, and by adding a subdivision; 46.041, subdivision 4; 46.046, subdivision 1; 46.048, subdivision 1, and by adding subdivisions; 47.10, subdivision 3; 47.11; 47.20, subdivisions 5 and 10; 47.28, subdivision 1; 47.52; 47.56; 47.58, subdivision 2; 47.61, subdivision 3; 47.62, subdivisions 2, 3, and by adding subdivisions; 47.67; 47.69, subdivisions 3 and 5; 47.78; 48.16; 48.194; 48.24, subdivision 5; 48.475, subdivision 3; 48.48, subdivisions 1 and 2; 48.49; 48.61, subdivision 7, and by adding a subdivision; 48.65; 48.90, subdivision 1; 48.91; 48.92, subdivisions 1, 2, 6, 7, 8, 9, and by adding a subdivision; 48.93, subdivisions 1, 3, and 4; 48.96; 48.99, subdivision 1; 49.01, subdivision 3; 51A.02, subdivisions 6, 26, and 40; 51A.19, subdivision 9; 51A.50; 51A.58; 52.04, subdivision 2a; 52.05, subdivision 2; 53.015, subdivision 4; 53.04, subdivisions 3a, 3c, 4a, and 5a; 53.09, subdivisions 1, 2, and by adding a subdivision; 56.11; 56.12; 56.125, subdivisions 1, 2, and 3; 56.131, subdivisions 1, 2, 4, and 6; 56.132; 56.14; 56.155, subdivision 1; 56.17; 59A.06, subdivision 2; 61A.09, subdivision 3; 62B.04, subdivision 1; 62B.08, subdivision 2; 80C.01, subdivision 4; 300.20, subdivision 1; 327B.04, subdivision 1; 327B.09, subdivision 1; 332.23, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 45; 47; 48; 51A; 52; and 334; repealing Minnesota Statutes 1994, sections 46.03; 47.80; 47.81; 47.82; 47.83; 47.84; 47.85; 48.1585; 48.512, subdivision 6; 48.611; 48.95; 48.97; 48.98; 48.991; and 51A.385.

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

Jennings, Bertram and Abrams.

Senate File No. 1134 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 8, 1995

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. 1377 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.
				1377	1270

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1377 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1377 and insert the language after the enacting clause of S.F. No. 1270, the second engrossment; further, delete the title of H.F. No. 1377 and insert the title of S.F. No. 1270, the second engrossment.

And when so amended H.F. No. 1377 will be identical to S.F. No. 1270, and further recommends that H.F. No. 1377 be given its second reading and substituted for S.F. No. 1270, 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 under Joint Rule 2.03, together with the committee report thereon,

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

Reports the same back with the recommendation that the report from the Committee on Commerce and Consumer Protection, shown in the Journal for April 10, 1995, 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. No. 1590 was read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 1377 was read the second time.

MOTIONS AND RESOLUTIONS

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. 980:

H.F. No. 980: A bill for an act relating to crime; clarifying language relating to controlled substance and certain other crimes; making it manslaughter in the first degree to cause the death of a child by malicious punishment under certain circumstances; making it manslaughter in the second degree to cause the death of a child by endangerment under certain circumstances; providing that a motor vehicle is subject to forfeiture if it was used to flee a peace officer in violation of law; imposing a fine for the crime of terroristic threats; providing procedures for prosecuting attorneys to follow when filing complaints against owners whose buildings are alleged nuisances; authorizing the court to issue orders of abatement that close buildings for two years or more when the buildings are declared to be nuisances a second time; providing penalties; amending Minnesota Statutes 1994, sections 152.021, subdivision 3; 152.022, subdivision 3; 152.023, subdivision 3; 152.024, subdivision 3; 152.025, subdivision 3; 401.02, subdivision 4; 609.10; 609.125; 609.185; 609.20; 609.205; 609.323, subdivisions 2, 3, and by adding a subdivision; 609.498, subdivision 1; 609.52, subdivision 1; 609.5312, by adding a subdivision; 609.582, subdivision 1; 609.713, subdivisions 1 and 2; 617.80, subdivisions 2, 4, 5, 8, and by adding a subdivision; 617.81, subdivisions 1, 2, and by adding a subdivision; 617.82; 617.83; 617.84; 617.85; 617.87; 626.13; proposing coding for new law in Minnesota Statutes, chapter 617; repealing Minnesota Statutes 1994, section 617.81, subdivisions 2a and 3.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Skoglund, Pugh and Rhodes have been appointed as such committee on the part of the House.

House File No. 980 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 May 8, 1995

Ms. Anderson moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 980, 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

Messrs. Ourada and Moe, R.D. introduced--

Senate Resolution No. 66: A Senate resolution commending Nick Wilson of Becker, Minnesota, on receiving the Boy Scout National Meritorious Lifesaving Award.

Referred to the Committee on Rules and Administration.

Mr. Dille moved that S.F. No. 1236, No. 9 on General Orders, be stricken and returned to its author. The motion prevailed.

Mr. Samuelson moved that S.F. No. 1253, No. 15 on General Orders, be stricken and re-referred to the Committee on Environment and Natural Resources. The motion prevailed.

CALENDAR

H.F. No. 1479: A bill for an act relating to the environment; establishing an environmental improvement pilot program to promote voluntary compliance with environmental requirements; modifying provisions relating to the voluntary investigation and cleanup program; amending Minnesota Statutes 1994, sections 115B.03, by adding subdivisions; 115B.17, by adding a subdivision; 115B.175, subdivisions 2 and 3; 115B.178, subdivision 1; and 116.02.

With the unanimous consent of the Senate, Mr. Mondale moved that the amendment made to H.F. No. 1479 by the Committee on Rules and Administration in the report adopted May 8, 1995, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 1479 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

Samuelson
Scheevel

Solon
Spear

Stevens
Stumpf

Terwilliger
Vickerman

Wiener

So the bill passed and its title was agreed to.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Merriam introduced--

S.F. No. 1691: A bill for an act relating to community dispute resolution; excluding certain disputes and matters from being accepted for resolution by a community dispute resolution program; amending Minnesota Statutes 1994, section 494.03.

Referred to the Committee on Judiciary.

Messrs. Stevens, Bertram, Kramer, Mses. Runbeck and Hanson introduced--

S.F. No. 1692: A bill for an act relating to state government; providing for the funding of state mandated programs and procedures; proposing coding for new law in Minnesota Statutes, chapter 3.

Referred to the Committee on Governmental Operations and Veterans.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 446 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 446: A bill for an act relating to occupations and professions; establishing licensure for acupuncture practitioners by the board of medical practice; providing penalties; proposing coding for new law as Minnesota Statutes, chapter 147B.

Mr. Sams moved to amend H.F. No. 446, the unofficial engrossment, as follows:

Page 4, line 36, delete "147B.04" and insert "147B.05"

Page 5, line 13, delete "147B.05" and insert "147B.06"

Page 5, delete lines 14 to 17

Page 6, line 34, delete the second comma and insert "and"

Page 6, line 35, delete everything after "public"

Page 6, line 36, delete everything before the semicolon

Page 7, line 1, after "(2)" insert "unless licensed under subdivision 5 or 6, submit a notarized copy of a current NCCA certification;

(3)"

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

Page 7, line 5, delete "(4)" and insert "(5)"

Page 7, line 27, delete "and" and insert "or"

Page 7, line 28, after "subdivision" insert "5 or"

Page 7, line 30, delete everything after "(b)"

Page 7, delete lines 31 to 36

Page 8, delete lines 1 to 29 and insert "An applicant shall submit any additional information requested by the board to clarify information presented in the renewal application. The information must be submitted within 30 days after the board's request, or the renewal request is nullified."

Page 9, line 20, delete "6" and insert "5"

Renumber the subdivisions in sequence

Page 9, after line 29, insert:

"Sec. 4. [147B.03] [NCCA PROFESSIONAL DEVELOPMENT ACTIVITY REQUIREMENTS.]

Subdivision 1. [NCCA REQUIREMENTS.] Unless a person is licensed under section 147B.02, subdivision 5 or 6, each licensee is required to meet the NCCA professional development activity requirements to maintain NCCA certification. These requirements may be met through a board approved continuing education program.

Subd. 2. [BOARD APPROVAL.] The board shall approve a continuing education program if the program meets the following requirements:

(1) it directly relates to the practice of acupuncture;

(2) each member of the faculty shows expertise in the subject matter by holding a degree or certificate from an educational institution, has verifiable experience in traditional Oriental medicine, or has special training in the subject area;

(3) the program lasts at least one contact hour;

(4) there are specific written objectives describing the goals of the program for the participants;
and

(5) the program sponsor maintains attendance records for four years.

Subd. 3. [CONTINUING EDUCATION TOPICS.] (a) Continuing education program topics may include, but are not limited to, Oriental medical theory and techniques including Oriental massage; Oriental nutrition; Oriental herbology and diet therapy; Oriental exercise; western sciences such as anatomy, physiology, biochemistry, microbiology, psychology, nutrition, history of medicine; and medical terminology or coding.

(b) Practice management courses are excluded under this section.

Subd. 4. [VERIFICATION.] The board shall periodically select a random sample of acupuncturists and require the acupuncturist to show evidence of having completed the NCCA professional development activities requirements. Either the acupuncturist, the state, or the national organization that maintains continuing education records may provide the board documentation of the continuing education program."

Page 9, line 30, delete "147B.03" and insert "147B.04"

Page 9, line 33, delete "147B.04" and insert "147B.05"

Page 10, line 11, delete "147B.04" and insert "147B.05"

Page 11, line 15, delete "147B.05" and insert "147B.06"

Page 12, line 5, delete "and" and insert "."

(d) The practitioner shall inquire"

Page 13, line 27, delete "147B.06" and insert "147B.07"

Page 13, line 31, delete "147B.07" and insert "147B.08"

Page 14, line 6, delete "147B.04" and insert "147B.05"

Page 14, line 12, delete "8" and insert "7"

Page 14, line 14, delete "One member" and insert "Two members"

Page 14, line 16, delete the second "two" and insert "three"

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. 446 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 4, as follows:

Those who voted in the affirmative were:

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

Messrs. Chandler, Finn, Hottinger and Limmer voted in the negative.

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. 1573 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1573: A bill for an act relating to financial institutions; regulating savings banks; modifying and clarifying statutory provisions relating to the structure and functions of savings banks; making technical changes; amending Minnesota Statutes 1994, sections 9.031, subdivision 8; 46.047, subdivision 2; 47.01, subdivisions 2 and 3; 47.015, subdivision 1; 47.02; 47.10, subdivision 1; 47.12; 47.20, subdivisions 1 and 9; 47.201, subdivision 1; 47.205, subdivision 1; 47.209, subdivision 1; 47.27, subdivision 2; 47.28; 47.29, subdivisions 1 and 2; 47.30, subdivisions 1, 2, 3, and 5; 47.32; 47.62, subdivision 4; 47.64, subdivision 1; 47.65, subdivisions 1 and 2; 48.01, subdivision 2; 48.15, by adding a subdivision; 49.01, by adding a subdivision; 49.42; 50.01; 50.04; 50.05; 50.06; 50.11; 50.13; 50.14, subdivisions 1, 5, 7, and 8; 50.145; 50.146; 50.1465; 50.148; 50.155; 50.17; 50.175, subdivision 1; 50.19; 50.21; 50.22; 50.23; 50.245; 50.25; 51A.02, subdivisions 6, 26, and 40; 51A.21, by adding a subdivision; 61A.09, subdivision 3; 62B.04, subdivisions 1 and 2; and 300.20; proposing coding for new law in Minnesota Statutes, chapters 46; 47; and 50; repealing Minnesota Statutes 1994, sections 47.095; 47.30, subdivisions 4 and 6; 48.67; 50.02; 50.07; 50.08; 50.09; 50.10; 50.12; 50.15; 50.16; 50.21; and 50.22.

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:

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

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 965 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 965

A bill for an act relating to transportation; authorizing issuance of permits for 12-foot wide loads of baled straw; changing classification and endorsement requirements to operate a vehicle carrying liquid fertilizer; amending Minnesota Statutes 1994, sections 169.851, subdivision 1; 169.862; and 171.02, subdivision 2a.

April 27, 1995

The Honorable Allan H. Spear
President of the Senate

The Honorable Irv Anderson
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 965, 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. 965 be further amended as follows:

Page 2, line 5, delete "25" and insert "35"

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

Senate Conferees: (Signed) Keith Langseth, Jim Vickerman, Steve Dille

House Conferees: (Signed) Marvin Dauner, Chuck Brown, Gene Hugoson

Mr. Langseth moved that the foregoing recommendations and Conference Committee Report on S.F. No. 965 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. 965 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:

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

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. 536, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 536 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 8, 1995

CONFERENCE COMMITTEE REPORT ON H.F. NO. 536

A bill for an act relating to commerce; residential building contractors; regulating licensees; providing a clarification; amending Minnesota Statutes 1994, sections 326.83, subdivision 5, and by adding a subdivision; 326.84, subdivision 3; 326.91, subdivision 1; 326.95, subdivision 2; and 326.975, subdivision 1.

May 4, 1995

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H.F. No. 536, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment.

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

House Conferees: (Signed) Matt Entenza, John J. Sarna, Richard Pellow

Senate Conferees: (Signed) Warren Limmer, Kevin M. Chandler, Cal Larson

Mr. Limmer moved that the foregoing recommendations and Conference Committee Report on H.F. No. 536 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. 536 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:

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

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. 1159, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1159 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 5, 1995

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1159

A bill for an act relating to real property; authorizing municipalities to establish trust or escrow accounts for proceeds from losses arising from fire or explosion of certain insured real property; authorizing municipalities to utilize escrowed funds to secure, repair, or demolish damaged or destroyed structures; proposing coding for new law in Minnesota Statutes, chapter 65A.

May 2, 1995

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H.F. No. 1159, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment

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

House Conferees: (Signed) Richard H. Jefferson, Karen Clark, Jim Rostberg

Senate Conferees: (Signed) Carl W. Kroening, Carol Flynn, Roy W. Terwilliger

Mr. Kroening moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1159 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. 1159 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:

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

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. 628 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 628: A bill for an act relating to the family; creating a presumption of refusal or neglect of parental duties in certain termination of parental rights cases; amending Minnesota Statutes 1994, section 260.221, subdivision 1.

Ms. Kiscaden moved to amend H.F. No. 628, as amended pursuant to Rule 49, adopted by the Senate April 24, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 733.)

Page 2, lines 13 to 20, delete the new language

Page 3, line 15, after the period, insert "There is a rebuttable presumption that reasonable efforts have failed under this clause upon a showing that the parent has substantially, continuously, or repeatedly failed to cooperate with the court's orders and has substantially, continuously, or repeatedly failed to make progress toward the requirements of a reasonable case plan developed by the social service agency and adopted by the court under section 260.191, subdivision 1e."

The motion prevailed. So the amendment was adopted.

H.F. No. 628 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 3, as follows:

Those who voted in the affirmative were:

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

Messrs. Kleis, Kramer and Scheevel voted in the negative.

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. 339 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 339: A bill for an act relating to ethics in government; making advisory opinions public data; authorizing civil penalties; clarifying certain definitions; clarifying and authorizing exceptions to the ban on gifts; appropriating money; amending Minnesota Statutes 1994, sections 10A.02, subdivision 12; 10A.071, subdivisions 1, 3, and by adding a subdivision; 10A.29; 10A.34; and 471.895, subdivisions 1 and 3.

Mr. Marty moved to amend S.F. No. 339 as follows:

Page 5, lines 12 and 13, before "city" insert "a home rule charter or statutory"

Page 6, after line 25, insert:

"Sec. 9. Minnesota Statutes 1994, section 471.895, is amended by adding a subdivision to read:

Subd. 4. [RETURN OF GIFT.] A local official who accepts a gift in a good faith belief that it is lawful and returns it or gives consideration of equal or greater value for it promptly upon learning that it was not lawful is not subject to a penalty for violating this section."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 9, delete "and 3" and insert ", 3, and by adding a subdivision"

The motion prevailed. So the amendment was adopted.

Mr. Cohen moved to amend S.F. No. 339 as follows:

Page 3, line 13, delete the second "or"

Page 3, line 19, before the period, insert "; or

(9) tickets or admission passes to an event given by the producer or sponsor of the event held at a publicly owned or operated facility, civic center, or facility of the metropolitan sports facilities commission or Minnesota amateur sports commission, to a member of the governing board, officer, or employee of the facility for the exclusive purpose of providing access to the recipient in the performance of the recipient's duties, for the purpose of assisting the facility in conducting

normal, reasonable, and necessary business activities of the facility for the benefit of the facility in advertising or enhancing attendance at the events in the facility, provided, however, that a board member, official, or employee of the facility who receives the tickets or passes may not give, or request another to give, a ticket or pass to any official as defined by this section or local official as defined by section 471.895, other than another official or employee of the facility"

Page 5, line 35, delete the second "or"

Page 6, line 5, before the period, insert "; or

(9) tickets or admission passes to an event given by the producer or sponsor of the event held at a publicly owned or operated facility, civic center, or facility of the metropolitan sports facilities commission or Minnesota amateur sports commission, to a member of the governing board, officer, staff member, or employee of the facility for the exclusive purpose of providing access to the recipient in the performance of the recipient's duties, for the purpose of assisting the facility in conducting normal, reasonable, and necessary business activities of the facility for the benefit of the facility in advertising or enhancing attendance at the events in the facility, provided, however, that a board member, official, or employee of the facility who receives the tickets or passes may not give, or request another to give, a ticket or pass to any local official as defined by this section or official as defined by section 10A.071, other than another official or employee of the facility"

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

Mr. Berg moved to amend S.F. No. 339 as follows:

Page 2, after line 16, insert:

"Sec. 2. [10A.061] [LOBBYING WITH APPROPRIATED MONEY.]

Money appropriated by law to a state agency may not be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device, intended or designed to influence in any manner a member of the legislature to favor or oppose, by vote or otherwise, any legislation or appropriation by the legislature, whether before or after the introduction of any bill proposing the legislation or appropriation, unless expressly authorized by law. This does not prevent an officer or employee of the state from communicating to a member of the legislature on the request of the member or to the legislature, through the proper official channels, requests for legislation or appropriations that the officer or employee deems necessary for the efficient conduct of the public business."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Mr. Kroening moved to amend S.F. No. 339 as follows:

Page 3, line 13, delete the second "or"

Page 3, after line 13, insert:

"(8) admission, food, or beverage exceeding \$3 in total cost, provided that it is given only occasionally and at an event away from the offices of the governmental entity in which the recipient official holds office and that it must be reported to the ethical practices board by the recipient official and by the gift giver, at the times and including the information required for lobbyist reports in section 10A.04, subdivisions 2 and 4, paragraph (c); or"

Page 3, line 14, delete "(8)" and insert "(9)"

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:

Chmielewski
Dille

Kroening

Solon

Stevens

Terwilliger

Those who voted in the negative were:

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

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

Mr. Moe, R.D. moved to amend S.F. No. 339 as follows:

Page 5, lines 13 and 14, delete the new language

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

Bertram	Johnson, D.E.	Lesewski	Oliver	Solon
Day	Kelly	Lessard	Pariseau	Stevens
Dille	Kiscaden	Metzen	Sams	Stumpf
Finn	Laidig	Moe, R.D.	Samuelson	
Hanson	Larson	Murphy	Scheevel	

Those who voted in the negative were:

Anderson	Flynn	Kramer	Neuville	Riveness
Beckman	Frederickson	Krentz	Olson	Robertson
Belanger	Hottinger	Kroening	Ourada	Runbeck
Berg	Janezich	Langseth	Pappas	Spear
Berghin	Johnson, D.J.	Limmer	Piper	Terwilliger
Betzold	Johnson, J.B.	Marty	Pogemiller	Vickerman
Chandler	Johnston	Merriam	Price	Wiener
Chmielewski	Kleis	Mondale	Ranum	
Cohen	Knutson	Morse	Reichgott Junge	

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

Mr. Moe, R.D. then moved to amend S.F. No. 339 as follows:

Page 3, line 31, delete "or"

Page 3, line 34, before the period, insert "; or

(4) by a lobbyist or principal as a contribution of a prize or money to purchase a prize to an event that is designed to benefit an organization that qualifies under section 501(c)(3) of the Internal Revenue Code of 1986"

Page 6, line 18, delete "or"

Page 6, line 21, before the period, insert "; or

(4) by a lobbyist or principal as a contribution of a prize or money to purchase a prize to an event that is designed to benefit an organization that qualifies under section 501(c)(3) of the Internal Revenue Code of 1986"

The motion prevailed. So the amendment was adopted.

Mr. Moe, R.D. then moved to amend S.F. No. 339 as follows:

Page 3, line 11, delete "\$3" and insert "\$5"

Page 5, line 33, delete "\$3" and insert "\$5"

The motion prevailed. So the amendment was adopted.

Mr. Berg moved to amend S.F. No. 339 as follows:

Page 2, after line 16, insert:

"Sec. 2. [10A.066] [SOLICITING CONTRIBUTIONS FROM LOBBYISTS.]

A candidate for the legislature or for constitutional office, a candidate's principal campaign committee, any other political committee with the candidate's name or title, or any committee authorized by the candidate, shall not solicit a contribution on behalf of a candidate's principal campaign committee, any other political committee with the candidate's name or title, or any committee authorized by the candidate, from a registered lobbyist at any time."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Marty questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Ms. Lesewski moved to amend S.F. No. 339 as follows:

Page 3, line 13, delete the second "or"

Page 3, line 19, before the period, insert "; or

(9) food or a beverage not to exceed \$25 in value given at a wedding, graduation, or similar family event"

Page 5, line 35, delete the second "or"

Page 6, line 5, before the period, insert "; or

(9) food or a beverage not to exceed \$25 in value given at a wedding, graduation, or similar family event"

Ms. Johnston moved to amend the Lesewski amendment to S.F. No. 339 as follows:

Page 1, lines 4 and 8, delete "\$25" and insert "\$40"

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

The question was taken on the adoption of the Lesewski amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Mr. Berg moved to amend S.F. No. 339 as follows:

Page 2, after line 16, insert:

"Sec. 2. [10A.055] [STATE AGENCY REPORTS.]

Each state agency shall report to the board by January 31 each year on forms provided by the board its estimated expenditures for the previous calendar year to any staff person not registered as a lobbyist over 25 percent of whose time during the previous year's legislative session was spent on legislative matters."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Olson moved to amend S.F. No. 339 as follows:

Page 4, after line 9, insert:

"Sec. 5. Minnesota Statutes 1994, section 10A.19, is amended by adding a subdivision to read:

Subd. 3. The registration of the candidate's principal campaign committee must be accompanied by a criminal background check prepared by the superintendent of the bureau of criminal apprehension. The purpose of the background check is to determine whether the candidate is the subject of any reported conviction of a background check crime. A "background check crime" is any felony or gross misdemeanor. The candidate shall request the background check by submitting to the superintendent a written request signed by the candidate and including a description of all background check crimes of which the candidate has been convicted and the particulars of the conviction. The superintendent shall respond to the request within a reasonable time, not to exceed ten working days after receiving it. The superintendent shall perform the background check by retrieving and reviewing data on background check crimes maintained in the criminal justice information system. The superintendent may exchange fingerprints with the Federal Bureau of Investigation for purposes of the criminal history check. The superintendent's response must indicate whether the candidate has ever been convicted of a background check crime and, if so, a description of the crime, date and jurisdiction of conviction, and date of discharge of the sentence. The superintendent shall recover the cost of the background check through a fee charged to the candidate."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

S.F. No. 339 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 20, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Krentz	Murphy	Riveness
Beckman	Flynn	Laidig	Novak	Spear
Belanger	Hanson	Langseth	Oliver	Stumpf
Berg	Hottinger	Larson	Pappas	Terwilliger
Berglin	Janezich	Lesewski	Pariseau	Vickerman
Betzold	Johnson, D.E.	Marty	Piper	Wiener
Chandler	Johnson, D.J.	Metzen	Pogemiller	
Chmielewski	Johnson, J.B.	Moe, R.D.	Price	
Cohen	Kelly	Mondale	Ranum	
Dille	Knutson	Morse	Reichgott Junge	

Those who voted in the negative were:

Bertram	Kleis	Limmer	Ourada	Samuelson
Frederickson	Kramer	Merriam	Robertson	Scheevel
Johnston	Kroening	Neuville	Runbeck	Solon
Kiscaden	Lessard	Olson	Sams	Stevens

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. 1562 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1562: A bill for an act relating to government finance; limiting the time within which

authorized bonds may be issued; proposing coding for new law in Minnesota Statutes, chapter 16A.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 431 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 431: A bill for an act relating to property taxation; including certain homestead property value in the areawide tax base; subjecting certain homestead property value to the areawide tax rate; amending Minnesota Statutes 1994, sections 473F.02, subdivision 8, and by adding subdivisions; 473F.05; 473F.07, subdivision 1; and 473F.08, subdivisions 2, 6, 8a, and by adding a subdivision.

Mr. Oliver moved that H.F. No. 431, on Special Orders, be re-referred to the Committee on Metropolitan and Local Government.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 31 and nays 33, as follows:

Those who voted in the affirmative were:

Belanger	Kleis	Lessard	Pariseau	Stevens
Berg	Knutson	Limmer	Price	Terwilliger
Dille	Kramer	Murphy	Riveness	Wiener
Frederickson	Krentz	Neuville	Robertson	
Johnson, D.E.	Laidig	Oliver	Runbeck	
Johnston	Langseth	Olson	Scheevel	
Kiscaden	Lesewski	Ourada	Solon	

Those who voted in the negative were:

Anderson	Cohen	Johnson, J.B.	Mondale	Reichgott Junge
Beckman	Finn	Kelly	Morse	Sams
Berglin	Flynn	Kroening	Novak	Samuelson
Bertram	Hanson	Marty	Pappas	Spear
Betzold	Hottinger	Merriam	Piper	Stumpf
Chandler	Janezich	Metzen	Pogemiller	
Chmielewski	Johnson, D.J.	Moe, R.D.	Ranum	

The motion did not prevail.

Mr. Riveness moved to amend H.F. No. 431, as amended pursuant to Rule 49, adopted by the Senate May 8, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 277.)

Pages 1 and 2, delete section 1

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

CALL OF THE SENATE

Mr. Novak imposed a call of the Senate for the balance of the proceedings on H.F. No. 431. The Sergeant at Arms was instructed to bring in the absent members.

H.F. No. 431 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 32 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Marty	Novak	Samuelson
Berglin	Hottinger	Merriam	Pappas	Spear
Betzold	Janezich	Metzen	Piper	Stumpf
Chandler	Johnson, D.J.	Moe, R.D.	Pogemiller	Vickerman
Chmielewski	Johnson, J.B.	Mondale	Ranum	
Cohen	Kelly	Morse	Reichgott Junge	
Finn	Kroening	Murphy	Sams	

Those who voted in the negative were:

Beckman	Johnson, D.E.	Laidig	Oliver	Runbeck
Belanger	Johnston	Langseth	Olson	Scheevel
Berg	Kiscaden	Larson	Ourada	Solon
Bertram	Kleis	Lesewski	Pariseau	Stevens
Dille	Knutson	Lessard	Price	Terwilliger
Frederickson	Kramer	Limmer	Riveness	Wiener
Hanson	Krentz	Neuville	Robertson	

So the bill, as amended, failed to pass.

MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Reichgott Junge moved that S.F. No. 1052 be taken from the table. The motion prevailed.

S.F. No. 1052: A bill for an act relating to abuse; conforming domestic abuse definitions; including persons with certain significant relationships; allowing certain minors to petition on their own behalf for orders for protection; modifying petition requirements; providing for subsequent petitions; modifying requirements for alternate service; extending time period for certain domestic abuse arrests; recodifying and clarifying portions of the assault in the fifth degree statute which concern domestic assault; amending Minnesota Statutes 1994, sections 518B.01, subdivisions 2, 4, 8, 14, and by adding a subdivision; 609.224, subdivisions 2 and 3; 611A.31, subdivision 2; 629.341, subdivision 1; and 629.72, subdivisions 1, 2, and 6; proposing coding for new law in Minnesota Statutes, chapter 609.

Ms. Reichgott Junge moved to amend S.F. No. 1052 as follows:

Page 2, line 32, after the second "or" insert "by a family or household member, a guardian as defined in section 524.1-201, clause (20), or, if the court finds that it is in the best interests of the minor, by a reputable adult age 25 or older"

Page 2, lines 33 and 34, delete the new language and insert "A minor age 16 or older may make

a petition on the minor's own behalf against a spouse or former spouse, a person with whom the minor has a child in common, or a person with whom the minor is or has been involved in a significant romantic or sexual relationship, if the court determines that the minor has sufficient maturity and judgment and that it is in the best interests of the minor."

Mr. Neuville requested division of the amendment as follows:

First portion:

Page 2, line 32, after the second "or" insert "by a family or household member, a guardian as defined in section 524.1-201, clause (20), or, if the court finds that it is in the best interests of the minor, by a reputable adult age 25 or older"

Second portion:

Page 2, lines 33 and 34, delete the new language and insert "A minor age 16 or older may make a petition on the minor's own behalf against a spouse or former spouse, a person with whom the minor has a child in common, or a person with whom the minor is or has been involved in a significant romantic or sexual relationship, if the court determines that the minor has sufficient maturity and judgment and that it is in the best interests of the minor."

The question was taken on the adoption of the first portion of the Reichgott Junge amendment. The motion prevailed. So the first portion of the amendment was adopted.

CALL OF THE SENATE

Ms. Reichgott Junge imposed a call of the Senate for the balance of the proceedings on S.F. No. 1052. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the second portion of the Reichgott Junge amendment.

Ms. Reichgott Junge moved that those not voting be excused from voting. The motion did not prevail.

Ms. Reichgott Junge moved that those not voting be excused from voting. The motion did not prevail.

Ms. Reichgott Junge moved that those not voting be excused from voting. The motion did not prevail.

Ms. Reichgott Junge moved that those not voting be excused from voting. The motion did not prevail.

Ms. Reichgott Junge moved that the President be directed to close the roll. The motion prevailed.

The roll was called, and there were yeas 33 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Marty	Piper	Sams
Beckman	Hottinger	Merriam	Pogemiller	Solon
Berglin	Janezich	Moe, R.D.	Price	Spear
Betzold	Johnson, J.B.	Mondale	Ranum	Stumpf
Chandler	Kelly	Morse	Reichgott Junge	Wiener
Cohen	Kiscaden	Novak	Riveness	
Finn	Krentz	Pappas	Robertson	

Those who voted in the negative were:

Belanger	Dille	Johnson, D.J.	Kramer	Larson
Berg	Frederickson	Johnston	Kroening	Lesewski
Bertram	Hanson	Kleis	Laidig	Lessard
Chmielewski	Johnson, D.E.	Knutson	Langseth	Limmer

Metzen
Murphy
Neuville

Olson
Ourada
Pariseau

Runbeck
Samuelson

Scheevel
Stevens

Terwilliger
Vickerman

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

S.F. No. 1052 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 38 and nays 25, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Marty	Pappas	Sams
Beckman	Janezich	Merriam	Piper	Solon
Berglin	Johnson, D.J.	Metzen	Pogemiller	Spear
Betzold	Johnson, J.B.	Moe, R.D.	Price	Stumpf
Chandler	Kiscaden	Mondale	Ranum	Terwilliger
Cohen	Krentz	Morse	Reichgott Junge	Wiener
Finn	Laidig	Murphy	Riveness	
Flynn	Lesewski	Novak	Robertson	

Those who voted in the negative were:

Belanger	Frederickson	Knutson	Lessard	Pariseau
Berg	Hanson	Kramer	Limmer	Runbeck
Bertram	Johnson, D.E.	Kroening	Neuville	Scheevel
Chmielewski	Johnston	Langseth	Olson	Stevens
Dille	Kleis	Larson	Ourada	Vickerman

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 155 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 155

A bill for an act relating to wild animals; authorizing poultry farmers to trap great horned owls; amending Minnesota Statutes 1994, section 97B.705.

May 1, 1995

The Honorable Allan H. Spear
President of the Senate

The Honorable Irv Anderson
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 155, 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. 155 be further amended as follows:

Page 1, after line 22, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

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

Senate Conferees: (Signed) LeRoy A. Stumpf, Steven Morse, Dennis R. Frederickson

House Conferees: (Signed) Jim Tunheim, Edgar Olson, Jim Girard

Mr. Stumpf moved that the foregoing recommendations and Conference Committee Report on S.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.

S.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 32 and nays 29, as follows:

Those who voted in the affirmative were:

Berg	Johnson, D.E.	Langseth	Murphy	Stevens
Bertram	Johnson, D.J.	Larson	Ourada	Stumpf
Chmielewski	Johnson, J.B.	Lesewski	Pogemiller	Terwilliger
Cohen	Johnston	Lessard	Robertson	Vickerman
Dille	Kiscaden	Metzen	Sams	
Frederickson	Kleis	Moe, R.D.	Scheevel	
Janezich	Kramer	Morse	Solon	

Those who voted in the negative were:

Anderson	Finn	Kroening	Neuville	Price
Beckman	Flynn	Laidig	Novak	Ranum
Belanger	Hanson	Limmer	Olson	Reichgott Junge
Berglin	Hottinger	Marty	Pappas	Spear
Betzold	Knutson	Merriam	Pariseau	Wiener
Chandler	Krentz	Mondale	Piper	

So the bill, as amended by the Conference Committee, failed to pass.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 375 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 375

A bill for an act relating to energy; adding pumped hydropower to the list of preferred alternative energy sources; providing for incentive payments to pumped hydropower facilities; amending Minnesota Statutes 1994, sections 216C.051, subdivision 7; and 216C.41, subdivision 1.

May 4, 1995

The Honorable Allan H. Spear
President of the Senate

The Honorable Irv Anderson
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 375, 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. 375 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 216C.051, subdivision 7, is amended to read:

Subd. 7. [GUIDELINES; PREFERRED ELECTRIC GENERATION SOURCES; DEFINITIONS.] (a) The legislative task force on electric energy shall undertake its responsibilities in light of the guidelines specified in this subdivision.

(b) The highest priority in electric energy production and consumption is conservation of electric energy and management of demand by all segments of the community.

(c) The following energy sources for generating electric power distributed in the state, listed in their descending order of preference, based on minimizing long-term negative environmental, social, and economic burdens imposed by the specific energy sources, are:

(1) wind and solar;

(2) biomass and low-head, closed system pumped, or refurbished hydropower;

(3) decomposition gases produced by solid waste management facilities, natural gas-fired cogeneration, and waste materials or byproducts combined with natural gas;

(4) natural gas, hydropower that is not low-head, closed system pumped, or refurbished hydropower, and solid waste as a direct fuel or refuse-derived fuel; and

(5) coal and nuclear power.

(d) For the purposes of paragraph (c) within each clause, the more efficient an energy source is in generating electricity or the more efficient a technology is that utilizes an energy source, the more preferred it is for use in generating electricity for distribution and consumption in the state.

(e) For the purposes of paragraph (c), clauses (3) and (4), the use of waste materials and byproducts for generating electric power must be limited to those waste materials and byproducts that are necessarily generated or produced by efficient processes and systems. Preventing and minimizing waste and byproducts are preferred in every situation to relying on the continued generation or production of waste materials and byproducts.

(f) For the purposes of this section, "preferred" or "renewable" energy sources are those described in paragraph (c), clauses (1) to (3), and "subordinate" or "traditional" energy sources are those described in paragraph (c), clauses (4) and (5).

(g) For the purposes of this section:

(1) "biomass" means herbaceous crops, trees, agricultural waste, and aquatic plant matter, excluding mixed municipal solid waste, as defined in section 115A.03, used to generate electricity; and

(2) "low-head hydropower" means a hydropower facility that has a head of less than 66 feet.

(h) The legislative task force on electric energy is further directed to consider the appropriate placement of other energy sources in the list of preferred electric generation sources in paragraph (c), including cogeneration gasification processes other than natural gas-fired cogeneration.

Sec. 2. Minnesota Statutes 1994, section 216C.41, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, a "qualified hydroelectric facility" or "facility" means a hydroelectric generating facility in this state that begins generating electricity after July 1, 1994, and:

(1) is located at the site of a dam, if the dam was in existence as of March 31, 1994; ~~and or~~

(2) ~~begins generating electricity after July 1, 1994~~ whose source is closed system pumped hydropower."

Delete the title and insert:

"A bill for an act relating to energy; directing the electric energy task force to consider new preferred alternative energy sources; providing for incentive payments to closed system pumped hydropower facilities; amending Minnesota Statutes 1994, sections 216C.051, subdivision 7; and 216C.41, subdivision 1."

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

Senate Conferees: (Signed) Bob Lessard, Steven G. Novak, Dennis R. Frederickson

House Conferees: (Signed) Loren A. Solberg, Sharon Marko, Barb Vickerman

Mr. Lessard moved that the foregoing recommendations and Conference Committee Report on S.F. No. 375 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. 375 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 3, as follows:

Those who voted in the affirmative were:

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

Messrs. Marty, Merriam and Morse 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

Mr. Sams moved that S.F. No. 1425, No. 19 on General Orders, be stricken and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Ms. Pappas moved that S.F. No. 433 be withdrawn from the Committee on Metropolitan and Local Government and returned to its author. The motion prevailed.

Mr. Marty moved that S.F. No. 677, No. 18 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Mr. Laidig moved that S.F. No. 1360, No. 8 on General Orders, be stricken and re-referred to the Committee on Gaming Regulation. The motion prevailed.

Mr. Ourada moved that the names of Messrs. Stevens and Kleis be added as co-authors to Senate Resolution No. 66. The motion prevailed.

Ms. Reichgott Junge moved that S.F. No. 604, No. 20 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Mr. Moe, R.D., for the Committee on Rules and Administration, introduced--

Senate Concurrent Resolution No. 10: A Senate concurrent resolution adopting Permanent Joint Rules of the Senate and House of Representatives.

BE IT RESOLVED, by the Senate of the State of Minnesota, the House of Representatives concurring:

The Permanent Joint Rules of the Senate and the House of Representatives for the 79th Legislature shall read as follows:

**JOINT RULES OF THE SENATE AND
HOUSE OF REPRESENTATIVES**

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ARTICLE I: JOINT CONVENTIONS

HOW GOVERNED

Rule 1.01. The Speaker of the House shall preside at all Conventions of the two houses of the Legislature and shall call the members to order. The Chief Clerk of the House shall be the Secretary and the Sergeant at Arms of the House shall be the Sergeant at Arms of the Convention.

PRESIDENT'S DUTIES

Rule 1.02. The President of the Convention shall preserve order and decorum. ~~He~~ The President may speak on all points of order in preference to other members and shall decide questions of order, subject to an appeal to the Convention by any member. ~~He~~ The President shall rise to put a question but may state it while seated.

PRESIDENT'S RIGHT TO VOTE

Rule 1.03. The President shall have the right to vote in all cases except appeals from ~~his~~ the President's decisions. ~~He~~ The President shall vote last on all questions.

STATING QUESTIONS

Rule 1.04. Questions shall be put to the Convention in the following form: "As many as are of the opinion that (the question) shall pass, say 'Aye.'" After an affirmative vote is expressed the nays shall be called as follows: "As many as are of the contrary opinion, say 'No.'" If the President is in doubt or a division is called, those in the affirmative shall rise first and those in the negative afterward.

ORDER OF DEBATE

Rule 1.05. When any member wishes to speak to the Convention on any matter, ~~he~~ the member shall rise and respectfully address the President, and not speak further until recognized. ~~He~~ The member shall ~~confine himself~~ speak only to the question under debate and avoid personal remarks. When two or more members rise at the same time, the President shall designate the member to speak first. No member shall speak more than twice on the same question without permission of the Convention.

CALLING MEMBER TO ORDER

Rule 1.06. If any member of the Joint Convention is called to order for offensive words in debate, the member calling ~~him~~ him to order shall report the words to which exception is taken and the Secretary shall record them. No member may be called to order for any language used in debate if exception is not taken before any other member has spoken or any other business has taken place. A member called to order shall immediately sit down unless another member moves to permit ~~him~~ the member to explain. In any case, the Joint Convention, if appealed to, shall decide without debate. Only if the decision is in favor of the member called to order shall ~~he~~ the member be at liberty to proceed.

CALL OF THE CONVENTION

Rule 1.07. Five members may demand a call of the Convention at any time except after voting

has commenced. When such a call is demanded, the doors shall be closed, the roll shall be called, the absent members shall be sent for, and no member may be permitted to leave the Chamber, unless excused by the President, until the call is lifted. Proceedings under the roll call may be suspended by a majority vote of all the members of the Convention. A call of the Convention may be lifted by a majority vote of all the members of the Convention.

ELECTIONS

Rule 1.08. In all elections by the Joint Convention, members shall vote viva voce and the roll of Senate members shall be called first. Whenever there is an election of any officer in Joint Convention, the result shall be certified by the President of the Senate and the Speaker of the House and announced by them to their respective houses. The result shall be entered ~~on~~ in the Journal of each house and communicated to the Governor by the Secretary of the Convention.

NO SMOKING

Rule 1.09. No person is permitted to smoke in the Chamber or in the gallery during a Joint Convention.

PARLIAMENTARY PROCEDURE

Rule 1.10. The rules of the House shall be the Rules of the Joint Convention of both houses in all cases in which the foregoing rules are not applicable.

ARTICLE II: BILLS

FORM

Rule 2.01. The title of each bill shall clearly state its subject and briefly state its purpose. When a bill amends or repeals an existing act, the title shall refer to the chapter, section or subdivision.

Reference shall be made to Minnesota Statutes for the provisions appearing therein unless reference to previous session laws is required for some special reason.

Bills shall refer to Minnesota Statutes as follows:

"Minnesota Statutes, section"

Bills shall refer to the session laws as follows:

"Laws, chapter, section"

A bill for the amendment of a statute shall contain the full text of the section or subdivision to be amended as it appears in the latest edition of Minnesota Statutes unless it has been amended, in which event it shall contain the full text as amended.

The words and characters constituting the amending matter shall be inserted in the proper place in the text and underscored. The words and characters to be eliminated by the amendment shall be stricken by drawing a line through them. The text of a new section or subdivision shall also be underscored when a bill amends an existing chapter or section by adding a new section or subdivision. In the omnibus appropriation bills required by Joint Rule 2.02, sections making an appropriation or transfer and not amending a statute or session law need not have new material underscored. A bill that repeals a statute may include or be accompanied by an appendix containing the full text of the section or subdivision repealed. Before a committee favorably

reports upon a bill, the ~~chairman~~ chair of the committee shall see that the bill conforms to this rule. When a bill is printed in the Journal, the new matter shall be in italics or underscored and the matter to be eliminated shall be capitalized and in parentheses or stricken by drawing a line through it. A bill drafted by the Revisor of Statutes for the purposes of correcting errors in Minnesota Statutes need not comply with the provisions of this paragraph if the bill is labeled "REVISOR'S BILL" immediately below the title, and if there is attached thereto a memorandum of information explaining the reasons for the bill.

If the bill is for an original law and not for an amendment of an existing law, the sections and subdivisions shall be arranged, subdivided, and numbered in like manner as Minnesota Statutes. If such a bill assigns to the sections thereof headnotes or identification by the decimal system of numbering used in Minnesota Statutes, such headnotes and decimal identification may be submitted by standing committee ~~chairmen~~ chairs to the Revisor of Statutes for examination. Any such headnotes shall be capital letters enclosed in brackets, and shall be subject to the provisions of Minnesota Statutes, section 648.36.

All numbers in titles shall be expressed in figures. All numbers of section or chapter of law shall be in figures. In the body of a bill numbers in excess of ten shall be in figures, except for a special reason they may be written, but when written they shall not be followed by numbers or parentheses.

A bill may include or be accompanied by a table of contents.

APPROPRIATING MONEY

Rule 2.02. The same bill shall not appropriate public money or property to more than one local or private purpose.

No clause appropriating money for a local or private purpose shall be contained in a bill appropriating money for the State government or public institutions. All resolutions authorizing the issuing of abstracts by the Secretary of the Senate or the Chief Clerk of the House for the payment of money shall be upon the call of "yeas" and "nays."

In odd-numbered years, at least eighteen calendar days prior to the last day the Legislature can meet in regular session [Thursday, May 4, 1995], the Committee on Finance of the Senate and the Committee on Ways and Means of the House shall report to their respective houses, unless directed by concurrent resolution to report different appropriation bills, appropriation bills for the two succeeding fiscal years as follows:

(a) A bill appropriating money for the general administrative and judicial expenses of the State government, including salaries, office expenses and supplies and other necessary expenses connected therewith;

(b) A bill covering appropriations relating to health and human services;

(c) A bill appropriating money for the support and maintenance of State educational institutions;

(d) A bill appropriating money for aid to school districts;

(e) A bill appropriating money for the protection and improvement of the State's environment and natural resources;

(f) A bill appropriating money for the department of transportation and other agencies;

(g) A bill appropriating money for criminal justice;

(h) A bill appropriating money for community development;

(i) A bill covering all appropriations providing for the payment of claims against the State of Minnesota which may have been allowed by the Finance Committee of the Senate or the Ways and Means Committee of the House; and

(j) A bill appropriating money for the acquisition and betterment of public lands and buildings and other public improvements of a capital nature, if the committees find there are capital improvement projects that cannot be deferred until the regular capital budget in the even-numbered year.

No other appropriations shall be contained in any of said bills but all other appropriations shall be contained in separate bills.

DEADLINES

Rule 2.03. (a) Except as provided in paragraph (b), in odd-numbered years, committee reports on bills favorably acted upon by a committee in the house of origin after the ~~sixth~~ seventh Friday before the last Friday the Legislature can meet in regular session [March 31, 1995], and committee reports on bills originating in the other house favorably acted upon by a committee after the ~~fourth~~ sixth Friday before the last Friday the Legislature can meet in regular session [April 7, 1995], shall be referred in the Senate to the Committee on Rules and Administration, and in the House of Representatives to the Committee on Rules and Legislative Administration for disposition. Referral is not required when a committee after the earlier date and by the later date set by this paragraph acts on a bill that is a companion to a bill that has met the earlier deadline in the other house. This rule does not apply to the Senate Committees on Finance and on Taxes and Tax Laws, and the House Committees on Ways and Means and on Taxes.

(b) Committee reports on the omnibus appropriation bills containing an appropriation listed in Rule 2.02 that are favorably acted upon by a the policy committee in either house that is or includes the finance division with final jurisdiction over the appropriation after the deadlines in paragraph (a) but no later than the third fourth Friday before the last Friday the Legislature can meet in regular session [April 21, 1995], shall need not be referred in the Senate to the Committee on Rules and Administration, and or in the House of Representatives to the Committee on Rules and Legislative Administration for disposition. This rule does not apply to the Senate Committees on Finance and on Taxes and Tax Laws, and the House Committees on Ways and Means and on Taxes.

(c) Conference committees on the major appropriation bills specified in Joint Rule 2.02 shall have their reports on the members' desks by the last Thursday on which the Legislature can meet in regular session [May 18, 1995]. After the last Friday on which the Legislature can meet in regular session [May 19, 1995], neither house shall act on bills other than those contained in:

(1) Reports of Conference Committees;

(2) Messages from the other house;

(3) Reports of the Committee on Rules and Administration in the Senate or the Committee on Rules and Legislative Administration in the House; or

(4) Messages from the Governor.

(d) In even-numbered years the Legislature shall establish by concurrent resolution deadlines based on the date intended to be the date of adjournment sine die.

AMENDING BILLS ORIGINATING IN OTHER HOUSE

Rule 2.04. Either house shall have the power to amend any bill, memorial, or resolution passed by the other house.

RECEDING FROM POSITION

Rule 2.05. Prior to a Conference Committee on any matter, either house may recede from its position on any difference existing between the two houses. In order to recede, and if the matter is not in the possession of a house, that house shall request return of the matter from the other house.

To recede, a majority of a house shall govern, except in cases otherwise provided in the Constitution. If the question is put and lost, it shall not be put again on the same day. A reconsideration of the question shall in all respects be regulated by the rules of that house.

CONFERENCE COMMITTEES

Rule 2.06. In all cases of disagreement between the Senate and House on amendments adopted by either house to a bill, memorial or resolution passed by the other house, a Conference Committee consisting of not less than three members nor more than five members from each house may be requested by either house. The other house shall appoint a similar committee.

The manner of procedure shall be as follows: The house of origin passes a bill and transmits it to the other body. If the other body adopts an amendment to the bill and passes it as amended, it shall return the bill with a record of its actions to the house of origin. If the house of origin refuses to concur in the amendment, it shall ask for a Conference Committee, appoint such a committee on its part, and transmit the bill with a record of its action to the other house. If the other house adheres to its amendment, it shall appoint a like committee and return the bill to the house of origin.

All Conference Committees shall be open to the public. As much as practical, meetings of Conference Committees shall be as far in advance as possible and actions taken shall be agreed upon in an open meeting. At an agreed upon hour the Conference Committee shall meet. The members from each house shall state to the members from the other house, orally or in writing, the reason for their respective positions. The members shall confer thereon and. A conference committee may not meet between the hours of midnight and 7:00 a.m., unless two-thirds of the members from each house present vote to suspend this requirement. The conferees shall report to their respective houses the agreement they have reached, or, if none, the fact of a disagreement.

If an agreement is reported, the house of origin shall act first upon the report. A Conference Committee report must be limited to provisions that are germane to the bill and amendments that were referred to the Conference Committee. A provision is not germane if it relates to a substantially different subject or is intended to accomplish a substantially different purpose from that of the bill and amendment that were referred to the Conference Committee.

A Conference Committee report may not delegate rulemaking to a department or agency of state government or exempt a department or agency of state government from rulemaking unless the delegation or exemption was included in either the bill or the amendment that were referred to the Conference Committee.

A Conference Committee report may not create a new commission, council, task force, board, or other body to which a member of the legislature will be appointed unless the body was created in either the bill or the amendment that were referred to the Conference Committee.

If the report is adopted and repassed as amended by the Conference Committee by the house of origin, the report, the bill and a record of its action shall be transmitted to the other house.

Except after the last Thursday on which the Legislature can meet in regular session in odd-numbered years [May 18, 1995], and after the last Thursday on which the Legislature intended, when it adopted the concurrent resolution required by Rule 2.03, paragraph (b), to meet in regular session in even-numbered years, a written copy of a report of a Conference Committee shall be placed on the desk of each member of a house twelve hours before action on the report by that house. If the report has been reprinted in the Journal of either house for a preceding day and is available to the members, the Journal copy shall serve as the written report. The member presenting the Conference Committee report to the body shall disclose, either in writing or orally, the substantial changes from the bill or the amendment as they were last before the body.

ENROLLMENT AND SIGNATURE

Rule 2.07. After a bill or memorial or joint resolution has been passed by both houses, it shall be carefully and properly enrolled by the Revisor of Statutes under the direction of the Secretary of the Senate for a matter originating in the Senate or the Chief Clerk of the House for a matter originating in the House. ~~The Revisor of Statutes shall obtain the signatures and certificates of the proper officers to the enrolled copy of the bill or memorial and present it to the Governor for his approval.~~

~~A bill or memorial may~~ The enrollment shall be prepared for presentation to the Governor on good archival quality paper approximately 8 1/2" x 14" in size and may be produced by means of a copying machine. An enrolled bill shall be labeled "An Act" and it but otherwise shall be identical to the bill passed by the Legislature. ~~An enrolled bill which is amendatory of any existing law or constitutional provision shall indicate deletions and additions in the manner provided in Rule 2.01 for printed bills.~~ Other enrollments shall be identical to the memorial or joint resolution passed by the legislature.

The Revisor of Statutes shall obtain the signatures and certificates of the proper officers to the enrollment. A memorial resolution applying to the Congress of the United States to call a convention for proposing amendments to the Constitution of the United States, or a joint resolution ratifying an amendment to the Constitution of the United States, proposing an amendment to the Minnesota Constitution, or prescribing the compensation of judges shall not be presented to the Governor for approval but shall be deposited by the Revisor of Statutes with the Secretary of State. All other enrollments shall be presented to the Governor for approval.

ARTICLE III: GENERAL PROVISIONS

SUSPENSION OF JOINT RULES

Rule 3.01. Either house may suspend the Joint Rules of the Senate and House by a vote of two-thirds of its members.

ODD YEAR SESSION ADJOURNMENT

Rule 3.02. Adjournment of the regular session in any odd-numbered year to a date certain in the following year shall be equivalent to daily adjournment, except that upon adjournment in any odd-numbered year to a date certain in the following year:

(a) Any bill being considered by a Conference Committee shall be returned to the house of origin, laid on the table, and the Conference Committee shall be discharged;

(b) Any bill referred to the Committee on Rules and Administration in the Senate or the Committee on Rules and Legislative Administration in the House pursuant to Joint Rule 2.03 shall be returned to the standing committee to which it was last previously referred; and

(c) Any bill returned by the Governor to the house of origin with his the Governor's objections following such adjournment shall be laid on the table.

INTERIM COMMITTEE AND COMMISSION REPORTS

Rule 3.03. Except as otherwise provided by law, the report of any interim committee or commission to the Legislature shall be submitted on paper 8 1/2" x 11" in size, spiral bound, stapled, or punched on the left edge to fit a standard size three ring binder intended for that size paper. A brief summary of the recommendations of the commission or committee shall appear first and be clearly separated from its findings, discussions, and exhibits. If the report contains

legislative recommendations, a copy of any proposed legislation, particularly if extensive in character, shall if possible be attached as an exhibit at the end of the report.

EVEN YEAR AGENDA

Rule 3.04. The agenda of the regular session in even-numbered years is limited to the following:

- (1) adjustments to the budget to maintain a balanced budget;
- (2) adjustments to policy bills passed the year before;
- (3) housekeeping, technical, and local bills;
- (4) bonding bills;
- (5) constitutional amendments;
- (6) emergency bills;
- (7) bills introduced the year before but requiring further study; and
- (8) bills addressing issues of major public concern that have arisen since the regular session in the year before.

ARTICLE IV: ELECTION OF REGENTS

JOINT COMMITTEE

Rule 4.01. By May 7 of each odd-numbered year, or at a date agreed to by concurrent resolution, a joint committee shall meet to recommend nominees for regent of the University of Minnesota to be presented to a Joint Convention of the legislature. The members of the joint committee are the members of the senate and house committees on education. A majority of the members from each house is a quorum of the joint committee.

The joint committee shall determine the number of persons, and the person or persons to be recommended for each open seat.

Each person recommended by the regent candidate advisory council is considered to be nominated. Other persons may be nominated by a member of the committee at the meeting. Nominations may be made by committee members only. Nominations must be made for a specified congressional or student seat, or for any at-large seat.

The roll shall be called viva voce on the recommendation of regents. A majority vote of the members of the joint committee is required for a candidate to be recommended.

JOINT CONVENTION

Rule 4.02. At the Joint Convention of the Senate and House of Representatives called to elect regents, the joint committee shall report the name of the person or persons recommended for each seat. These persons are considered to be nominated. Any member of the legislature may submit additional nominations. If there is more than one at-large seat to be filled, all candidates for an at-large seat run for any of the at-large seats.

The roll shall be called viva voce on the election of regents. The roll must be called first on congressional district seats until they are filled, then on the student seat, and then on the at-large seats. The candidate for each seat receiving a majority of the votes cast must be declared elected. If no candidate receives a majority of the votes cast for a seat, on each succeeding ballot the

candidate with the fewest votes must be dropped from consideration and the votes cast again until a majority vote is achieved. Any candidate with fewer than 20 votes on any ballot shall also be dropped on succeeding ballots.

Mr. Moe, R.D. moved that the foregoing resolution be laid on the table and printed in the Journal. 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. 1233 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1233: A bill for an act relating to metropolitan government; establishing housing as a metropolitan system; amending Minnesota Statutes 1994, section 473.145; proposing coding for new law in Minnesota Statutes, chapter 473.

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 17, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Krentz	Mondale	Reichgott Junge
Beckman	Frederickson	Kroening	Morse	Riveness
Berg	Hanson	Langseth	Murphy	Robertson
Berglin	Hottinger	Larson	Neuville	Sams
Bertram	Janezich	Lessard	Novak	Solon
Betzold	Johnson, D.E.	Marty	Pappas	Spear
Chandler	Johnson, D.J.	Merriam	Piper	Stumpf
Chmielewski	Johnson, J.B.	Metzen	Pogemiller	Vickerman
Finn	Kiscaden	Moe, R.D.	Ranum	

Those who voted in the negative were:

Belanger	Knutson	Limmer	Runbeck	Wiener
Dille	Kramer	Olson	Scheevel	
Johnston	Laidig	Ourada	Stevens	
Kleis	Lesewski	Pariseau	Terwilliger	

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:

S.F. No. 1279: Messrs. Finn, Merriam and Knutson.

H.F. No. 980: Mses. Anderson, Ranum and Mr. Limmer.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Mr. Novak was excused from the Session of today from 9:50 to 11:30 a.m. Ms. Johnson, J.B. was excused from the Session of today from 9:45 to 10:00 a.m. Mr. Day was excused from the Session of today at 11:30 a.m. Ms. Johnston was excused from the Session of today from 9:05 to 10:00 a.m. and from 11:45 a.m. to 12:00 noon. Ms. Berglin was excused from the Session of today from 10:30 to 11:00 a.m. Mr. Oliver was excused from the Session of today at 1:15 p.m. Ms. Runbeck was excused from the Session of today from 2:00 to 2:40 p.m. Mr. Kelly was excused from the Session of today at 2:00 p.m. Ms. Reichgott Junge was excused from the Session of today at 2:30 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Wednesday, May 10, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTY-SEVENTH DAY

St. Paul, Minnesota, Wednesday, May 10, 1995

The Senate met at 9:00 a.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 Senator Pat Piper.

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

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

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. 642.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 9, 1995

FIRST READING OF HOUSE BILLS

The following bill was read the first time and referred to the committee indicated.

H.F. No. 642: A bill for an act relating to workers' compensation; modifying provisions relating to insurance, procedures and benefits; providing penalties; appropriating money; amending Minnesota Statutes 1994, sections 13.69, subdivision 1; 13.82, subdivision 1; 79.074,

subdivision 2; 79.085; 79.211, subdivision 1; 79.251, subdivision 2, and by adding a subdivision; 79.253, by adding a subdivision; 79.34, subdivision 2; 79.35; 79.50; 79.51, subdivisions 1 and 3; 79.52, by adding subdivisions; 79.53, subdivision 1; 79.55, subdivisions 2, 5, and by adding subdivisions; 79.56, subdivisions 1 and 3; 79.60, subdivision 1; 79A.01, subdivisions 1, 4, and by adding a subdivision; 79A.02, subdivisions 1, 2, and 4; 79A.03, by adding a subdivision; 79A.04, subdivisions 2 and 9; 79A.09, subdivision 4; 79A.15; 168.012, subdivision 1; 175.16; 176.011, subdivisions 16 and 25; 176.021, subdivisions 3 and 3a; 176.061, subdivision 10; 176.081, subdivisions 1, 7, 7a, 9, and by adding a subdivision; 176.101, subdivisions 1, 2, 4, 5, 6, 8, and by adding a subdivision; 176.102, subdivisions 3a and 11; 176.103, subdivisions 2 and 3; 176.104, subdivision 1; 176.105, subdivision 4; 176.106; 176.129, subdivisions 9 and 10; 176.130, subdivision 9; 176.135, subdivision 1; 176.1351, subdivisions 1 and 5; 176.136, subdivisions 1a, 1b, and 2; 176.138; 176.139, subdivision 2; 176.178; 176.179; 176.181, subdivisions 7 and 8; 176.182; 176.183, subdivisions 1 and 2; 176.185, subdivision 5a; 176.191, subdivisions 1, 5, 8, and by adding a subdivision; 176.194, subdivision 4; 176.215, by adding a subdivision; 176.221, subdivisions 1, 3, 3a, 6a, and 7; 176.225, subdivisions 1 and 5; 176.231, subdivision 10; 176.238, subdivisions 6 and 10; 176.261; 176.2615, subdivision 7; 176.275, subdivision 1; 176.281; 176.285; 176.291; 176.305, subdivision 1a; 176.645; 176.66, subdivision 11; 176.82; 176.83, subdivision 5; 176.84, subdivision 2; and 268.08, subdivision 3; Laws 1994, chapter 625, article 5, section 7; proposing coding for new law in Minnesota Statutes, chapters 79; 79A; 175; 176; and 182; repealing Minnesota Statutes 1994, sections 79.53, subdivision 2; 79.54; 79.56, subdivision 2; 79.57; 79.58; 175.007; 176.011, subdivision 26; 176.081, subdivisions 2, 5, 7, and 8; 176.101, subdivisions 3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 3k, 3l, 3m, 3n, 3o, 3p, 3q, 3r, 3s, 3t, and 3u; 176.103, subdivisions 2 and 21; 176.132; 176.133; 176.191, subdivision 2; 176.232; and 176.86; Laws 1990, chapter 521, section 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1020, now on General Orders.

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. 1742 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.
1742	1590				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1742 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1742 and insert the language after the enacting clause of S.F. No. 1590, the first engrossment; further, delete the title of H.F. No. 1742 and insert the title of S.F. No. 1590, the first engrossment.

And when so amended H.F. No. 1742 will be identical to S.F. No. 1590, and further recommends that H.F. No. 1742 be given its second reading and substituted for S.F. No. 1590, 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. 1742 was read the second time.

MOTIONS AND RESOLUTIONS

Messrs. Bertram, Metzen and Langseth introduced--

Senate Resolution No. 67: A Senate resolution commending Bill Barbknecht, Department Commander of the American Legion, on his service to his state and country.

Referred to the Committee on Rules and Administration.

RECONSIDERATION

Mr. Metzen moved that the vote whereby H.F. No. 1573 was passed by the Senate on May 9, 1995, be now reconsidered. The motion prevailed. So the vote was reconsidered.

H.F. No. 1573: A bill for an act relating to financial institutions; regulating savings banks; modifying and clarifying statutory provisions relating to the structure and functions of savings banks; making technical changes; amending Minnesota Statutes 1994, sections 9.031, subdivision 8; 46.047, subdivision 2; 47.01, subdivisions 2 and 3; 47.015, subdivision 1; 47.02; 47.10, subdivision 1; 47.12; 47.20, subdivisions 1 and 9; 47.201, subdivision 1; 47.205, subdivision 1; 47.209, subdivision 1; 47.27, subdivision 2; 47.28; 47.29, subdivisions 1 and 2; 47.30, subdivisions 1, 2, 3, and 5; 47.32; 47.62, subdivision 4; 47.64, subdivision 1; 47.65, subdivisions 1 and 2; 48.01, subdivision 2; 48.15, by adding a subdivision; 49.01, by adding a subdivision; 49.42; 50.01; 50.04; 50.05; 50.06; 50.11; 50.13; 50.14, subdivisions 1, 5, 7, and 8; 50.145; 50.146; 50.1465; 50.148; 50.155; 50.17; 50.175, subdivision 1; 50.19; 50.21; 50.22; 50.23; 50.245; 50.25; 51A.02, subdivisions 6, 26, and 40; 51A.21, by adding a subdivision; 61A.09, subdivision 3; 62B.04, subdivisions 1 and 2; and 300.20; proposing coding for new law in Minnesota Statutes, chapters 46; 47; and 50; repealing Minnesota Statutes 1994, sections 47.095; 47.30, subdivisions 4 and 6; 48.67; 50.02; 50.07; 50.08; 50.09; 50.10; 50.12; 50.15; 50.16; 50.21; and 50.22.

Mr. Metzen then moved that the amendment made to H.F. No. 1573 by the Committee on Rules and Administration in the report adopted May 5, 1995, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 1573 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:

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

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

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. Bertram introduced--

S.F. No. 1693: A bill for an act relating to local government; requiring that local governments acquire construction easements, permits, and other rights to use property in a timely fashion; proposing coding for new law in Minnesota Statutes, chapter 471.

Referred to the Committee on Metropolitan and Local Government.

Mr. Kroening introduced--

S.F. No. 1694: A bill for an act relating to retirement; recodifying laws applicable to the Minneapolis fire department relief association; clarifying laws for the administration of the association; proposing coding for new law as Minnesota Statutes, chapter 423C; repealing Laws 1907, chapter 24; Laws 1913, chapters 318; and 419; Laws 1917, chapter 196; Laws 1919, chapters 515; and 523; Laws 1921, chapter 404; Laws 1923, chapter 61; Laws 1945, chapter 322; Laws 1959, chapters 213; 491; and 568; Laws 1961, chapter 109; Extra Session Laws 1961, chapter 3; Laws 1963, chapter 318; Laws 1965, chapters 519; and 578; Laws 1967, chapters 819; and 824; Laws 1969, chapters 123; and 287; Laws 1971, chapter 542; Laws 1975, chapter 57; Laws 1977, chapter 164, section 2; Laws 1980, chapter 607, article XV, sections 8, 9, and 10; Laws 1988, chapters 572, sections 4, 5, and 6; and 574, sections 3, 4, and 5; Laws 1989, chapter 319, article 19, sections 6 and 7; Laws 1990, chapter 589, article 1, sections 5 and 6; Laws 1992, chapters 429; 454, section 2; and 471, article 2; Laws 1993, chapters 125; and 192, section 32; and Laws 1994, chapters 591; and 632, article 3, section 14.

Referred to the Committee on Governmental Operations and Veterans.

Mr. Spear introduced--

S.F. No. 1695: A bill for an act relating to crime prevention; requiring screening for fetal alcohol exposure for children under the jurisdiction of juvenile court; amending Minnesota Statutes 1994, sections 260.151, by adding a subdivision; 260.185, subdivision 1; and 260.191, subdivision 1.

Referred to the Committee on Crime Prevention.

Mr. Kroening introduced--

S.F. No. 1696: A bill for an act relating to education; dissolving special school district No. 1, Minneapolis; attaching portions of the district to other school districts; repealing Minnesota Statutes 1994, sections 128D.01; 128D.02; 128D.03; 128D.04; 128D.05; 128D.06; 128D.07; 128D.08; 128D.09; 128D.10; 128D.11; 128D.12; 128D.13; 128D.14; 128D.15; 128D.16; and 128D.17.

Referred to the Committee on Education.

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. 1742 and that the rules of the Senate be so far suspended as to give H.F. No. 1742, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

H.F. No. 1742: A bill for an act relating to health; insurance; providing for certain breast cancer coverage; proposing coding for new law in Minnesota Statutes, chapter 62A.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Bertram moved that the name of Mr. Larson be added as a co-author to Senate Resolution No. 67. The motion prevailed.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 699 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 699: A bill for an act relating to property rights; establishing procedures governing entry of private property by government officials; requiring notice; imposing penalties; proposing coding for new law in Minnesota Statutes, chapter 566.

Mr. Moe, R.D. moved to amend S.F. No. 699 as follows:

Page 2, line 2, delete "AT TIME" and delete "On or before the" and insert "When"

Page 2, line 3, delete "time that"

Page 2, line 13, delete "at" and insert "on or before"

Page 2, line 18, before "In" insert:

"(c)"

Page 2, line 20, after "Notice" insert "under this paragraph"

Page 2, line 22, after "present" insert ", if the owner gave prior consent to the entry,"

Page 3, after line 19, insert:

"(6) an entry by a fire marshal or animal control warden;

(7) an entry by a government official investigating fraud in the receipt of public assistance;

(8) an entry by a government official acting under chapter 349A, if the official is entering property in which the owner has no reasonable expectation of privacy;"

Page 3, line 20, delete "(6)" and insert "(9)"

Page 3, line 23, delete "(7)" and insert "(10)"

Mr. Merriam moved to amend the Moe, R.D. amendment to S.F. No. 699 as follows:

Page 1, lines 16 and 17, delete "acting under chapter 349A"

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

The question was taken on the adoption of the Moe, R.D. amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Mr. Moe, R.D. moved that S.F. No. 699 be laid on the table. The motion prevailed.

Mr. Berg moved that S.F. No. 1044 be taken from the table. The motion prevailed.

S.F. No. 1044: A bill for an act relating to gambling; terminating existing tribal-state gaming compacts effective June 30, 1998.

Mr. Neuville moved to amend S.F. No. 1044 as follows:

Delete everything after the enacting clause and insert:

"Section 1. [LEGISLATIVE INTENT.]

It is the intent of the legislature that the state request negotiations to amend or replace all tribal-state gaming compacts negotiated under the Indian Gaming Regulatory Act, Public Law Number 100-497, and Minnesota Statutes, section 3.9221.

Sec. 2. [GOVERNOR ACTION; RENEGOTIATION.]

The governor shall take all steps necessary to renegotiate all compacts previously negotiated with Indian tribes under the Indian Gaming Regulatory Act, Public Law Number 100-497, and Minnesota Statutes, section 3.9221.

Sec. 3. Minnesota Statutes 1994, section 3.9221, is amended by adding a subdivision to read:

Subd. 2a. [LEGISLATIVE APPROVAL.] All compacts negotiated under this section, including amendments to previously existing compacts, must be approved by both houses of the legislature.

Sec. 4. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to gambling; providing for renegotiation and legislative approval of tribal-state gaming compacts; amending Minnesota Statutes 1994, section 3.9221, by adding a subdivision."

The motion prevailed. So the amendment was adopted.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the balance of the proceedings on S.F. No. 1044. The Sergeant at Arms was instructed to bring in the absent members.

S.F. No. 1044 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 41 and nays 24, as follows:

Those who voted in the affirmative were:

Beckman	Johnston	Larson	Olson	Solon
Belanger	Kiscaden	Lesewski	Ourada	Stevens
Berg	Kleis	Lessard	Pariseau	Stumpf
Bertram	Knutson	Limmer	Riveness	Terwilliger
Chandler	Kramer	Metzen	Robertson	Vickerman
Chmielewski	Krentz	Mondale	Runbeck	
Day	Kroening	Morse	Sams	
Janezich	Laidig	Neuville	Samuelson	
Johnson, D.J.	Langseth	Oliver	Scheevel	

Those who voted in the negative were:

Anderson	Flynn	Johnson, J.B.	Novak	Ranum
Berglin	Frederickson	Marty	Pappas	Reichgott Junge
Betzold	Hanson	Merriam	Piper	Spear
Cohen	Hottinger	Moe, R.D.	Pogemiller	Wiener
Finn	Johnson, D.E.	Murphy	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. 1406 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1406: A bill for an act relating to employment; establishing and modifying certain salary limits; requiring an evaluation of agency head responsibilities; amending Minnesota Statutes 1994, sections 3.855, subdivision 3; 15A.081, subdivision 8; 15A.083, subdivisions 5, 6a, and 7; 43A.17, subdivisions 1, 3, and by adding a subdivision; 43A.18, subdivision 4; 85A.02, subdivision 5a; and 298.22, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 15A; repealing Minnesota Statutes 1994, sections 15A.081, subdivisions 1, 7, and 7b; and 43A.18, subdivision 5.

Mr. Terwilliger moved to amend S.F. No. 1406 as follows:

Page 10, delete line 36

Page 11, delete lines 1 to 6 and insert:

"(2) the average of the across-the-board increases for the fiscal year ending June 30, 1996, included in collective bargaining agreements and arbitration awards that have been ratified by the legislature in 1996. On July 1, 1996, the commissioner of employee relations shall calculate and report to the committee on finance of the senate and the ways and means committee of the house of representatives the average across-the-board increases that have been ratified by the legislature in 1996. The across-the-board increases must be weighted by the number of full-time-equivalent employees covered by the contract or arbitration award for the fiscal year ending June 30, 1996. This calculation must be used to determine the increases provided in this paragraph."

Page 11, delete lines 11 to 17 and insert:

"(2) the average of the across-the-board increases for the fiscal year ending June 30, 1996,

included in collective bargaining agreements and arbitration awards that have been ratified by the legislature in 1996. On July 1, 1996, the commissioner of employee relations shall calculate and report to the committee on finance of the senate and the ways and means committee of the house of representatives the average across-the-board increases that have been ratified by the legislature in 1996. The across-the-board increases must be weighted by the number of full-time-equivalent employees covered by the contract or arbitration award for the fiscal year ending June 30, 1996. This calculation must be used to determine the increases provided in this paragraph."

The motion prevailed. So the amendment was adopted.

Ms. Runbeck moved to amend S.F. No. 1406 as follows:

Page 10, lines 32 and 33, delete ", judges, and legislators" and insert "and judges"

Page 11, lines 7 and 8, delete ", judges, and legislators" and insert "and judges"

Page 11, after line 20, insert:

"The salary increases recommended by the compensation council on April 1, 1995, for legislators are not adopted."

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

Ms. Johnston moved to amend S.F. No. 1406 as follows:

Page 10, after line 25, insert:

"Sec. 13. Minnesota Statutes 1994, 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 performing 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."

Page 12, line 23, before the period, insert ", except that section 13 is effective January 1, 1996"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Terwilliger questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Ms. Johnston 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 51 and nays 9, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Laidig	Murphy	Samuelson
Belanger	Frederickson	Langseth	Novak	Scheevel
Berg	Hanson	Lesewski	Oliver	Solon
Bertram	Hottinger	Lessard	Ourada	Stumpf
Betzold	Janezich	Limmer	Pappas	Terwilliger
Chandler	Johnson, D.E.	Marty	Pogemiller	Vickerman
Chmielewski	Johnson, D.J.	Merriam	Price	Wiener
Cohen	Johnson, J.B.	Metzen	Ranum	
Day	Kleis	Moe, R.D.	Reichgott Junge	
Dille	Knutson	Mondale	Riveness	
Finn	Krentz	Morse	Runbeck	

Those who voted in the negative were:

Johnston	Kramer	Neuville	Pariseau	Stevens
Kiscaden	Larson	Olson	Robertson	

The decision of the President was sustained.

Ms. Flynn moved to amend S.F. No. 1406 as follows:

Page 5, delete line 5

Page 5, delete lines 17 and 18

The motion prevailed. So the amendment was adopted.

Mr. Chmielewski moved to amend S.F. No. 1406 as follows:

Page 4, after line 18, insert:

"Commissioner of iron range resources and rehabilitation board;"

Page 5, delete lines 1 and 2

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

Mr. Neuville moved to amend S.F. No. 1406 as follows:

Page 10, delete lines 32 to 36

Page 11, delete lines 1 to 17

Page 11, line 20, after "is" insert "not"

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:

Beckman	Johnston	Limmer	Pariseau	Stevens
Berg	Kleis	Marty	Ranum	Vickerman
Bertram	Knutson	Murphy	Robertson	
Chmielewski	Kramer	Neuville	Runbeck	
Day	Larson	Olson	Sams	
Johnson, D.E.	Lesewski	Ourada	Scheevel	

Those who voted in the negative were:

Anderson	Frederickson	Kroening	Novak	Samuelson
Belanger	Hanson	Laidig	Oliver	Spear
Betzold	Hottinger	Langseth	Pappas	Stumpf
Chandler	Janezich	Lessard	Piper	Terwilliger
Cohen	Johnson, D.J.	Merriam	Pogemiller	Wiener
Dille	Johnson, J.B.	Metzen	Price	
Finn	Kiscaden	Mondale	Reichgott Junge	
Flynn	Krentz	Morse	Riveness	

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

Ms. Pappas moved to amend S.F. No. 1406 as follows:

Page 5, line 11, delete the semicolon

Page 5, line 12, delete everything before the period

The motion prevailed. So the amendment was adopted.

Mr. Terwilliger moved to amend the Terwilliger amendment to S.F. No. 1406, adopted by the Senate May 10, 1995, as follows:

Page 1, line 19, delete "1996" and insert "1997"

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

S.F. No. 1406 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 22 and nays 44, as follows:

Those who voted in the affirmative were:

Chmielewski	Kiscaden	Moe, R.D.	Pogemiller	Spear
Cohen	Knutson	Novak	Reichgott Junge	Terwilliger
Flynn	Kroening	Oliver	Riveness	
Frederickson	Laidig	Pappas	Robertson	
Janezich	Merriam	Piper	Solon	

Those who voted in the negative were:

Anderson	Dille	Kramer	Mondale	Runbeck
Beckman	Finn	Krentz	Morse	Sams
Belanger	Hanson	Langseth	Murphy	Samuelson
Berg	Hottinger	Larson	Neuville	Scheevel
Berglin	Johnson, D.E.	Lesewski	Olson	Stevens
Bertram	Johnson, D.J.	Lessard	Ourada	Stumpf
Betzold	Johnson, J.B.	Limmer	Pariseau	Vickerman
Chandler	Johnston	Marty	Price	Wiener
Day	Kleis	Metzen	Ranum	

So the bill, as amended, failed to pass.

MOTIONS AND RESOLUTIONS - CONTINUED

RECONSIDERATION

Ms. Hanson moved that the vote whereby H.F. No. 431 failed to pass the Senate on May 9, 1995, be now reconsidered.

H.F. No. 431: A bill for an act relating to property taxation; including certain homestead property value in the areawide tax base; subjecting certain homestead property value to the areawide tax rate; amending Minnesota Statutes 1994, sections 473F.02, subdivision 8, and by adding subdivisions; 473F.05; 473F.07, subdivision 1; and 473F.08, subdivisions 2, 6, 8a, and by adding a subdivision.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the balance of the proceedings on H.F. No. 431. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the motion of Ms. Hanson.

Mr. Moe, R.D. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 36 and nays 28, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Krentz	Murphy	Solon
Beckman	Flynn	Kroening	Novak	Spear
Berglin	Hanson	Marty	Pappas	Stumpf
Bertram	Hottinger	Merriam	Piper	Vickerman
Betzold	Janezich	Metzen	Pogemiller	
Chandler	Johnson, D.J.	Moe, R.D.	Ranum	
Chmielewski	Johnson, J.B.	Mondale	Reichgott Junge	
Cohen	Kramer	Morse	Sams	

Those who voted in the negative were:

Belanger	Johnston	Lesewski	Ourada	Scheevel
Berg	Kleis	Lessard	Pariseau	Stevens
Day	Knutson	Limmer	Price	Terwilliger
Dille	Laidig	Neuville	Riveness	Wiener
Frederickson	Langseth	Oliver	Robertson	
Johnson, D.E.	Larson	Olson	Runbeck	

The motion prevailed. So the vote was reconsidered.

Mr. Novak moved to amend H.F. No. 431, as amended pursuant to Rule 49, adopted by the Senate May 8, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 277.)

Page 1, after line 10, insert:

"Section 1. Minnesota Statutes 1994, section 473F.02, subdivision 8, is amended to read:

Subd. 8. [MUNICIPALITY.] "Municipality" means a city, town, or township located in whole or part within the area, but not the cities of New Prague or Northfield. If a municipality is located partly within and partly without the area, the references in sections 473F.01 to 473F.13 to property or any portion thereof subject to taxation or taxing jurisdiction within the municipality are to such property or portion thereof as is located in that portion of the municipality within the area, except that the fiscal capacity of such a municipality shall be computed upon the basis of the valuation and population of the entire municipality.

A municipality shall be included in the area for purposes of contributing net tax capacity but excluded from the area for purposes of receiving a distribution of net tax capacity if its municipal comprehensive zoning and planning policies conscientiously exclude most commercial-industrial development, for reasons other than preserving an agricultural use. The metropolitan council and the commissioner of revenue shall jointly make this determination annually and shall notify those municipalities that are ineligible to participate in receive distributions of net capacity through the tax base sharing program provided in this chapter for the following year."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Oliver moved that H.F. No. 431 be re-referred to the Committee on Metropolitan and Local Government.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 28 and nays 37, as follows:

Those who voted in the affirmative were:

Belanger	Johnston	Larson	Ourada	Scheevel
Berg	Kiscaden	Lesewski	Pariseau	Stevens
Day	Kleis	Limmer	Price	Terwilliger
Dille	Knutson	Neuville	Riveness	Wiener
Frederickson	Laidig	Oliver	Robertson	
Johnson, D.E.	Langseth	Olson	Runbeck	

Those who voted in the negative were:

Anderson	Finn	Krentz	Morse	Samuelson
Beckman	Flynn	Kroening	Murphy	Solon
Berglin	Hanson	Lessard	Novak	Spear
Bertram	Hottinger	Marty	Pappas	Stumpf
Betzold	Janezich	Merriam	Piper	Vickerman
Chandler	Johnson, D.J.	Metzen	Pogemiller	
Chmielewski	Johnson, J.B.	Moe, R.D.	Ranum	
Cohen	Kramer	Mondale	Reichgott Junge	

The motion did not prevail.

Ms. Wiener moved to amend H.F. No. 431, as amended pursuant to Rule 49, adopted by the Senate May 8, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 277.)

Page 6, line 30, delete "50 percent of"

Page 7, line 2, after "city," insert "school district,"

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

Belanger	Kleis	Limmer	Piper	Stumpf
Berg	Knutson	Mondale	Price	Terwilliger
Dille	Kramer	Neuville	Riveness	Wiener
Frederickson	Laidig	Oliver	Robertson	
Johnson, D.E.	Langseth	Olson	Runbeck	
Johnston	Larson	Ourada	Scheevel	
Kiscaden	Lesewski	Pariseau	Stevens	

Those who voted in the negative were:

Anderson	Cohen	Johnson, D.J.	Metzen	Ranum
Beckman	Day	Johnson, J.B.	Moe, R.D.	Reichgott Junge
Berglin	Finn	Krentz	Morse	Sams
Bertram	Flynn	Kroening	Murphy	Samuelson
Betzold	Hanson	Lessard	Novak	Solon
Chandler	Hottinger	Marty	Pappas	Spear
Chmielewski	Janezich	Merriam	Pogemiller	Vickerman

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

Ms. Runbeck moved to amend H.F. No. 431, as amended pursuant to Rule 49, adopted by the Senate May 8, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 277.)

Page 3, line 6, before "On" insert "Subdivision 1. [COMMERCIAL-INDUSTRIAL PROPERTY.]"

Page 3, after line 12, insert:

"Subd. 2. [EXCESS HOMESTEAD PROPERTY.] On or before August 5 of each year, the assessors within each county in the state shall determine and certify to the county auditor the net tax capacity in that year of excess homestead net tax capacity subject to taxation within each municipality in the county."

Page 3, line 14, delete "subdivision 1,"

Page 3, after line 14, insert:

"473F.07 [COMPUTATION OF AREAWIDE TAX BASE.]"

Page 3, line 21, before "contribution" insert "commercial-industrial"

Page 3, after line 23, insert:

"The administrative auditor shall determine the sum of the excess homestead net tax capacities for all municipalities in the state. The resulting amount shall be known as the "statewide net tax capacity for (year)."

Subd. 2. [CERTIFICATION BY COMMISSIONER.] The commissioner of revenue shall certify to the administrative auditor, on or before August 10 of each year, the population of each municipality for the preceding year, the proportion of that population which resides within the area, the average fiscal capacity of all municipalities in the area for the preceding year, and the fiscal capacity of each municipality in the area for the preceding year.

The commissioner of revenue shall also certify to the administrative auditor, on or before August 10 of each year, the population of each municipality in the state for the preceding year, the average fiscal capacity of all municipalities in the state for the preceding year, and the fiscal capacity of each municipality in the state for the preceding year.

Subd. 3. [AREAWIDE TAX BASE DISTRIBUTION INDEX.] The administrative auditor shall determine, for each municipality in the area, the product of (a) its population, and (b) the proportion which the average fiscal capacity of municipalities in the area for the preceding year bears to the fiscal capacity of that municipality for the preceding year. The product shall be the areawide tax base distribution index for that municipality. If a municipality is located partly within and partly without the area its index shall be that which is otherwise determined hereunder, multiplied by the proportion which its population residing within the area bears to its total population as of the preceding year.

Subd. 3a. [STATEWIDE TAX BASE DISTRIBUTION INDEX.] The administrative auditor shall determine, for each municipality in the state, the product of (a) its population, and (b) the proportion which the average fiscal capacity of municipalities in the state for the preceding year bears to the fiscal capacity of that municipality for the preceding year. The product shall be the statewide tax base distribution index for that municipality.

Subd. 4. [AREAWIDE DISTRIBUTION NET TAX CAPACITY.] The administrative auditor shall determine the proportion which the index of each municipality in the area bears to the sum of the indices of all municipalities in the area and shall then multiply this proportion in the case of each municipality, by the areawide net tax capacity, provided that if the distribution net tax capacity for a municipality is less than 95 percent of the municipality's previous year distribution net tax capacity, and more than ten percent of the municipality's fiscal capacity consists of manufactured home property, the municipality's distribution net tax capacity will be increased to 95 percent of the previous year net tax capacity and the distribution net tax capacity of other municipalities in the area will be proportionately reduced.

Subd. 4a. [STATEWIDE DISTRIBUTION NET TAX CAPACITY.] The administrative auditor shall determine the proportion which the index of each municipality in the state bears to the sum of the indices of all municipalities in the state and shall then multiply this proportion in the case of each municipality, by the statewide net tax capacity.

Subd. 5. [CERTIFICATION TO COUNTY AUDITOR.] The result of the procedure prescribed by subdivision 4 shall be known as the "areawide net tax capacity for(year) attributable to(municipality)." The administrative auditor shall certify such product to the auditor of the county in which the municipality is located on or before August 15.

Subd. 5a. [CERTIFICATION TO COUNTY AUDITOR.] The result of the procedure prescribed by subdivision 4a shall be known as the "statewide net tax capacity for (year) attributable to (municipality)." The administrative auditor shall certify such product to the auditor of the county in which the municipality is located on or before August 15."

Page 3, line 33, after "municipality" insert "within the area"

Page 4, line 7, after "municipality" insert "within the area"

Page 4, after line 17, insert:

"(c) There shall be added to its net tax capacity, in each municipality in which the governmental unit exercises ad valorem taxing jurisdiction, an amount which bears the same proportion to the statewide net tax capacity for the year attributable to that municipality as the total preceding year's net tax capacity of residential property which is subject to the taxing jurisdiction of the governmental unit within the municipality bears to the total preceding year's net tax capacity of residential property of the municipality.

Sec. 9. Minnesota Statutes 1994, section 473F.08, subdivision 3, is amended to read:

Subd. 3. [APPORTIONMENT OF LEVY.] The county auditor shall apportion the levy of each governmental unit in the auditor's county in the manner prescribed by this subdivision. The auditor shall:

(a) by August 20, determine the areawide portion of the levy for each governmental unit in the area by multiplying the local tax rate of the governmental unit for the preceding levy year times the distribution value set forth in subdivision 2, clause (b); and

(b) by August 20, determine the statewide portion of the levy for each governmental unit by multiplying the local tax rate of the governmental unit for the preceding levy year times the distribution value set forth in subdivision 2, paragraph (c); and

(c) by September 5, determine the local portion of the current year's levy by subtracting the resulting amount amounts from clause clauses (a) and (b) from the governmental unit's current year's levy."

Page 6, delete section 14

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 32 and nays 34, as follows:

Those who voted in the affirmative were:

Beckman	Johnson, D.E.	Langseth	Olson	Stevens
Belanger	Johnston	Larson	Ourada	Terwilliger
Berg	Kiscaden	Lesewski	Pariseau	Vickerman
Chmielewski	Kleis	Lessard	Riveness	Wiener
Day	Knutson	Limmer	Robertson	
Dille	Kramer	Neuville	Runbeck	
Frederickson	Laidig	Oliver	Scheevel	

Those who voted in the negative were:

Anderson	Flynn	Kroening	Murphy	Reichgott Junge
Berglin	Hanson	Marty	Novak	Sams
Bertram	Hottinger	Merriam	Pappas	Samuelson
Betzold	Janezich	Metzen	Piper	Solon
Chandler	Johnson, D.J.	Moe, R.D.	Pogemiller	Spear
Cohen	Johnson, J.B.	Mondale	Price	Stumpf
Finn	Krentz	Morse	Ranum	

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

H.F. No. 431 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 36 and nays 30, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Kroening	Novak	Solon
Beckman	Flynn	Marty	Pappas	Spear
Berglin	Hanson	Merriam	Piper	Stumpf
Bertram	Hottinger	Metzen	Pogemiller	Vickerman
Betzold	Janezich	Moe, R.D.	Ranum	
Chandler	Johnson, D.J.	Mondale	Reichgott Junge	
Chmielewski	Johnson, J.B.	Morse	Sams	
Cohen	Kramer	Murphy	Samuelson	

Those who voted in the negative were:

Belanger	Johnston	Langseth	Oliver	Robertson
Berg	Kiscaden	Larson	Olson	Runbeck
Day	Kleis	Lesewski	Ourada	Scheevel
Dille	Knutson	Lessard	Pariseau	Stevens
Frederickson	Krentz	Limmer	Price	Terwilliger
Johnson, D.E.	Laidig	Neuville	Riveness	Wiener

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 the Calendar.

CALENDAR

H.F. No. 1377: A bill for an act relating to agriculture; clarifying certain procedures for agricultural chemical response reimbursement; amending Minnesota Statutes 1994, sections 18E.02, by adding a subdivision; and 18E.04, subdivisions 2 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 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Ourada moved that S.F. No. 1112 be taken from the table. The motion prevailed.

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

CONCURRENCE AND REPASSAGE

Mr. Ourada moved that the Senate concur in the amendments by the House to S.F. No. 1112 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1112 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 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MEMBERS EXCUSED

Mr. Kelly was excused from the Session of today. Ms. Kiscaden was excused from the Session of today from 9:00 to 9:15 a.m. Mr. Mondale was excused from the Session of today from 9:00 to 10:30 a.m. Mr. Dille was excused from the Session of today from 9:00 to 10:15 a.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Thursday, May 11, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTY-EIGHTH DAY

St. Paul, Minnesota, Thursday, May 11, 1995

The Senate met at 9:00 a.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Charles M. Vogt.

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

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

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.

May 8, 1995

The Honorable Allan H. Spear
President of the Senate

Dear President Spear:

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. 973.

Warmest regards,
Arne H. Carlson, Governor

May 9, 1995

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1995 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 1995	Date Filed 1995
	273	132	3:40 p.m. May 8	May 8
	266	133		May 8
	1460	134	3:42 p.m. May 8	May 8
	1602	135	3:42 p.m. May 8	May 8
	331	136	3:45 p.m. May 8	May 8
	586	137	3:50 p.m. May 8	May 8
	694	139	3:50 p.m. May 8	May 8
973		140	3:54 p.m. May 8	May 8

Sincerely,
Joan Anderson Growe
Secretary of State

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. 375, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 375: A bill for an act relating to energy; adding pumped hydropower to the list of preferred alternative energy sources; providing for incentive payments to pumped hydropower facilities; amending Minnesota Statutes 1994, sections 216C.051, subdivision 7; and 216C.41, subdivision 1.

Senate File No. 375 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 10, 1995

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. 965, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 965: A bill for an act relating to transportation; authorizing issuance of permits for 12-foot wide loads of baled straw; changing classification and endorsement requirements to operate a vehicle carrying liquid fertilizer; amending Minnesota Statutes 1994, sections 169.851, subdivision 1; 169.862; and 171.02, subdivision 2a.

Senate File No. 965 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 10, 1995

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. 255: A bill for an act relating to elevators; regulating persons who may do elevator work; appropriating money; amending Minnesota Statutes 1994, sections 183.355, subdivision 3; 183.357, subdivisions 1, 2, and 4; and 183.358; proposing coding for new law in Minnesota Statutes, chapter 183.

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

Carruthers; Johnson, R. and Rostberg.

Senate File No. 255 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 10, 1995

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. 734: A bill for an act relating to telecommunications; regulating the 911 system; imposing requirements on private switch telephone service; imposing a civil penalty; amending Minnesota Statutes 1994, sections 403.02, by adding subdivisions; and 403.04.

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

Delmont, Huntley and McElroy.

Senate File No. 734 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 10, 1995

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 479:

H.F. No. 479: A bill for an act relating to parks and recreation; additions to and deletions from state parks; establishing a new state park and deleting two state waysides; amending Minnesota Statutes 1994, section 84.054, by adding a subdivision; repealing Minnesota Statutes 1994, section 85.013, subdivisions 13 and 20.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Bakk, Davids and Pelowski have been appointed as such committee on the part of the House.

House File No. 479 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 May 10, 1995

Mr. Morse moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 479, 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 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. 642 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.
642	1020				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 642 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 642 and insert the language after the enacting clause of S.F. No. 1020, the third engrossment; further, delete the title of H.F. No. 642 and insert the title of S.F. No. 1020, the third engrossment.

And when so amended H.F. No. 642 will be identical to S.F. No. 1020, and further recommends that H.F. No. 642 be given its second reading and substituted for S.F. No. 1020, 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. 642 was read the second time.

MOTIONS AND RESOLUTIONS

Mr. Larson introduced--

Senate Resolution No. 68: A Senate resolution congratulating Bob Block, Superintendent of the Fergus Falls School District, on his retirement.

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.

Messrs. Janezich, Metzen and Solon introduced--

S.F. No. 1697: A bill for an act relating to economic development; directing the commissioner of finance to negotiate for the purchase of an interest in a National Hockey League franchise; appropriating money for that purchase.

Referred to the Committee on Jobs, Energy and Community Development.

Mr. Price introduced--

S.F. No. 1698: A bill for an act relating to the environment; providing for an exception to the toxics in products prohibition; amending Minnesota Statutes 1994, section 115A.9651, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Janezich moved that S.F. No. 1697 be withdrawn from the Committee on Jobs, Energy and Community Development 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 S.F. No. 529 a Special Order to be heard immediately.

SPECIAL ORDER

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

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 11, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Kleis	Merriam	Robertson
Beckman	Frederickson	Knutson	Metzen	Sams
Belanger	Hanson	Kramer	Moe, R.D.	Samuelson
Berg	Hottinger	Kroening	Murphy	Scheevel
Bertram	Janezich	Laidig	Novak	Solon
Betzold	Johnson, D.E.	Langseth	Oliver	Stevens
Chandler	Johnson, D.J.	Larson	Pappas	Stumpf
Cohen	Johnson, J.B.	Lessard	Piper	Terwilliger
Finn	Kiscaden	Marty	Reichgott Junge	Vickerman

Those who voted in the negative were:

Dille	Limmer	Neuville	Pariseau	Spear
Johnston	Morse	Olson	Runbeck	Wiener
Lesewski				

So the bill passed and its title was agreed to.

RECONSIDERATION

Ms. Hanson moved that the vote whereby S.F. No. 155, as amended by the Conference Committee failed to pass the Senate on May 9, 1995, be now reconsidered. The motion prevailed. So the vote was reconsidered.

S.F. No. 155: A bill for an act relating to wild animals; authorizing poultry farmers to trap great horned owls; amending Minnesota Statutes 1994, section 97B.705.

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 39 and nays 22, as follows:

Those who voted in the affirmative were:

Berg	Johnson, J.B.	Lesewski	Oliver	Samuelson
Bertram	Johnston	Lessard	Olson	Scheevel
Dille	Kiscaden	Metzen	Ourada	Solon
Frederickson	Kleis	Moe, R.D.	Pariseau	Stevens
Hanson	Kramer	Morse	Riveness	Stumpf
Janezich	Kroening	Murphy	Robertson	Terwilliger
Johnson, D.E.	Langseth	Neuville	Runbeck	Vickerman
Johnson, D.J.	Larson	Novak	Sams	

Those who voted in the negative were:

Anderson	Chandler	Krentz	Mondale	Spear
Beckman	Finn	Laidig	Pappas	Wiener
Belanger	Flynn	Limmer	Piper	
Berglin	Hottinger	Marty	Ranum	
Betzold	Knutson	Merriam	Reichgott Junge	

So the bill, as amended by the Conference Committee, was repassed 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 House File No. 5, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 5 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 10, 1995

CONFERENCE COMMITTEE REPORT ON H.F. NO. 5

A bill for an act relating to health and human services; authorizing welfare reform; childhood immunization; social services programs; recovery of funds; requesting federal waivers for programs; employment, education, and training programs; allocation and use of funds; coverage of health services; child support; data collection and disclosure; tax credits; appropriating money; amending Minnesota Statutes 1994, sections 13.46, subdivision 2; 256.01, subdivision 11, and by adding subdivisions; 256.031, subdivision 3; 256.035, subdivision 6d; 256.73, subdivision 8, and by adding subdivisions; 256.736, subdivisions 3, 3a, 4a, 5, 10, 10a, 16, and by adding a subdivision; 256.737, subdivisions 1a and 2; 256.74, by adding a subdivision; 256.81; 256.87, subdivisions 1, 1a, and 5; 256.979, by adding a subdivision; 256.983, subdivision 1; 256B.0625, subdivision 13; 256D.03, subdivision 4; 256D.05, subdivisions 1 and 6; 256D.051, subdivisions 1, 1a, 2, 3, 3a, 3b, 6, 6b, 8, 9, 17, and by adding a subdivision; 256D.052, subdivision 3; 256D.09, subdivision 2a, and by adding subdivisions; and 518.575; proposing coding for new law in Minnesota Statutes, chapters 256; 256B; 256D; and 268; repealing Minnesota Statutes 1994, sections 256.734; 256D.051, subdivisions 10, 13, 14, and 15; 256D.052, subdivisions 1, 2, and 4; 256D.065; 256D.091; 256D.101; 256D.111; and 256D.113.

May 8, 1995

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H.F. No. 5, report that we have agreed upon the items in dispute and recommend as follows:

That H.F. No. 5 be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

WELFARE REFORM TASK FORCE

Section 1. [LEGISLATIVE TASK FORCE TO GUIDE WELFARE REFORM.]

Subdivision 1. [MEMBERSHIP.] The speaker of the house and the senate majority leader shall appoint at least five members from each body to constitute a legislative task force to guide welfare reform. At least two of the members appointed from each body shall be from the minority party. The task force shall be jointly chaired by a member of the senate and a member of the house of representatives. Members shall be appointed before June 1, 1995, and shall convene as soon as possible during the 1995 interim at the call of the chairs.

Subd. 2. [DUTIES.] Members shall examine options for welfare reform in the program of Aid to Families with Dependent Children, with a view to designing an integrated, comprehensive statewide program for presentation to the legislature during the 1996 session. Members shall design a program which encourages family self-sufficiency and promotes work and which is coordinated and integrated with the Minnesota STRIDE program, the MFIP program, the targeted jobs program developed under section 268.905, and any changes enacted by the Congress during the 1995 session. Members shall also review the temporary county assistance program authorized by Minnesota Statutes, section 256D.23, and make recommendations on that program to the 1996 legislature.

The departments of human services and economic security shall assist the task force by providing information as requested. The task force shall seek input from a wide variety of groups, including state agencies, the governor's office, county agencies, advocacy groups including representatives of non-English-speaking constituencies, welfare recipients, and local and national experts. The task force shall be assisted as necessary by legislative staff.

Subd. 3. [REPORT.] The task force shall present a report containing its recommendations on the temporary county assistance program and its proposal for comprehensive welfare reform, with draft legislation, to the legislature by February 1, 1996. The report shall specify federal waivers needed and set timelines for implementation.

ARTICLE 2

WELFARE REFORM

Section 1. Minnesota Statutes 1994, section 256.01, is amended by adding a subdivision to read:

Subd. 4a. [TECHNICAL ASSISTANCE FOR IMMUNIZATION REMINDERS.] The state agency shall provide appropriate technical assistance to county agencies to develop methods to have county financial workers remind and encourage recipients of aid to families with dependent children, the Minnesota family investment plan, medical assistance, family general assistance, or food stamps whose assistance unit includes at least one child under the age of five to have each young child immunized against childhood diseases. The state agency must examine the feasibility of utilizing the capacity of a statewide computer system to assist county agency financial workers in performing this function at appropriate intervals.

Sec. 2. Minnesota Statutes 1994, section 256.01, is amended by adding a subdivision to read:

Subd. 13. [PILOT PROJECT; PROTOCOLS FOR PERSONS LACKING PROFICIENCY IN ENGLISH.] The commissioner of human services shall establish pilot projects in Hennepin and Ramsey counties to provide language assistance to clients applying for or receiving aid through

the county social service agency. The projects shall be designed to provide translation, in the five foreign languages that are most common to applicants and recipients in the pilot counties, to individuals lacking proficiency in English, who are applying for or receiving assistance under any program supervised by the commissioner of human services. As part of the project, the commissioner shall ensure that the Combined Application Form (CAF) is available in these five languages. The projects shall also provide language assistance to individuals applying for or receiving aid under programs which the department of human services operates jointly with other executive branch agencies, including all work and training programs operated under chapters 256 and 256D. The purpose of the pilot projects is to ensure that information regarding a program is presented in translation to applicants for and recipients of assistance who lack proficiency in English. In preparing the protocols to be used in the pilot programs, the commissioner shall seek input from the following groups: advocacy organizations that represent non-English speaking clients, county social service agencies, legal advocacy groups, employment and training providers, and other affected groups. The commissioner shall develop the protocols by October 1, 1995, and shall implement them as soon as feasible in the pilot counties. The commissioner shall report to the legislature by February 1, 1996, on the protocols developed, on the status of their implementation in the pilot counties, and shall include recommendations for statewide implementation.

Sec. 3. Minnesota Statutes 1994, section 256.73, is amended by adding a subdivision to read:

Subd. 3b. [ELIGIBILITY NOT BARRED BY WORKING OVER 99 HOURS; PAST EMPLOYMENT HISTORY; 30-DAY WAITING PERIOD.] An individual receiving assistance may work over 99 hours per month and remain eligible for assistance, provided all other requirements of the aid to families with dependent children-unemployed parent program are met. The applicant is not required to demonstrate past employment history or 30 days of prior unemployment to be eligible for AFDC-unemployed parent. This subdivision is effective upon federal approval and implementation of the waiver under section 46, subdivision 4.

Sec. 4. Minnesota Statutes 1994, section 256.73, is amended by adding a subdivision to read:

Subd. 5a. [PARENTING OR PREGNANT MINORS; RESTRICTION ON ASSISTANCE WITH FEDERAL EXCEPTIONS.] (a) The definitions in this paragraph only apply to this subdivision.

(1) "Minor parent" means an individual who:

(i) is under the age of 18;

(ii) has never been married or otherwise legally emancipated; and

(iii) is either the natural parent of a dependent child living in the same household or eligible for assistance paid to a pregnant woman under subdivision 5.

(2) "Household of a parent, legal guardian, or other adult relative" means the place of residence of:

(i) a natural or adoptive parent;

(ii) a legal guardian pursuant to appointment or acceptance under section 260.242, 525.615, or 525.6165, and related laws; or

(iii) another individual who is age 18 or over and related to the minor parent as specified in Code of Federal Regulations, title 45, section 233.90(c)(1)(v), provided that the residence is maintained as a home for the minor parent and child under Code of Federal Regulations, title 45, section 233.90(c)(1)(v)(B).

(3) "Adult-supervised supportive living arrangement" means a private family setting which assumes responsibility for the care and control of the minor parent and dependent child, or other living arrangement, not including a public institution, licensed by the commissioner of human services which ensures that the minor parent receives adult supervision and supportive services, such as counseling, guidance, independent living skills training, or supervision.

(b) A minor parent and the dependent child who is in the care of the minor parent must reside in the household of a parent, legal guardian, or other adult relative, or in an adult-supervised supportive living arrangement in order to receive AFDC unless:

- (1) the minor parent has no living parent or legal guardian whose whereabouts is known;
- (2) no living parent or legal guardian of the minor parent allows the minor parent to live in the parent's or legal guardian's home;
- (3) the minor parent lived apart from the minor parent's own parent or legal guardian for a period of at least one year before either the birth of the dependent child or the minor parent's application for AFDC;
- (4) the physical or emotional health or safety of the minor parent or dependent child would be jeopardized if the minor parent and the dependent child resided in the same residence with the minor parent's parent or legal guardian;
- (5) the minor parent and dependent child have, on the effective date of this section, been living independently as part of an approved social services plan for less than one year; or
- (6) an adult supervised supportive living arrangement is not available for the minor parent and the dependent child in the county in which the minor currently resides. If an adult supervised supportive living arrangement becomes available within the county, the minor parent and child must reside in that arrangement.

(c) Minor applicants must be informed orally and in writing about the eligibility requirements and their rights and obligations under the AFDC program. The county must advise the minor of the possible exemptions and specifically ask whether one or more of these exemptions is applicable. If the minor alleges one or more of these exemptions, then the county must assist the minor in obtaining the necessary verifications to determine whether or not these exemptions apply.

(d) If the county worker has reason to suspect that the physical or emotional health or safety of the minor parent or dependent child would be jeopardized if they resided with the minor parent's parent or legal guardian, then the county worker must make a referral to child protective services to determine if paragraph (b), clause (4), applies. A new determination by the county worker is not necessary if one has been made within the last six months, unless there has been a significant change in circumstances which justifies a new referral and determination.

(e) If a minor parent is not living with a parent or legal guardian due to paragraph (b), clause (1), (2), or (4), the minor parent must reside, when possible, in a living arrangement that meets the standards of paragraph (a), clause (3).

(f) When a minor parent and his or her dependent child live with the minor parent's parent, legal guardian, or other adult relative, or in an adult supervised supportive living arrangement, AFDC must be paid, when possible, in the form of a protective payment on behalf of the minor parent and dependent child in accordance with Code of Federal Regulations, title 45, section 234.60.

Sec. 5. Minnesota Statutes 1994, section 256.73, subdivision 8, is amended to read:

Subd. 8. [RECOVERY OF OVERPAYMENTS.] (a) Except as provided in subdivision 8a, if an amount of aid to families with dependent children assistance is paid to a recipient in excess of the payment due, it shall be recoverable by the county agency. The agency shall give written notice to the recipient of its intention to recover the overpayment.

(b) When an overpayment occurs, the county agency shall recover the overpayment from a current recipient by reducing the amount of aid payable to the assistance unit of which the recipient is a member for one or more monthly assistance payments until the overpayment is repaid. All county agencies in the state shall reduce the assistance payment by three percent of the assistance unit's standard of need or the amount of the monthly payment, whichever is less, for all overpayments whether or not the overpayment is due solely to agency error. If the overpayment is due solely to having wrongfully obtained assistance, whether based on a court order, the finding of an administrative fraud disqualification hearing or a waiver of such a hearing, or a confession of

judgment containing an admission of an intentional program violation, the amount of this reduction shall be ten percent. In cases when there is both an overpayment and underpayment, the county agency shall offset one against the other in correcting the payment.

(c) Overpayments may also be voluntarily repaid, in part or in full, by the individual, in addition to the above aid reductions, until the total amount of the overpayment is repaid.

(d) The county agency shall make reasonable efforts to recover overpayments to persons no longer on assistance in accordance with standards adopted in rule by the commissioner of human services. The county agency need not attempt to recover overpayments of less than \$35 paid to an individual no longer on assistance if the individual does not receive assistance again within three years, unless the individual has been convicted of fraud under section 256.98.

Sec. 6. Minnesota Statutes 1994, section 256.73, is amended by adding a subdivision to read:

Subd. 8a. [START WORK OFFSET.] An overpayment resulting from earned income received in the first month of employment is not recoverable by the county agency provided the aid to families with dependent children assistance unit has not voluntarily quit employment, without good cause under section 268.09, subdivision 1, paragraph (a), in the past two years. A "start work offset" for purposes of this subdivision is the amount of the overpayment the assistance unit would otherwise be required to repay to the county under subdivision 8. This subdivision is effective upon federal approval and implementation of the waiver under section 46, subdivision 3.

Sec. 7. [256.7341] [TEMPORARY PUBLIC SERVICE OR COMMUNITY SERVICE JOBS.]

A participant, except an obligor participating in an approved community investment program under section 518.551, may not work in a temporary public service or community service job for a public employer for more than 67 working days or 536 hours in a calendar year, whichever is greater, as part of a work program established under this chapter except by written agreement of the exclusive representative of affected employees of the public employer. Upon the written request of the exclusive bargaining representative, a county or public service employer shall make available to the affected exclusive bargaining representative a report of hours worked by participants in temporary public service or community service jobs.

Sec. 8. Minnesota Statutes 1994, section 256.736, subdivision 3a, is amended to read:

Subd. 3a. [PARTICIPATION.] (a) Except as provided under paragraphs (b) and (c), participation in employment and training services under this section is limited to the following recipients:

- (1) caretakers who are required to participate in a job search under subdivision 14;
- (2) custodial parents who are subject to the school attendance or case management participation requirements under subdivision 3b;
- (3) caretakers whose participation in employment and training services began prior to May 1, 1990, if the caretaker's AFDC eligibility has not been interrupted for 30 days or more and the caretaker's employability development plan has not been completed;
- (4) recipients who are members of a family in which the youngest child is within two years of being ineligible for AFDC due to age;
- (5) custodial parents under the age of 24 who: (i) have not completed a high school education and who, at the time of application for AFDC, were not enrolled in high school or in a high school equivalency program; or (ii) have had little or no work experience in the preceding year;
- (6) recipients who have received AFDC for 36 or more months out of the last 60 months;
- (7) recipients who are participants in the self-employment investment demonstration project under section 268.95; and
- (8) recipients who participate in the new chance research and demonstration project under contract with the department of human services.

(b) If the commissioner determines that participation of persons listed in paragraph (a) in employment and training services is insufficient either to meet federal performance targets or to fully utilize funds appropriated under this section, the commissioner may, after notifying the chairs of the senate family services committee, the house health and human services committee, the family services division of the senate family services and health care committees, and the human services division of the house health and human services committee, permit additional groups of recipients to participate until the next meeting of the legislative advisory commission, after which the additional groups may continue to enroll for participation unless the legislative advisory commission disapproves the continued enrollment. The commissioner shall allow participation of additional groups in the following order only as needed to meet performance targets or fully utilize funding for employment and training services under this section:

(1) recipients who have received 24 or more months of AFDC out of the previous 48 months; and

(2) recipients who have not completed a high school education or a high school equivalency program.

(c) To the extent of money appropriated specifically for this paragraph, the commissioner may permit AFDC caretakers who are not eligible for participation in employment and training services under the provisions of paragraph (a) or (b) to participate. Money must be allocated to county agencies based on the county's percentage of participants statewide in services under this section in the prior calendar year. Caretakers must be selected on a first-come, first-served basis from a waiting list of caretakers who volunteer to participate. The commissioner may, on a quarterly basis, reallocate unused allocations to county agencies that have sufficient volunteers. If funding under this paragraph is discontinued in future fiscal years, caretakers who began participating under this paragraph must be deemed eligible under paragraph (a), clause (3).

(d) Participants who are eligible and enroll in the STRIDE program under one of the categories of this subdivision are required to cooperate with the assessment and employability plan development, and to meet the terms of their employability plan. Failure to comply, without good cause, shall result in the imposition of sanctions as specified in subdivision 4, clause (6).

Sec. 9. Minnesota Statutes 1994, section 256.736, subdivision 4a, is amended to read:

Subd. 4a. [NOTICE, CONCILIATION, AND RIGHT OF APPEAL.] If the employment and training service provider determines that the caretaker has failed or refused, without good cause, to cooperate or accept employment, the employment and training service provider shall issue to the caretaker a written notice of its determination of noncooperation or refusal to accept employment. The notice must include a detailed explanation of the reason for the determination and must specify the consequences for failure or refusal to cooperate or accept employment, the actions which the employment and training service provider believes are necessary for the caretaker to comply with the employment and training program, and the right to request, within ten days of receipt of the date the notice was mailed or hand delivered, a conciliation conference. The employment and training service provider or the county agency must conduct a conciliation conference within five days of a timely request. If the dispute between the employment and training service provider and the caretaker is not resolved in the conciliation conference or a request for a conciliation conference is not made within the required time, ~~then~~ the employment and training service provider shall notify the county board of a caretaker's failure without good cause to cooperate or accept employment. Unless the county agency has evidence to the contrary, the county agency shall implement the sanction provisions of subdivision 4. Any determination, action, or inaction on the part of the county board relating to a caretaker's participation under section 256.736 is subject to the notice and hearing procedures in section 256.045, and Code of Federal Regulations, title 45, section 205.10.

Sec. 10. Minnesota Statutes 1994, section 256.736, subdivision 5, is amended to read:

Subd. 5. [EXTENSION OF EMPLOYMENT AND TRAINING OPPORTUNITIES.] The commissioner of human services shall cooperate with the commissioner of economic security and the commissioner of trade and economic development to extend the availability of training and employment opportunities on a statewide basis and to assist local employment advisory groups convened under this subdivision. The county welfare agency may convene an employment

advisory group which shall include but not be limited to representatives from the local chamber of commerce, from major area employers, from private and public collective bargaining units who shall be represented by their exclusive representatives, from secondary and post-secondary educational institutions in the community, and from job services offices operated by the commissioner of economic security under chapter 268. The county welfare agency shall work with the local employment advisory group to maximize the job opportunities for welfare clients. In a county where a private industry council has been established, the county welfare agency may work with the council to maximize job opportunities in lieu of or in addition to convening an employment advisory group.

Sec. 11. Minnesota Statutes 1994, section 256.736, subdivision 10, is amended to read:

Subd. 10. [COUNTY DUTIES.] (a) To the extent of available state appropriations, county boards shall:

(1) refer all mandatory and eligible volunteer caretakers permitted to participate under subdivision 3a to an employment and training service provider for participation in employment and training services;

(2) identify to the employment and training service provider the target group of which the referred caretaker is a member;

(3) provide all caretakers with an orientation which meets the requirements in subdivisions 10a and 10b;

(4) work with the employment and training service provider to encourage voluntary participation by caretakers in the target groups;

(5) work with the employment and training service provider to collect data as required by the commissioner;

(6) to the extent permissible under federal law, require all caretakers coming into the AFDC program to attend orientation;

(7) encourage nontarget caretakers to develop a plan to obtain self-sufficiency;

(8) notify the commissioner of the caretakers required to participate in employment and training services;

(9) inform appropriate caretakers of opportunities available through the head start program and encourage caretakers to have their children screened for enrollment in the program where appropriate;

(10) provide transportation assistance using available funds to caretakers who participate in employment and training programs;

(11) ensure that orientation, job search, services to custodial parents under the age of 20, educational activities and work experience for AFDC-UP families, and case management services are made available to appropriate caretakers under this section, except that payment for case management services is governed by subdivision 13;

(12) explain in its local service unit plan under section 268.88 how it will ensure that target caretakers determined to be in need of social services are provided with such social services. The plan must specify how the case manager and the county social service workers will ensure delivery of needed services;

(13) to the extent allowed by federal laws and regulations, provide a job search program as defined in subdivision 14, a community work experience program as defined in section 256.737, grant diversion as defined in section 256.739, and on-the-job training as defined in section 256.738. A county may also provide another work and training program approved by the commissioner and the secretary of the United States Department of Health and Human Services. Planning and approval for employment and training services listed in this clause must be obtained through submission of the local service unit plan as specified under section 268.88. A county is

not required to provide a community work experience program if the county agency is successful in placing at least 40 percent of the monthly average of all caretakers who are subject to the job search requirements of subdivision 14 in grant diversion or on-the-job training program;

(14) prior to participation, provide an assessment of each AFDC recipient who is required or volunteers to participate in an approved employment and training service. The assessment must include an evaluation of the participant's (i) educational, child care, and other supportive service needs; (ii) skills and prior work experience; and (iii) ability to secure and retain a job which, when wages are added to child support, will support the participant's family. The assessment must also include a review of the results of the early and periodic screening, diagnosis and treatment (EPSDT) screening and preschool screening under chapter 123, if available; the participant's family circumstances; and, in the case of a custodial parent under the age of 18, a review of the effect of a child's development and educational needs on the parent's ability to participate in the program;

(15) develop an employability development plan for each recipient for whom an assessment is required under clause (14) which: (i) reflects the assessment required by clause (14); (ii) takes into consideration the recipient's physical capacity, skills, experience, health and safety, family responsibilities, place of residence, proficiency, child care and other supportive service needs; (iii) is based on available resources and local employment opportunities; (iv) specifies the services to be provided by the employment and training service provider; (v) specifies the activities the recipient will participate in, including the worksite to which the caretaker will be assigned, if the caretaker is subject to the requirements of section 256.737, subdivision 2; (vi) specifies necessary supportive services such as child care; (vii) reflects the effort to arrange mandatory activities so that the activities do not interfere with access to available English as a second language classes and to the extent possible, reflects the preferences of the participant; and (viii) includes a written agreement between the county agency and the caretaker that outlines a reasonable schedule for completing the plan, including specific completion deadlines, and confirms that (A) there is a market for full-time employees with this education or training where the caretaker will or is willing to reside upon completion of the program; (B) the average wage level for employees with this education or training is greater than the caretaker can earn without this education or training; (C) the caretaker has the academic ability to successfully complete the program; and (D) there is a reasonable expectation that the caretaker will complete the training program based on such factors as the caretaker's previous education, training, work history, current motivation, and changes in previous circumstances; and (ix) specifies the recipient's long-term employment goal which shall lead to self-sufficiency;

(16) provide written notification to and obtain the written ~~or oral~~ concurrence of the appropriate exclusive bargaining representatives with respect to job duties covered under collective bargaining agreements ~~to~~ and assure that no work assignment under this section or sections 256.737, 256.738, and 256.739, or the Minnesota parent's fair share mandatory community work experience program results in: (i) termination, layoff, or reduction of the work hours of an employee for the purpose of hiring an individual under this section or sections 256.737, 256.738, and 256.739; (ii) the hiring of an individual if any other person is on layoff from the same or a substantially equivalent job; (iii) any infringement of the promotional opportunities of any currently employed individual; (iv) the impairment of existing contracts for services or collective bargaining agreements; or (v) except for on-the-job training under section 256.738, a participant filling an established unfilled position vacancy. If an exclusive bargaining representative and a county or public service employer disagree regarding whether job duties are covered under a collective bargaining agreement, the exclusive bargaining representative or the county or public service employer may petition the bureau of mediation services, and the bureau shall determine if the job duties are covered by a collective bargaining agreement; and

(17) assess each caretaker in an AFDC-UP family who is under age 25, has not completed high school or a high school equivalency program, and who would otherwise be required to participate in a work experience placement under section 256.737 to determine if an appropriate secondary education option is available for the caretaker. If an appropriate secondary education option is determined to be available for the caretaker, the caretaker must, in lieu of participating in work experience, enroll in and meet the educational program's participation and attendance requirements. "Secondary education" for this paragraph means high school education or education designed to prepare a person to qualify for a high school equivalency certificate, basic and

remedial education, and English as a second language education. A caretaker required to participate in secondary education who, without good cause, fails to participate shall be subject to the provisions of subdivision 4a and the sanction provisions of subdivision 4, clause (6). For purposes of this clause, "good cause" means the inability to obtain licensed or legal nonlicensed child care services needed to enable the caretaker to attend, inability to obtain transportation needed to attend, illness or incapacity of the caretaker or another member of the household which requires the caretaker to be present in the home, or being employed for more than 30 hours per week.

(b) Funds available under this subdivision may not be used to assist, promote, or deter union organizing.

(c) A county board may provide other employment and training services that it considers necessary to help caretakers obtain self-sufficiency.

(d) Notwithstanding section 256G.07, when a target caretaker relocates to another county to implement the provisions of the caretaker's case management contract or other written employability development plan approved by the county human service agency, its case manager or employment and training service provider, the county that approved the plan is responsible for the costs of case management and other services required to carry out the plan, including employment and training services. The county agency's responsibility for the costs ends when all plan obligations have been met, when the caretaker loses AFDC eligibility for at least 30 days, or when approval of the plan is withdrawn for a reason stated in the plan, whichever occurs first. Responsibility for the costs of child care must be determined under chapter 256H. A county human service agency may pay for the costs of case management, child care, and other services required in an approved employability development plan when the nontarget caretaker relocates to another county or when a target caretaker again becomes eligible for AFDC after having been ineligible for at least 30 days.

Sec. 12. Minnesota Statutes 1994, section 256.736, subdivision 10a, is amended to read:

Subd. 10a. [ORIENTATION.] (a) Each county agency must provide an orientation to all caretakers within its jurisdiction in the time limits described in this paragraph:

(1) within 60 days of being determined eligible for AFDC for caretakers with a continued absence or incapacitated parent basis of eligibility; or

(2) within 30 days of being determined eligible for AFDC for caretakers with an unemployed parent basis of eligibility.

(b) Caretakers are required to attend an in-person orientation if the caretaker is a member of one of the groups listed in subdivision 3a, paragraph (a), unless the caretaker is exempt from registration under subdivision 3 and the caretaker's exemption basis will not expire within 60 days of being determined eligible for AFDC, or the caretaker is enrolled at least half time in any recognized school, training program, or institution of higher learning and the in-person orientation cannot be scheduled at a time that does not interfere with the caretaker's school or training schedule. The county agency shall require attendance at orientation of caretakers described in subdivision 3a, paragraph (b) or (c), if the commissioner determines that the groups are eligible for participation in employment and training services.

(c) The orientation must consist of a presentation that informs caretakers of:

(1) the identity, location, and phone numbers of employment and training and support services available in the county;

(2) the types and locations of child care services available through the county agency that are accessible to enable a caretaker to participate in educational programs or employment and training services;

(3) the child care resource and referral program designated by the commissioner providing education and assistance to select child care services and a referral to the child care resource and referral when assistance is requested;

- (4) the obligations of the county agency and service providers under contract to the county agency;
- (5) the rights, responsibilities, and obligations of participants;
- (6) the grounds for exemption from mandatory employment and training services or educational requirements;
- (7) the consequences for failure to participate in mandatory services or requirements;
- (8) the method of entering educational programs or employment and training services available through the county;
- (9) the availability and the benefits of the early and periodic, screening, diagnosis and treatment (EPSDT) program and preschool screening under chapter 123;
- (10) their eligibility for transition year child care assistance when they lose eligibility for AFDC due to their earnings;
- (11) their eligibility for extended medical assistance when they lose eligibility for AFDC due to their earnings; and
- (12) the availability and benefits of the Head Start program.

(d) All orientation programs should provide information to caretakers on parenting, nutrition, household management, food preparation, and other subjects relevant to promoting family integration and self-sufficiency and provide detailed information on community resources available for training sessions on these topics.

(e) Orientation must encourage recipients to view AFDC as a temporary program providing grants and services to individuals who set goals and develop strategies for supporting their families without AFDC assistance. The content of the orientation must not imply that a recipient's eligibility for AFDC is time limited. Orientation may be provided through audio-visual methods, but the caretaker must be given an opportunity for face-to-face interaction with staff of the county agency or the entity providing the orientation, and an opportunity to express the desire to participate in educational programs and employment and training services offered through the county agency.

(f) County agencies shall not require caretakers to attend orientation for more than three hours during any period of 12 continuous months. The county agency shall also arrange for or provide needed transportation and child care to enable caretakers to attend.

The county or, under contract, the county's employment and training service provider shall mail written orientation materials containing the information specified in paragraph (c), clauses (1) to (3) and (8) to (12), to each caretaker exempt from attending an in-person orientation or who has good cause for failure to attend after at least two dates for their orientation have been scheduled. The county or the county's employment and training service provider shall follow up with a phone call or in writing within two weeks after mailing the material.

(g) Persons required to attend orientation must be informed of the penalties for failure to attend orientation, support services to enable the person to attend, what constitutes good cause for failure to attend, and rights to appeal. Persons required to attend orientation must be offered a choice of at least two dates for their first scheduled orientation. No person may be sanctioned for failure to attend orientation until after a second failure to attend.

(h) Good cause for failure to attend an in-person orientation exists when a caretaker cannot attend because of:

- (1) temporary illness or injury of the caretaker or of a member of the caretaker's family that prevents the caretaker from attending an orientation during the hours when the orientation is offered;
- (2) a judicial proceeding that requires the caretaker's presence in court during the hours when orientation is scheduled; or

(3) a nonmedical emergency that prevents the caretaker from attending an orientation during the hours when orientation is offered. "Emergency" for the purposes of this paragraph means a sudden, unexpected occurrence or situation of a serious or urgent nature that requires immediate action.

(h) (i) Caretakers must receive a second orientation only when:

(1) there has been a 30-day break in AFDC eligibility; and

(2) the caretaker has not attended an orientation within the previous 12-month period, excluding the month of reapplication for AFDC.

Sec. 13. Minnesota Statutes 1994, section 256.736, subdivision 14, is amended to read:

Subd. 14. [JOB SEARCH.] (a) Each county agency must establish and operate a job search program as provided under this section. Unless all caretakers in the household are exempt, the principal wage earner in an AFDC UP assistance unit must one nonexempt caretaker in each AFDC-UP household must be referred to and begin participation in the job search program within 30 days of being determined eligible for AFDC. If the principal wage earner is exempt from participation in job search, the other caretaker must be referred to and begin participation in the job search program within 30 days of being determined eligible for AFDC. The principal wage earner or the other assistance unit contains more than one nonexempt caretaker, the caretakers may determine which caretaker shall participate. The designation may be changed only once annually at the annual redetermination of eligibility. If no designation is made or if the caretakers cannot agree, the county agency shall designate the caretaker having earned the greater of the incomes, including in-kind income, during the 24-month period immediately preceding the month of application for AFDC benefits as the caretaker that must participate. When no designation is made or the caretakers cannot agree and neither caretaker had earnings or the earnings were identical for each caretaker, then the county agency shall designate the caretaker who must participate. A caretaker is exempt from job search participation if:

(1) the caretaker is exempt from registration under subdivision 3; or

(2) the caretaker is under age 25, has not completed a high school diploma or an equivalent program, and is participating in a secondary education program as defined in subdivision 10, paragraph (a), clause (17), which is approved by the employment and training service provider in the employability development plan.

(b) The job search program must provide four consecutive weeks of job search activities for no less than 20 hours per week but not more than 32 hours per week. The employment and training service provider shall specify for each participating caretaker the number of weeks and hours of job search to be conducted and shall report to the county agency if the caretaker fails to cooperate with the job search requirement. A person for whom lack of proficiency in English, as determined by an appropriate evaluation, is a barrier to employment, can choose to attend an available intensive, functional work literacy program for a minimum of 20 hours in place of the 20 hours of job search activities. The caretaker's employability development plan must include the length of time needed in the program, specific outcomes, attendance requirements, completion dates, and employment goals as they pertain to the intensive literacy program.

(c) The job search program may provide services to non-AFDC-UP caretakers.

(d) After completion of job search requirements in this section, nonexempt caretakers shall be placed in and must participate in and cooperate with the work experience program under section 256.737, the on-the-job training program under section 256.738, or the grant diversion program under section 256.739. Caretakers must be offered placement in a grant diversion or on-the-job training program, if either such employment is available, before being required to participate in a community work experience program under section 256.737. When a nonexempt caretaker fails to cooperate with the job search program, the work experience program, the on-the-job training program, or the community work experience program and is subject to the sanction provisions of subdivision 4, the second caretaker in the assistance unit, unless exempt, must also be removed from the grant unless that second caretaker has been referred to and has started participating in the job search program and subsequently in the work experience program, the on-the-job training

program, or the community work experience program prior to the date the sanction begins for the first caretaker. The second caretaker is ineligible for AFDC until the first caretaker's sanction ends or the second caretaker cooperates with the requirements.

Sec. 14. Minnesota Statutes 1994, section 256.736, subdivision 16, is amended to read:

Subd. 16. [ALLOCATION AND USE OF MONEY.] (a) State money appropriated for employment and training services under this section must be allocated to counties as specified in paragraphs (b) to ~~(j)~~ (l).

(b) For purposes of this subdivision, "targeted caretaker" means a recipient who:

(1) is a custodial parent under the age of 24 who: (i) has not completed a high school education and at the time of application for AFDC is not enrolled in high school or in a high school equivalency program; or (ii) had little or no work experience in the preceding year;

(2) is a member of a family in which the youngest child is within two years of being ineligible for AFDC due to age; or

(3) has received 36 months or more of AFDC over the last 60 months.

(c) One hundred percent of the money appropriated for case management services as described in subdivision 11 must be allocated to counties based on the average number of cases in each county described in clause (1). Money appropriated for employment and training services as described in subdivision 1a, paragraph (d), other than case management services, must be allocated to counties as follows:

(1) Forty percent of the state money must be allocated based on the average number of cases receiving AFDC in the county which either have been open for 36 or more consecutive months or have a caretaker who is under age 24 and who has no high school or general equivalency diploma. The average number of cases must be based on counts of these cases as of March 31, June 30, September 30, and December 31 of the previous year.

(2) Twenty percent of the state money must be allocated based on the average number of cases receiving AFDC in the county which are not counted under clause (1). The average number of cases must be based on counts of cases as of March 31, June 30, September 30, and December 31 of the previous year.

(3) Twenty-five percent of the state money must be allocated based on the average monthly number of assistance units in the county receiving AFDC-UP for the period ending December 31 of the previous year.

(4) Fifteen percent of the state money must be allocated at the discretion of the commissioner based on participation levels for target group members in each county.

(d) No more than 15 percent of the money allocated under paragraph (b) and no more than 15 percent of the money allocated under paragraph (c) may be used for administrative activities.

(e) At least 55 percent of the money allocated to counties under paragraph (c) must be used for employment and training services for caretakers in the target groups, and up to 45 percent of the money may be used for employment and training services for nontarget caretakers. One hundred percent of the money allocated to counties for case management services must be used to provide those services to caretakers in the target groups.

(f) Money appropriated to cover the nonfederal share of costs for bilingual case management services to refugees for the employment and training programs under this section are allocated to counties based on each county's proportion of the total statewide number of AFDC refugee cases. However, counties with less than one percent of the statewide number of AFDC refugee cases do not receive an allocation.

(g) Counties, the department of economic security, and entities under contract with either the department of economic security or the department of human services for provision of ~~Project~~ STRIDE related services shall bill the commissioner of human services for any expenditures

incurred by the county, the county's employment and training service provider, or the department of economic security that may be reimbursed by federal money. The commissioner of human services shall bill the United States Department of Health and Human Services and the United States Department of Agriculture for the reimbursement and appropriate the reimbursed money to the county, the department of economic security, or employment and training service provider that submitted the original bill. The reimbursed money must be used to expand employment and training services.

(h) The commissioner of human services shall review county expenditures of case management and employment and training block grant money at the end of the third quarter of the biennium and each quarter after that, and may reallocate unencumbered or unexpended money allocated under this section to those counties that can demonstrate a need for additional money. Reallocation of funds must be based on the formula set forth in paragraph (a), excluding the counties that have not demonstrated a need for additional funds.

(i) The county agency may continue to provide case management and supportive services to a participant for up to 90 days after the participant loses AFDC eligibility and may continue providing a specific employment and training service for the duration of that service to a participant if funds for the service are obligated or expended prior to the participant losing AFDC eligibility.

(j) One hundred percent of the money appropriated for an unemployed parent work experience program under section 256.737 must be allocated to counties based on the average monthly number of assistance units in the county receiving AFDC-UP for the period ending December 31 of the previous year.

(k) The commissioner may waive the requirement of paragraph (e) that case management funds be spent only on case management services in order to permit the development of a unified STRIDE funding allocation for each county agency. The unified allocation may be expended by the county agency for case management and employment and training activities in the proportion determined necessary to streamline administrative procedures and enhance program performance. The commissioner, in consultation with the commissioner of economic security, may also grant a waiver from program spending limits in paragraphs (d) and (e) to any county which can demonstrate increased program effectiveness through a written request to the department. Counties which request a waiver of the spending limits in paragraphs (d) and (e) shall amend their local service unit plans and receive approval of the plans prior to commencing the waiver. The commissioners of human services and economic security shall annually evaluate the effectiveness of all waivers approved under this subdivision.

(l) Effective July 1, 1995, the commissioner of human services shall begin developing a performance model for the purpose of analyzing each county's performance in the provision of STRIDE employment and training services. Beginning February 1, 1997, and each year thereafter, the commissioner of human services shall inform each county of the county's performance based upon the following measures:

- (1) employment rate at termination of STRIDE eligibility;
- (2) wage rate at termination of STRIDE eligibility;
- (3) average annual cost per placement calculated by dividing the total STRIDE expenditures by the number of participants placed in unsubsidized employment;
- (4) AFDC-UP participation rate;
- (5) percentage of 18- and 19-year-old custodial parents subject to secondary education requirements of subdivision 3b who complete secondary education or equivalent course of study; and
- (6) achievement of federally mandated JOBS participation rate.

Performance measures (1), (2), and (3) shall be adjusted to reflect local conditions.

County agencies must take the results of these performance measures into consideration when selecting employment and training service providers.

Sec. 15. Minnesota Statutes 1994, section 256.736, is amended by adding a subdivision to read:

Subd. 20. [SPECIAL PROVISIONS FOR PERSONS PARTICIPATING IN EDUCATIONAL PROGRAMS.] The provisions of this subdivision are applicable to all project STRIDE participants, including those subject to subdivision 3b and section 256.737.

(a) For recipients eligible to participate under subdivision 3b who are enrolled in a high school equivalency program on a full-time basis, there is no work requirement. Individuals who are enrolled part time in a high school equivalency program must take classroom instruction for at least six hours per week, meet the attendance and satisfactory progress requirements as defined by the employment and training service provider in consultation with the provider of the high school equivalency program, and concurrently work a monthly average of not less than 64 hours in employment paying at least minimum wage or in documented volunteer work. Hours spent assisting at a licensed day care center shall count toward the weekly hours needed to fulfill the employment or volunteer requirement. "Volunteer work" shall include attendance at parenting skill classes. Failure to comply, without good cause, with this requirement shall result in the imposition of sanctions as specified in subdivision 4, clause (6).

(b) Concurrent with participation in post-secondary education or training approved in an employability development plan under subdivision 10, paragraph (a), clause (15), the participant must work at a minimum the number of hours per month prescribed by this subdivision in employment paying at least minimum wage or in documented volunteer work for a public or nonprofit agency and agree to search for and accept any offer of suitable employment upon completion of the education or training. For individuals who are participating in an educational program under this paragraph on a full-time basis as determined by the institution, there is no work requirement. For individuals participating in an educational program on a part-time basis as determined by the institution, the number of hours that a participant must work shall be increased or decreased in inverse proportion to the number of credit hours being taken, with a maximum of eight hours weekly of work. Hours spent assisting at a licensed day care center shall count towards the weekly hours needed to fulfill the employment or volunteer requirement. "Volunteer work" shall include attendance at parenting skill classes.

Sec. 16. Minnesota Statutes 1994, section 256.737, subdivision 1a, is amended to read:

Subd. 1a. [COMMISSIONER'S DUTIES.] The commissioner shall: (a) assist counties in the design and implementation of these programs; (b) promulgate, in accordance with chapter 14, emergency rules necessary for the implementation of this section, except that the time restrictions of section 14.35 shall not apply and the rules may be in effect until June 30, 1993, unless superseded by permanent rules; (c) seek any federal waivers necessary for proper implementation of this section in accordance with federal law; (d) ensure that participants at CWEP worksites are assigned to work, and require revision of the CWEP work plan in cases where work is not available at the site; (e) shall design and implement an intensive, functional work literacy program that addresses the barriers to employment for nonexempt caretakers in AFDC-UP households who lack proficiency in English. The commissioner is encouraged to work with adult basic education providers to provide functional work literacy services, where available. The intensive, functional work literacy program must be designed to assist nonexempt caretakers in AFDC-UP households achieve self-sufficiency by enhancing their employability through concurrent participation in meaningful work experience, job search skills, and functional work literacy; and ~~(d)~~ (f) prohibit the use of participants in the programs to do work that was part or all of the duties or responsibilities of an authorized public employee bargaining unit position established as of January 1, 1993. The exclusive bargaining representative shall be notified no less than 14 days in advance of any placement by the community work experience program. Written or oral concurrence with respect to job duties of persons placed under the community work experience program shall be obtained from the appropriate exclusive bargaining representative within seven days. The appropriate oversight committee shall be given monthly lists of all job placements under a community work experience program.

Sec. 17. Minnesota Statutes 1994, section 256.737, subdivision 2, is amended to read:

Subd. 2. [PROGRAM REQUIREMENTS.] (a) Worksites developed under this section are limited to projects that serve a useful public service such as: health, social service, environmental

protection, education, urban and rural development and redevelopment, welfare, recreation, public facilities, public safety, community service, services to aged or disabled citizens, and child care. To the extent possible, the prior training, skills, and experience of a recipient must be used in making appropriate work experience assignments.

(b) As a condition to placing a person receiving aid to families with dependent children in a program under this subdivision, the county agency shall first provide the recipient the opportunity:

(1) for placement in suitable subsidized or unsubsidized employment through participation in job search under section 256.736, subdivision 14; or

(2) for placement in suitable employment through participation in on-the-job training under section 256.738 or grant diversion under section 256.739, if such employment is available.

(c) A caretaker referred to job search under section 256.736, subdivision 14, and who has failed to secure suitable employment must participate in a community work experience program.

(d) The county agency shall limit the maximum number of hours any participant under this section may work in any month to:

(1) for counties operating an approved mandatory community work experience program as of January 1, 1993, who elect this method for countywide operations, a number equal to the amount of the aid to families with dependent children payable to the family divided by the greater of the federal minimum wage or the applicable state minimum wage; or

(2) for all other counties, a caretaker must participate in any week 20 hours with no less than 16 hours spent participating in a work experience placement and no more than four of the hours spent in alternate activities as described in the caretaker's employability development plan. A person for whom lack of proficiency in English, as determined by an appropriate evaluation, is a barrier to employment, can choose to attend an available intensive, functional work literacy program and the hours will be applied to the four hours of alternate activities. The caretaker's employability development plan must include the length of time needed in the program, specific outcomes, completion dates, and employment goals as they pertain to the intensive language program. Placement in a work experience worksite must be based on the assessment required under section 256.736 and the caretaker's employability development plan. Caretakers participating under this clause may be allowed excused absences from the assigned job site of up to eight hours per month. For the purposes of this clause, "excused absence" means absence due to temporary illness or injury of the caretaker or a member of the caretaker's family, the unavailability of licensed child care or transportation needed to participate in the work experience placement, a job interview, or a nonmedical emergency. For purposes of this clause, "emergency" has the meaning given it in section 256.736, subdivision 10a, paragraph (g).

(e) After a participant has been assigned to a position under paragraph (d), clause (1), for nine months, the participant may not continue in that assignment unless the maximum number of hours a participant works is no greater than the amount of the aid to families with dependent children payable with respect to the family divided by the higher of (1) the federal minimum wage or the applicable state minimum wage, whichever is greater, or (2) the rate of pay for individuals employed in the same or similar occupations by the same employer at the same site.

(f) After each six months of a recipient's participation in an assignment, and at the conclusion of each assignment under this section, the county agency shall reassess and revise, as appropriate, each participant's employability development plan.

(g) Structured, supervised volunteer work with an agency or organization which is monitored by the county service provider may, with the approval of the commissioner of economic security, be used as a work experience placement.

(h) If there is no work available at the site to which a CWEP participant is assigned, then the CWEP work plan shall be revised so that participants may work at alternative sites.

Sec. 18. Minnesota Statutes 1994, section 256.737, is amended by adding a subdivision to read:

Subd. 7. [INJURY PROTECTION FOR WORK EXPERIENCE PARTICIPANTS.] (a)

Payment of any claims resulting from an alleged injury or death of a recipient participating in a community work experience program established and operated by a county pursuant to this section shall be determined in accordance with this section. This determination method applies to work experience programs established under aid to families with dependent children, work readiness, Minnesota parent's fair share, and to obligors participating in community services pursuant to section 518.551, subdivision 5a, in a county with an approved community investment program.

(b) Claims that are subject to this section shall be investigated by the county agency responsible for supervising the work to determine whether the claimed injury occurred, whether the claimed medical expenses are reasonable, and whether the loss is covered by the claimant's insurance. If insurance coverage is established, the county agency shall submit the claim to the appropriate insurance entity for payment. The investigating county agency shall submit all valid claims, in the amount net of any insurance payments, to the department of human services.

(c) The department of human services shall submit all claims for impairment compensation to the commissioner of labor and industry. The commissioner of labor and industry shall review all submitted claims and recommend to the department of human services an amount of compensation comparable to that which would be provided under the impairment compensation schedule of section 176.101, subdivision 3b.

(d) The department of human services shall approve a claim of \$1,000 or less for payment if appropriated funds are available, if the county agency responsible for supervising the work has made the determinations required by this section, and if the work program was operated in compliance with the safety provisions of this section. The department shall pay the portion of an approved claim of \$1,000 or less that is not covered by the claimant's insurance within three months of the date of submission. On or before February 1 of each legislative session, the department shall submit to the appropriate committees of the senate and the house of representatives a list of claims of \$1,000 or less paid during the preceding calendar year and shall be reimbursed by legislative appropriation for any claims that exceed the original appropriation provided to the department to operate this program. Any unspent money from this appropriation shall carry over to the second year of the biennium, and any unspent money remaining at the end of the second year shall be returned to the state general fund.

On or before February 1 of each year, the department shall submit to the appropriate committees of the senate and the house of representatives a list of claims in excess of \$1,000 and a list of claims of \$1,000 or less that were submitted to but not paid by the department of human services, together with any recommendations of appropriate compensation. These claims shall be heard and determined by the appropriate committees of the senate and house of representatives and, if approved, shall be paid under the legislative claims procedure.

(e) Compensation paid under this section is limited to reimbursement for reasonable medical expenses and impairment compensation for disability in like amounts as allowed in section 176.101, subdivision 3b. Compensation for injuries resulting in death shall include reasonable medical expenses and burial expenses in addition to payment to the participant's estate in an amount up to \$200,000. No compensation shall be paid under this section for pain and suffering, lost wages, or other benefits provided in chapter 176. Payments made under this section shall be reduced by any proceeds received by the claimant from any insurance policy covering the loss. For the purposes of this section, "insurance policy" does not include the medical assistance program authorized under chapter 256B or the general assistance medical care program authorized under chapter 256D.

(f) The procedure established by this section is exclusive of all other legal, equitable, and statutory remedies against the state, its political subdivisions, or employees of the state or its political subdivisions. The claimant shall not be entitled to seek damages from any state or county insurance policy or self-insurance program.

(g) A claim is not valid for purposes of this subdivision if the local agency responsible for supervising the work cannot verify to the department of human services:

(1) that appropriate safety training and information is provided to all persons being supervised by the agency under this subdivision; and

(2) that all programs involving work by those persons comply with federal Occupational Safety and Health Administration and state department of labor and industry safety standards. A claim that is not valid because of failure to verify safety training or compliance with safety standards will not be paid by the department of human services or through the legislative claims process and must be heard, decided, and paid, if appropriate, by the local government unit responsible for supervising the work of the claimant.

(g) This program is effective July 1, 1995. Claims may be submitted on or after November 1, 1995.

Sec. 19. Minnesota Statutes 1994, section 256.74, is amended by adding a subdivision to read:

Subd. 6. [STATE SUPPLEMENTARY PAYMENTS.] The commissioner of human services shall report back on a plan for providing supplemental payments for recipients of AFDC whose income is reduced or terminated as a result of a reduction in the rate of pay, reduction in numbers of hours worked, or reduction in court ordered or agreed upon support, but whose assistance under the AFDC program is not adjusted accordingly because of the operation of retrospective budgeting procedures. The amount of assistance must be sufficient to ensure that the assistance unit's income equals, but does not exceed, the standard of assistance in the AFDC program for an assistance unit of like size and composition. A recipient shall not be eligible for supplementary assistance if the recipient voluntarily, and without good cause attributable to the employer, discontinued employment with the employer or was discharged for misconduct connected with work or for misconduct which interferes with or adversely affects employment. The commissioner's report shall provide information on the projected number of families likely to be eligible for supplementary payments during the 1997-1999 biennium; and on the costs, including administrative costs, of making those payments to eligible recipients. The report shall be presented to the legislature by February 15, 1996.

Sec. 20. Minnesota Statutes 1994, 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. There is a presumption of mismanagement of funds whenever a recipient is more than 30 days in arrears on payment of rent, except when the recipient has withheld rent to enforce the recipient's right to withhold the rent in accordance with federal, state, or local housing laws. In cases of mismanagement based solely on failure to pay rent, the county may vendor the rent payments to the landlord. 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.

(5) The county shall be paid from state and federal funds available therefor the amount provided for in section 256.82.

(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.

(7) The affected county may require that assistance paid under the AFDC emergency assistance program in the form of a rental unit damage deposit, less any amount retained by the landlord to remedy a tenant's default in payment of rent or other funds due to the landlord pursuant to a rental agreement, or to restore the premises to the condition at the commencement of the tenancy, ordinary wear and tear excepted, be returned to the county when the individual vacates the premises or paid to the recipient's new landlord as a vendor payment. The vendor payment of returned funds shall not be considered a new use of emergency assistance.

Sec. 21. [256.8799] [FOOD STAMP OUTREACH PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of human services shall establish, in consultation with the representatives from community action agencies, a statewide outreach program to better inform potential recipients of the existence and availability of food stamps under the food stamp program. As part of the outreach program, the commissioner and community action agencies shall encourage recipients in the use of food stamps at food cooperatives. The commissioner shall explore and pursue federal funding sources, and specifically, apply for funding from the United States Department of Agriculture for the food stamp outreach program.

Subd. 2. [ADMINISTRATION OF THE PROGRAM.] A community association representing community action agencies under section 268.53, in consultation with the commissioner shall administer the outreach program, issue the request for proposals, and review and approve the potential grantee's plan. Grantees shall comply with the monitoring and reporting requirements as developed by the commissioner in accordance with subdivision 4, and must also participate in the evaluation process as directed by the commissioner. Grantees must successfully complete one year of outreach and demonstrate compliance with all monitoring and reporting requirements in order to be eligible for additional funding.

Subd. 3. [PLAN CONTENT.] In approving the plan, the association shall evaluate the plan and give highest priority to a plan that:

(1) targets communities in which 50 percent or fewer of the residents with incomes below 125 percent of the poverty level receive food stamps;

(2) demonstrates that the grantee has the experience necessary to administer the program;

(3) demonstrates a cooperative relationship with the local county social service agencies;

(4) provides ways to improve the dissemination of information on the food stamp program as well as other assistance programs through a statewide hotline or other community agencies;

(5) provides direct advocacy consisting of face-to-face assistance with the potential applicants;

(6) improves access to the food stamp program by documenting barriers to participation and advocating for changes in the administrative structure of the program; and

(7) develops strategies for combatting community stereotypes about food stamp recipients and the food stamp program, misinformation about the program, and the stigma associated with using food stamps.

Subd. 4. [COORDINATED DEVELOPMENT.] The commissioner shall consult with representatives from the United States Department of Agriculture, Minnesota Community Action Association, Food First Coalition, Minnesota department of human services, Urban Coalition/University of Minnesota extension services, county social service agencies, local social service agencies, and organizations that have previously administered state-funded food stamp outreach programs to:

- (1) develop the reporting requirements for the program;
- (2) develop and implement the monitoring of the program;
- (3) develop, coordinate, and assist in the evaluation process; and
- (4) provide an interim report to the legislature by January 1997, and a final report to the legislature by January 1998, which includes the results of the evaluation and recommendations.

Sec. 22. Minnesota Statutes 1994, section 256.979, is amended by adding a subdivision to read:

Subd. 9. [ACCRUAL OF SUPPORT OBLIGATIONS.] The commissioner shall seek the waiver required under this section only if the provision creating the centralized child support payment center does not pass in the 1995 legislative session. If the centralized child support payment center provision does not pass, the commissioner shall seek a waiver from the secretary of the Department of Health and Human Services to enable the agency to accrue child support payments received on behalf of both AFDC and non-AFDC clients until the sum total of the money owed by the state agency to the client is at least \$10. Obligors shall be assessed a processing fee of \$10 to be retained by the county agency in every instance when both of the following conditions exist:

- (1) the obligor pays less than the required monthly support obligation; and
- (2) that reduced payment would result in a child support payment to an AFDC or non-AFDC client of less than \$10 for that month.

Sec. 23. Minnesota Statutes 1994, section 256.983, subdivision 1, is amended to read:

Subdivision 1. [PROGRAMS ESTABLISHED.] Within the limits of available appropriations, and to the extent required or authorized by applicable federal regulations, the commissioner of human services shall require the establishment of fraud prevention investigation programs in the seven counties participating in the fraud prevention investigation pilot project established under section 256.983, and in 11 additional Minnesota counties with the largest aid to families with dependent children program caseloads as of July 1, 1991. If funds are sufficient, the commissioner may also extend fraud prevention investigation programs to: (1) other counties that have welfare fraud control programs already in place based on enhanced funding contracts covering the fraud investigation function; and (2) counties that have the largest AFDC caseloads as of July 1, 1994, and are not currently participating in the fraud prevention investigation pilot project. The pilot project may be expanded provided the expansion is budget neutral to the state.

Sec. 24. [256.9850] [IDENTITY VERIFICATION.]

The commissioner of human services shall seek from the secretary of Health and Human Services all necessary waivers of the requirements of the program of AFDC, to enable the commissioner to establish a statewide program to test the effectiveness of identity verification systems in the electronic benefit transfer systems in the state AFDC program. Identity verification provisions shall be added to the statewide requests for proposal on the expansion of electronic benefit transfer systems in the AFDC program.

Sec. 25. [256.986] [COUNTY COORDINATION OF FRAUD CONTROL ACTIVITIES.]

(a) The county agency shall prepare and submit to the commissioner of human services by January 1 of each year a plan to coordinate county duties related to the prevention, investigation, and prosecution of fraud in public assistance programs. Plans may be submitted on a voluntary basis prior to January 1, 1996. Each county must submit its first annual plan prior to January 1, 1997.

(b) Within the limits of appropriations specifically made available for this purpose, the commissioner may make grants to counties submitting plans under paragraph (a) to implement coordination activities.

Sec. 26. Minnesota Statutes 1994, section 256B.0625, subdivision 13, is amended to read:

Subd. 13. [DRUGS.] (a) Medical assistance covers drugs, except for fertility drugs when specifically used to enhance fertility, if prescribed by a licensed practitioner and dispensed by a licensed pharmacist, or by a physician enrolled in the medical assistance program as a dispensing physician. The commissioner, after receiving recommendations from professional medical associations and professional pharmacist associations, shall designate a formulary committee to advise the commissioner on the names of drugs for which payment is made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve three-year terms and shall serve without compensation. Members may be reappointed once.

(b) The commissioner shall establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the administrative procedure act, but the formulary committee shall review and comment on the formulary contents. The formulary committee shall review and recommend drugs which require prior authorization. The formulary committee may recommend drugs for prior authorization directly to the commissioner, as long as opportunity for public input is provided. Prior authorization may be requested by the commissioner based on medical and clinical criteria before certain drugs are eligible for payment. Before a drug may be considered for prior authorization at the request of the commissioner:

(1) the drug formulary committee must develop criteria to be used for identifying drugs; the development of these criteria is not subject to the requirements of chapter 14, but the formulary committee shall provide opportunity for public input in developing criteria;

(2) the drug formulary committee must hold a public forum and receive public comment for an additional 15 days; and

(3) the commissioner must provide information to the formulary committee on the impact that placing the drug on prior authorization will have on the quality of patient care and information regarding whether the drug is subject to clinical abuse or misuse. Prior authorization may be required by the commissioner before certain formulary drugs are eligible for payment. The formulary shall not include:

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

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

(iii) any other over-the-counter drug identified by the commissioner, in consultation with the drug formulary committee, as necessary, appropriate, and cost-effective for the treatment of certain specified chronic diseases, conditions or disorders, and this determination shall not be subject to the requirements of chapter 14;

(iv) anorectics; and

(v) drugs for which medical value has not been established.

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

(c) The basis for determining the amount of payment shall be the lower of the actual acquisition

costs of the drugs plus a fixed dispensing fee established by the commissioner, the maximum allowable cost set by the federal government or by the commissioner plus the fixed dispensing fee or the usual and customary price charged to the public. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. The actual acquisition cost of a drug shall be estimated by the commissioner, at average wholesale price minus 7.6 percent effective January 1, 1994. The maximum allowable cost of a multisource drug may be set by the commissioner and it shall be comparable to, but no higher than, the maximum amount paid by other third-party payors in this state who have maximum allowable cost programs. Establishment of the amount of payment for drugs shall not be subject to the requirements of the administrative procedure act. An additional dispensing fee of \$.30 may be added to the dispensing fee paid to pharmacists for legend drug prescriptions dispensed to residents of long-term care facilities when a unit dose blister card system, approved by the department, is used. Under this type of dispensing system, the pharmacist must dispense a 30-day supply of drug. The National Drug Code (NDC) from the drug container used to fill the blister card must be identified on the claim to the department. The unit dose blister card containing the drug must meet the packaging standards set forth in Minnesota Rules, part 6800.2700, that govern the return of unused drugs to the pharmacy for reuse. The pharmacy provider will be required to credit the department for the actual acquisition cost of all unused drugs that are eligible for reuse. Over-the-counter medications must be dispensed in the manufacturer's unopened package. The commissioner may permit the drug clozapine to be dispensed in a quantity that is less than a 30-day supply. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifically indicates "dispense as written - brand necessary" on the prescription as required by section 151.21, subdivision 2. Implementation of any change in the fixed dispensing fee that has not been subject to the administrative procedure act is limited to not more than 180 days, unless, during that time, the commissioner initiates rulemaking through the administrative procedure act.

(d) Until the date the on-line, real-time Medicaid Management Information System (MMIS) upgrade is successfully implemented, as determined by the commissioner of administration, a pharmacy provider may require individuals who seek to become eligible for medical assistance under a one-month spenddown, as provided in section 256B.056, subdivision 5, to pay for services to the extent of the spenddown amount at the time the services are provided. A pharmacy provider choosing this option shall file a medical assistance claim for the pharmacy services provided. If medical assistance reimbursement is received for this claim, the pharmacy provider shall return to the individual the total amount paid by the individual for the pharmacy services reimbursed by the medical assistance program. If the claim is not eligible for medical assistance reimbursement because of the provider's failure to comply with the provisions of the medical assistance program, the pharmacy provider shall refund to the individual the total amount paid by the individual. Pharmacy providers may choose this option only if they apply similar credit restrictions to private pay or privately insured individuals. A pharmacy provider choosing this option must inform individuals who seek to become eligible for medical assistance under a one-month spenddown of (1) their right to appeal the denial of services on the grounds that they have satisfied the spenddown requirement, and (2) their potential eligibility for the MinnesotaCare program or the children's health plan.

Sec. 27. Minnesota Statutes 1994, section 256D.01, subdivision 1a, is amended to read:

Subd. 1a. [STANDARDS.] (a) A principal objective in providing general assistance is to provide for persons ineligible for federal programs who are unable to provide for themselves. The minimum standard of assistance determines the total amount of the general assistance grant without separate standards for shelter, utilities, or other needs.

(b) The commissioner shall set the standard of assistance for an assistance unit consisting of an adult recipient who is childless and unmarried or living apart from children and spouse and who does not live with a parent or parents or a legal custodian. When the other standards specified in this subdivision increase, this standard must also be increased by the same percentage.

(c) For an assistance unit consisting of a single adult who lives with a parent or parents, the general assistance standard of assistance is the amount that the aid to families with dependent children standard of assistance would increase if the recipient were added as an additional minor child to an assistance unit consisting of the recipient's parent and all of that parent's family

members, except that the standard may not exceed the standard for a general assistance recipient living alone. Benefits received by a responsible relative of the assistance unit under the supplemental security income program, a workers' compensation program, the Minnesota supplemental aid program, or any other program based on the responsible relative's disability, and any benefits received by a responsible relative of the assistance unit under the social security retirement program, may not be counted in the determination of eligibility or benefit level for the assistance unit. Except as provided below, the assistance unit is ineligible for general assistance if the available resources or the countable income of the assistance unit and the parent or parents with whom the assistance unit lives are such that a family consisting of the assistance unit's parent or parents, the parent or parents' other family members and the assistance unit as the only or additional minor child would be financially ineligible for general assistance. For the purposes of calculating the countable income of the assistance unit's parent or parents, the calculation methods, income deductions, exclusions, and disregards used when calculating the countable income for a single adult or childless couple must be used.

(d) For an assistance unit consisting of a childless couple, the standards of assistance are the same as the first and second adult standards of the aid to families with dependent children program. If one member of the couple is not included in the general assistance grant, the standard of assistance for the other is the second adult standard of the aid to families with dependent children program.

(e) For an assistance unit consisting of all members of a family, the standards of assistance are the same as the standards of assistance that apply to a family under the aid to families with dependent children program if that family had the same number of parents and children as the assistance unit under general assistance and if all members of that family were eligible for the aid to families with dependent children program. If one or more members of the family are not included in the assistance unit for general assistance, the standards of assistance for the remaining members are the same as the standards of assistance that apply to an assistance unit composed of the entire family, less the standards of assistance for a family of the same number of parents and children as those members of the family who are not in the assistance unit for general assistance. In no case shall the standard for family members who are in the assistance unit for general assistance, when combined with the standard for family members who are not in the general assistance unit, total more than the standard for the entire family if all members were in an AFDC assistance unit. A child may not be excluded from the assistance unit unless income intended for its benefit is received from a federally aided categorical assistance program or supplemental security income. The income of a child who is excluded from the assistance unit may not be counted in the determination of eligibility or benefit level for the assistance unit.

(f) An assistance unit consisting of one or more members of a family must have its grant determined using the policies and procedures of the aid to families with dependent children program, except that, until June 30, 1995, in cases where a county agency has developed or approved a case plan that includes reunification with the children, foster care maintenance payments made under state or local law for a child who is temporarily absent from the assistance unit must not be considered income to the child and the payments must not be counted in the determination of the eligibility or benefit level of the assistance unit. Otherwise, the standard of assistance must be determined according to paragraph (e); the first \$50 of total child support received by an assistance unit in a month must be excluded and the balance counted as unearned income; ~~and nonrecurring lump sums received by the family must be considered income in the month received and a resource in the following months.~~

Sec. 28. Minnesota Statutes 1994, section 256D.03, subdivision 4, is amended to read:

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

- (1) inpatient hospital services;
- (2) outpatient hospital services;
- (3) services provided by Medicare certified rehabilitation agencies;

- (4) prescription drugs and other products recommended through the process established in section 256B.0625, subdivision 13;
 - (5) equipment necessary to administer insulin and diagnostic supplies and equipment for diabetics to monitor blood sugar level;
 - (6) eyeglasses and eye examinations provided by a physician or optometrist;
 - (7) hearing aids;
 - (8) prosthetic devices;
 - (9) laboratory and X-ray services;
 - (10) physician's services;
 - (11) medical transportation;
 - (12) chiropractic services as covered under the medical assistance program;
 - (13) podiatric services;
 - (14) dental services;
 - (15) outpatient services provided by a mental health center or clinic that is under contract with the county board and is established under section 245.62;
 - (16) day treatment services for mental illness provided under contract with the county board;
 - (17) prescribed medications for persons who have been diagnosed as mentally ill as necessary to prevent more restrictive institutionalization;
 - (18) case management services for a person with serious and persistent mental illness who would be eligible for medical assistance except that the person resides in an institution for mental diseases;
 - (19) psychological services, medical supplies and equipment, and Medicare premiums, coinsurance and deductible payments;
 - (20) medical equipment not specifically listed in this paragraph when the use of the equipment will prevent the need for costlier services that are reimbursable under this subdivision; and
 - (21) services performed by a certified pediatric nurse practitioner, a certified family nurse practitioner, a certified adult nurse practitioner, a certified obstetric/gynecological nurse practitioner, or a certified geriatric nurse practitioner in independent practice, if the services are otherwise covered under this chapter as a physician service, and if the service is within the scope of practice of the nurse practitioner's license as a registered nurse, as defined in section 148.171.
- (b) Except as provided in paragraph (c), for a recipient who is eligible under subdivision 3, paragraph (a), clause (1) or (2), general assistance medical care covers the services listed in paragraph (a) with the exception of special transportation services.
- (c) Gender reassignment surgery and related services are not covered services under this subdivision unless the individual began receiving gender reassignment services prior to July 1, 1995.
- (d) In order to contain costs, the commissioner of human services shall select vendors of medical care who can provide the most economical care consistent with high medical standards and shall where possible contract with organizations on a prepaid capitation basis to provide these services. The commissioner shall consider proposals by counties and vendors for prepaid health plans, competitive bidding programs, block grants, or other vendor payment mechanisms designed to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. Before implementing prepaid programs in counties with a county operated or affiliated public teaching hospital or a hospital or clinic operated by the

University of Minnesota, the commissioner shall consider the risks the prepaid program creates for the hospital and allow the county or hospital the opportunity to participate in the program in a manner that reflects the risk of adverse selection and the nature of the patients served by the hospital, provided the terms of participation in the program are competitive with the terms of other participants considering the nature of the population served. Payment for services provided pursuant to this subdivision shall be as provided to medical assistance vendors of these services under sections 256B.02, subdivision 8, and 256B.0625. For payments made during fiscal year 1990 and later years, the commissioner shall consult with an independent actuary in establishing prepayment rates, but shall retain final control over the rate methodology.

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

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

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

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

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

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

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

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

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

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

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

Sec. 29. [256D.045] [SOCIAL SECURITY NUMBER REQUIRED.]

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

Sec. 30. Minnesota Statutes 1994, section 256D.05, subdivision 6, is amended to read:

Subd. 6. [ASSISTANCE FOR PERSONS WITHOUT A VERIFIED RESIDENCE.] (a) For applicants or recipients of general assistance, emergency general assistance, or work readiness assistance who do not have a verified residence address, the county agency may provide assistance using one or more of the following methods:

(1) the county agency may provide assistance in the form of vouchers or vendor payments and provide separate vouchers or vendor payments for food, shelter, and other needs;

(2) the county agency may divide the monthly assistance standard into weekly payments, whether in cash or by voucher or vendor payment. Nothing in this clause prevents the county agency from issuing voucher or vendor payments for emergency general assistance in an amount less than the standards of assistance; ~~and~~

(3) the county agency may determine eligibility and provide assistance on a weekly basis. Weekly assistance can be issued in cash or by voucher or vendor payment and can be determined either on the basis of actual need or by prorating the monthly assistance standard; and

(4) for the purposes of clauses (2) and (3), the county agency may divide the monthly assistance standard as follows: \$50 per week for each of the first three weeks, and the remainder for the fourth week.

(b) An individual may verify a residence address by providing a driver's license; a state identification card; a statement by the landlord, apartment manager, or homeowner verifying that the individual is residing at the address; or other written documentation approved by the commissioner.

(c) Notwithstanding the provisions of section 256D.06, subdivision 1, if the county agency elects to provide assistance on a weekly payment basis, the agency may not provide assistance for a period during which no need is claimed by the individual unless the individual has good cause for failing to claim need. The individual must be notified, each time weekly assistance is provided, that subsequent weekly assistance will not be issued unless the individual claims need. The advance notice required under section 256D.10 does not apply to weekly assistance that is withheld because the individual failed to claim need without good cause.

(d) The county agency may not issue assistance on a weekly basis to an applicant or recipient who has professionally certified mental illness or mental retardation or a related condition, or to an assistance unit that includes minor children, unless requested by the assistance unit.

Sec. 31. [256D.0511] [LUMP-SUM PAYMENTS.]

Subdivision 1. [INELIGIBILITY.] Applicants for general assistance or work readiness who are ineligible for AFDC due to a nonrecurring lump-sum payment or recipients of general assistance or work readiness are ineligible for general assistance and work readiness benefits for the period described below unless the person demonstrates that the lump-sum payment was used for basic needs.

Subd. 2. [BUDGETING LUMP SUMS.] Nonrecurring lump-sum income received by a recipient of general assistance or work readiness assistance must be budgeted in the normal retrospective cycle. Nonrecurring lump-sum income received by an applicant for general assistance or work readiness who is ineligible for AFDC due to a nonrecurring lump-sum payment is prospectively budgeted.

Subd. 3. [PERIOD OF INELIGIBILITY.] The period of ineligibility determined under the AFDC program shall be used when computing eligibility for applicants for general assistance or work readiness who are ineligible for AFDC due to receipt of a nonrecurring lump-sum payment. Recipients of general assistance or work readiness who receive nonrecurring lump-sum income shall have their period of ineligibility determined using the AFDC policy defined in section 256.74, subdivision 1.

Subd. 4. [SHORTENING A PERIOD OF INELIGIBILITY.] Applicants for general assistance or work readiness who are ineligible for AFDC due to receipt of a lump sum must cooperate in determining if the AFDC period of ineligibility can be shortened under section 256.74, subdivision 1, as a condition of eligibility for general assistance or work readiness. For applicants and recipients of general assistance or work readiness, the period of ineligibility must be shortened when the assistance unit provides documentation that part or all of the lump-sum income has been expended for basic needs as defined in subdivision 5.

Subd. 5. [DEFINITIONS.] As used in this section, the following words have the meanings given:

(1) "assistance unit," for purposes of applying the lump-sum provision, is defined as all persons whose needs are taken into account in determining eligibility and the amount of assistance payment; and

(2) "basic needs" are defined as the minimum personal requirements of subsistence and are restricted to:

(i) food;

(ii) clothing;

(iii) shelter;

(iv) utilities;

(v) other items of which the loss or lack of is determined by the county agency to pose a direct immediate threat to the physical health or safety of a member of the assistance unit;

(vi) education, training, and work expenses necessary to become economically self-sufficient; and

(vii) medical expenses.

Sec. 32. [256D.055] [COUNTY DESIGN; WORK FOCUSED PROGRAM.]

The commissioner of human services shall issue a request for proposals from counties to submit a plan for developing and implementing a county-designed program. The plan shall be for first-time applicants for aid to families with dependent children (AFDC) and family general assistance (FGA) and must emphasize the importance of becoming employed and oriented into the work force in order to become self-sufficient. The plan must target public assistance applicants who are most likely to become self-sufficient quickly with short-term assistance or services such as child care, child support enforcement, or employment and training services.

The plan may include vendor payments, mandatory job search, refocusing existing county or provider efforts, or other program features. The commissioner may approve a county plan which allows a county to use other program funding for the county work focus program in a more flexible manner. Nothing in this section shall allow payments made to the public assistance applicant to be less than the amount the applicant would have received if the program had not been implemented, or reduce or eliminate a category of eligible participants from the program without legislative approval.

The commissioner shall not approve a county plan that would have an adverse impact on the Minnesota family investment plan demonstration. If the plan is approved by the commissioner, the county may implement the plan. If the plan is approved by the commissioner, but a federal waiver is necessary to implement the plan, the commissioner shall apply for the necessary federal waivers. If by July 1, 1996, at least four counties have not proposed a work focused plan, the commissioner of human services may pursue the work first plan as provided under Minnesota Statutes, sections 256.7351 to 256.7359. However, a county with a work focus plan that has been approved under this section may implement the plan.

Sec. 33. Minnesota Statutes 1994, section 256D.09, subdivision 2a, is amended to read:

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

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

~~The assignment to representative payee status must be reviewed at least every 12 months. The~~

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

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

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

Sec. 34. Minnesota Statutes 1994, section 256D.09, is amended by adding a subdivision to read:

Subd. 5. [VENDOR PAYMENTS TO LANDLORDS.] The affected county may require that assistance paid under the emergency general assistance program in the form of a rental unit damage deposit, less any amount retained by the landlord to remedy a tenant's default in payment of rent or other funds due to the landlord pursuant to a rental agreement, or to restore the premises to the condition at the commencement of the tenancy, ordinary wear and tear excepted, be returned to the county when the individual vacates the premises or paid to the recipient's new landlord as a vendor payment. The vendor payment of returned funds shall not be considered a new use of emergency assistance.

Sec. 35. Minnesota Statutes 1994, section 256D.09, is amended by adding a subdivision to read:

Subd. 6. [RECOVERY OF OVERPAYMENTS.] (a) If an amount of general assistance, family general assistance, or work readiness assistance is paid to a recipient in excess of the payment due, it shall be recoverable by the county agency. The agency shall give written notice to the recipient of its intention to recover the overpayment.

(b) When an overpayment occurs, the county agency shall recover the overpayment from a current recipient by reducing the amount of aid payable to the assistance unit of which the recipient is a member, for one or more monthly assistance payments, until the overpayment is repaid. All county agencies in the state shall reduce the assistance payment by three percent of the assistance unit's standard of need or the amount of the monthly payment, whichever is less, for all overpayments whether or not the overpayment is due solely to agency error. The amount of this reduction is ten percent, if the overpayment is due solely to having wrongfully obtained assistance, whether based on:

- (1) a court order;
 - (2) the finding of an administrative fraud disqualification hearing or the waiver of such a hearing; or
 - (3) a confession or judgment containing an admission of an intentional program violation.
- (c) In cases when there is both an overpayment and underpayment, the county agency shall offset one against the other in correcting the payment.

(d) Overpayments may also be voluntarily repaid, in part or in full, by the individual, in addition to the aid reductions provided in this subdivision, until the total amount of the overpayment is repaid.

(e) The county agency shall make reasonable efforts to recover overpayments to persons no longer on assistance under standards adopted in rule by the commissioner of human services. The county agency need not attempt to recover overpayments of less than \$35 paid to an individual no longer on assistance if the individual does not receive assistance again within three years, unless the individual has been convicted of violating section 256.98.

Sec. 36. [EMPOWERMENT ZONES; ADMINISTRATIVE SIMPLIFICATION OF WELFARE LAWS.]

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

The commissioner shall:

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

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

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

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

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

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

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

(b) The county's administrative savings resulting from these changes may be allocated to fund any lawful purpose.

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

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

Sec. 37. [EMPOWERMENT ZONES.]

Certain local agencies, in consultation with the commissioners of human services and labor and industry shall develop, by December 1, 1995, a plan to improve the employment opportunities available to unemployed and underemployed citizens at risk of becoming public assistance recipients. The employment activities shall be focused on improving public infrastructure, enhancing the local tax base, improving the quality of available housing, reducing crime, designing strategies for job skill enhancement, strengthening communities, and maintaining and improving natural systems. The plan shall be developed by the city council, county board, county and city park boards, and the school board of the city or cities in which projects are undertaken. The plan shall include details of all projects, including: specific project sites delineated on local

maps; estimates of the total public cost required to transform a poverty zone to a highly developable site; a five-, ten-, and 15-year economic impact model of the potential new revenue streams created by the project, including income, sales, employment, and property taxes generated, savings from environmental, welfare, and crime mitigation, and other economic benefits; an identification of existing federal, state, and local funding sources for which the projects may qualify; and draft legislation for the 1996 legislature needed to expedite development of the projects. Organized labor shall be consulted in the development of the plan and implementation of any work activities and the University of Minnesota shall aid in the development of economic and technical support. Participating jurisdictions shall report back to the chairs of the senate finance and tax committees and the house ways and means and tax committees by August 1, 1995, with an outline for the plan, as identified by the local taxing jurisdictions. This section will sunset effective June 30, 1997.

Sec. 38. [CHILD CARE SELF-EMPLOYMENT PROJECT.]

The commissioners of human services and economic security shall develop a plan for an AFDC grant diversion pilot project in Region 6E, to commence October 1, 1996. The purpose of the project is to enable AFDC caretakers to become self-sufficient. The Community Action Agency and the Child Care Resource and Referral Agency of that region shall work together to train and place qualified AFDC caretakers in child care centers or licensed family child care homes. The pilot shall be operated without the use of additional state funds. Child care development funds available for this region may be used to start up or expand child care services in this region.

Sec. 39. [PARENT'S FAIR SHARE REPORT.]

The commissioner of human services shall report to the chairs of the human services policy and funding committees of the legislature by January 15, 1996, recommendations for establishing a statewide employment and training program for unemployed noncustodial parents modeled after the national parent's fair share pilot project. The report shall include cost estimates and must be developed in consultation with the departments of trade and economic development and economic security, and with counties that participate in the pilot project and other interested counties.

Sec. 40. [PARENT'S FAIR SHARE.]

Money appropriated for the Minnesota parent's fair share program must be paid to the participating counties, in the form of quarterly advances, under the terms of the contract between the department and the counties. Federal JOBS financial participation funds earned by the Minnesota parent's fair share program are appropriated to the commissioner and must be refunded to the participating counties in accordance with the terms of the contracts.

Sec. 41. [PROGRAM INTEGRITY.]

Unexpended money appropriated for program integrity initiatives in fiscal year 1996 does not cancel but is available for this purpose in fiscal year 1997.

Sec. 42. [WELFARE REFORM.]

Unexpended money appropriated for welfare reform initiatives in fiscal year 1996 does not cancel but is available to the commissioner for those initiatives including work first, work focus, and the temporary county assistance program, in fiscal year 1997.

Sec. 43. [CHILD CARE COOPERATIVES.]

A county may collaborate and coordinate efforts with school districts, local youth centers, and other organizations to provide cooperative child care services at a convenient location and provide a low-cost alternative to day care services. The county may collaborate with the local school district or an organization near a school. The county is encouraged to explore other nontraditional suitable locations for community day care services and consult with parents and others who are interested in establishing a day care cooperative.

Parents must be given an opportunity to participate in the child care cooperatives. Incentives offered to parents to participate in the cooperative may include reduced day care costs for an appropriate amount of time or a few hours of free child care that provides a parent with a short respite.

For purposes of the collaborative effort, the county may request a waiver of Minnesota Rules, part 9565.5025, subpart 2, to implement the program. This waiver would reduce the barriers the applicant faces when applying for child care by specifically allowing the applicant to initially declare income, instead of being required to document income. The county may also request a waiver of rules related to day care requirements to provide more flexibility in developing and implementing the cooperative.

Sec. 44. [SEAMLESS CHILD CARE SYSTEM.]

The commissioner of human services shall examine the feasibility of implementing a seamless child care system statewide by July 1, 1996. The seamless child care system must provide a consistent approach to administering child care by consolidating the different child care programs under Minnesota Statutes, chapter 256H, and Minnesota Statutes, section 136A.125, streamlining all child care funding available under Minnesota Statutes, chapter 256H, and Minnesota Statutes, section 136A.125, and making consistent the laws and rules to govern the child care system.

The commissioner shall report to the legislature by November 1995. The report must contain recommendations as to how to develop and implement the system statewide, proposed uniform eligibility criteria, a list of necessary federal waivers, a list of the statutes and rules that must be repealed or amended, and an estimate of state and county savings resulting from the reduction in administrative duties.

Sec. 45. [MINNESOTA PARENT'S FAIR SHARE; COMMUNITY WORK EXPERIENCE.]

The Minnesota parent's fair share pilot project shall include a community work experience component for participants who fail to comply with the requirements of the pilot project.

Sec. 46. [FEDERAL WAIVER PACKAGE.]

Subdivision 1. [REQUEST.] The commissioner of human services shall make a single request for the waivers listed in this section to the United States Department of Health and Human Services. The waivers in the package support and encourage AFDC recipients to move from reliance on welfare to self-sufficiency. The commissioner shall explore alternatives to the federally required waiver evaluation process in an effort to reduce evaluation costs and develop a cost-effective evaluation process for the waiver package in this section. While also exploring other possible alternatives, the commissioner shall investigate the feasibility of the following: (1) one evaluation for the entire waiver package; (2) consolidation of evaluation efforts for the same or similar waiver with another state; and (3) completion of the evaluation internally, possibly by the office of legislative auditor. The commissioner shall notify the revisor of statutes when each waiver is approved by the federal government.

Subd. 2. [WAIVER TO DISALLOW PARENTAL INCOME OF A PREGNANT OR PARENTING MINOR LIVING WITH PARENTS.] The commissioner shall seek the following waivers: (1) from the filing unit requirement in Code of Federal Regulations, title 45, section 206.10(a)(1)(vii), for minor parents living with a parent on AFDC with other dependent children, resulting in the minor parent receiving the same separate need standard available if the minor parent's parent was not on AFDC; (2) to disregard all parental income if the parent is on AFDC with other children; and (3) if the parent is not on AFDC with other children, to disregard income equal to 200 percent of the federal poverty guideline for a family size not including the minor parent and the minor parent's child and deem the remainder of income under Code of Federal Regulations, title 45, section 233.20(a)(3)(xviii). The general policy in requesting these waivers is to keep the family intact and give the minor parent, the dependent child, and the grandparent an incentive to continue living together as a family.

Subd. 3. [WAIVER TO ALLOW START WORK OFFSET.] The commissioner shall seek a waiver of the federal regulation which requires the state to recover AFDC overpayments from the assistance unit if the overpayment occurred in the month the assistance unit started working and the overpayment resulted from the assistance unit's increased earnings. This "start work offset" is available to an assistance unit every two years.

Subd. 4. [WAIVER OF THE 100-HOUR RULE; WORK HISTORY REQUIREMENT; 30-DAY WAITING PERIOD REQUIREMENT.] The commissioner shall seek a waiver to

eliminate the 100-hour rule under Code of Federal Regulations, title 45, section 233.100(a)(1)(i); the eligibility requirement for past employment history under Code of Federal Regulations, title 45, section 233.100(a)(3)(iii); and the requirement for a 30-day waiting period under Code of Federal Regulations, title 45, section 233.100(a)(3)(i).

Subd. 5. [WAIVER OF MOTOR VEHICLE RESOURCE LIMIT.] The commissioner shall seek a waiver to increase the maximum equity value of a licensed motor vehicle, which can be excluded as a resource under the federal regulations, from \$1,500 to the level permitted under the federal Food Stamp Program. This waiver is essential for AFDC recipients who need reliable transportation to participate in education, work, and training to become self-sufficient.

Subd. 6. [WAIVER TO ALLOW STUDENTS TO EARN INCOME.] The commissioner shall seek a waiver of the federal regulation which includes the earned income of dependent children and minor caretakers who are attending school at least half time when determining eligibility for AFDC. The commissioner shall also seek a waiver which allows savings set aside in a separate account designated specifically for future education or employment needs to be excluded from the AFDC resource limits.

Subd. 7. [GRANT AMOUNT WAIVER.] The commissioner of human services shall seek federal waivers as necessary in order to adjust AFDC assistance payment amounts so that, notwithstanding the provisions of Minnesota Statutes, section 256.74, subdivision 1, the amount of assistance granted to an eligible family in which all members have resided in Minnesota for less than 12 months shall be the lesser of the maximum payment standard that would have been received by that family from the state of immediate prior residence, or the amount calculated in accordance with Minnesota Rules, parts 9500.2440 to 9500.2480.

Subd. 8. [IMPLEMENTATION.] The commissioner shall implement the program changes authorized under this subdivision promptly upon approval of the waiver, provided all conditions are met under Minnesota Statutes, section 256.01, subdivision 2, clause (12).

Subd. 9. [EVALUATION.] If any of the federal waivers are granted, the commissioner shall evaluate the program changes according to federal waiver requirements and, if necessary, submit reports to the legislature within a time frame consistent with the evaluation criteria that are established.

Subd. 10. [ADDITIONAL WAIVER REQUEST FOR EMPLOYED DISABLED PERSONS.] The commissioner shall seek a federal waiver in order to implement a work incentive for disabled persons eligible for medical assistance who are not residents of long-term care facilities. The waiver shall request authorization to establish a medical assistance earned income disregard for employed disabled persons who are eligible for SSDI and who receive personal care assistance under the Medical Assistance Program. The disregard shall be equivalent to the threshold amount applied to persons who qualify under section 1619(b) of the Social Security Act, except that when a disabled person's earned income reaches the maximum income permitted at the threshold under section 1619(b), the person shall retain medical assistance eligibility and must contribute to the costs of medical care on a sliding fee basis.

Sec. 47. [MAXIMIZING MAXIS; FRAUD RECOVERY EFFORTS.]

The commissioner of human services shall submit a plan to the legislature by December 1, 1995, to maximize the capability of the MAXIS system to aid in fraud control. The commissioner shall explore ways of using the MAXIS system to establish or expand recovery efforts, certify debts, and collect overpayments due to fraud, client error, or agency error in all state and federally funded public assistance programs. The commissioner shall also make recommendations for sharing recovered revenues under this program with counties to provide incentives to both the state and county to begin or maintain aggressive recovery efforts.

Sec. 48. [APPROPRIATIONS.]

Subdivision 1. [APPROPRIATIONS.] The appropriations in this section are from the general fund to the commissioner of human services and are available for the biennium ending June 30, 1997, unless otherwise specified in the following subdivisions.

Subd. 2. [FOOD STAMP OUTREACH.] \$150,000 is appropriated for the food stamp outreach program authorized by Minnesota Statutes, section 256.8799.

Subd. 3. [MINNESOTA PARENT'S FAIR SHARE PILOT PROJECT.] \$800,000 is appropriated for the following purposes:

(a) \$400,000 for a grant to Ramsey county to enable the county to expand the Minnesota parent's fair share pilot project. As a condition of this grant, the commissioner may require a local match from the county.

(b) \$100,000 is added to the appropriation to Anoka county for costs associated with the Minnesota parent's fair share pilot project.

(c) \$100,000 is added to the appropriation to Dakota county for costs associated with the Minnesota parent's fair share pilot project.

(d) \$200,000 for costs associated with the mandatory community work experience component of the Minnesota parent's fair share pilot project.

Subd. 4. [INTENSIVE LANGUAGE PROGRAM.] \$1,025,000 is appropriated to the commissioner of human services for the purpose of the training and education costs associated with the intensive six-month language program for non-English speaking mandatory STRIDE and CWEP participants, and is available for the fiscal year beginning July 1, 1996. This appropriation is in addition to any other appropriation for training and education for non-English speaking STRIDE participants. The commissioner of human services shall consult with the commissioner of education, on a regular basis, in the planning and implementation of the intensive program and shall ensure that funding follows the student to avoid unfunded mandates.

Subd. 5. [INJURY PROTECTION FOR WORK EXPERIENCE PARTICIPANTS.] \$351,000 is appropriated to pay for costs associated with the claims arising from the injury protection program, established under Minnesota Statutes, section 256.737.

Subd. 6. [SOCIAL SERVICES EVALUATION.] \$660,000 is appropriated to pay for county costs associated with minor caretaker evaluations.

Subd. 7. [AFDC CHILD CARE.] \$520,000 is added to the appropriation to pay for child care costs incurred by STRIDE participants under Minnesota Statutes, section 256.736, subdivisions 14a and 20.

Subd. 8. [AFDC GRANTS.] \$1,687,000 is added to the appropriation for the aid to families with dependent children program for the fiscal year beginning July 1, 1996.

Subd. 9. [COUNTY COORDINATION OF FRAUD CONTROL ACTIVITIES.] \$500,000 is appropriated for grants to counties to implement plans submitted under Minnesota Statutes, section 256.986.

Subd. 10. [FRAUD PREVENTION INVESTIGATION PROGRAM.] \$500,000 is added to the appropriation to expand the number of counties participating in the fraud prevention investigation program.

Subd. 11. [HUMAN SERVICES ADMINISTRATION.] \$1,766,000 is appropriated to pay for administrative costs. Of this sum, \$400,000 is available the first year of the biennium for translation services under Minnesota Statutes, section 256.01, subdivision 13.

Subd. 12. [MA GRANTS.] \$50,000 is appropriated for MA grants to implement the waiver for employed disabled persons, and is available for the fiscal year beginning July 1, 1996.

Sec. 49. [REPEALER.]

Minnesota Statutes 1994, section 256.734, is repealed.

Sec. 50. [EFFECTIVE DATE.]

Sections 3 (99 Hour Rule) and 6 (Start Work Offset) are effective upon federal approval of the

applicable waivers. Section 4 (Parenting Minors) is effective October 1, 1995. Sections 20 (256.81, clause (7) only), 29 (256D.045), and 34 (256D.09, subdivision 5), are effective July 1, 1996.

ARTICLE 3

WORKING FAMILY CREDITS JOINT VENTURE

Section 1. Minnesota Statutes 1994, section 13.46, subdivision 2, is amended to read:

Subd. 2. [GENERAL.] (a) Unless the data is summary data or a statute specifically provides a different classification, data on individuals collected, maintained, used, or disseminated by the welfare system is private data on individuals, and shall not be disclosed except:

- (1) pursuant to section 13.05;
- (2) pursuant to court order;
- (3) pursuant to a statute specifically authorizing access to the private data;
- (4) to an agent of the welfare system, including a law enforcement person, attorney, or investigator acting for it in the investigation or prosecution of a criminal or civil proceeding relating to the administration of a program;
- (5) to personnel of the welfare system who require the data to determine eligibility, amount of assistance, and the need to provide services of additional programs to the individual;
- (6) to administer federal funds or programs;
- (7) between personnel of the welfare system working in the same program;
- (8) the amounts of cash public assistance and relief paid to welfare recipients in this state, including their names and social security numbers, income, addresses, and other data as required, upon request by the department of revenue to administer the property tax refund law, supplemental housing allowance, early refund of refundable tax credits, and the income tax. "Refundable tax credits" means the dependent care credit under section 290.067, the Minnesota working family credit under section 290.0671, the property tax refund under section 290A.04, and, if the required federal waiver or waivers are granted, the federal earned income tax credit under section 32 of the Internal Revenue Code;
- (9) to the Minnesota department of economic security for the purpose of monitoring the eligibility of the data subject for reemployment insurance, for any employment or training program administered, supervised, or certified by that agency, or for the purpose of administering any rehabilitation program, whether alone or in conjunction with the welfare system, and to verify receipt of energy assistance for the telephone assistance plan;
- (10) to appropriate parties in connection with an emergency if knowledge of the information is necessary to protect the health or safety of the individual or other individuals or persons;
- (11) data maintained by residential facilities as defined in section 245A.02 may be disclosed to the protection and advocacy system established in this state pursuant to Part C of Public Law Number 98-527 to protect the legal and human rights of persons with mental retardation or other related conditions who live in residential facilities for these persons if the protection and advocacy system receives a complaint by or on behalf of that person and the person does not have a legal guardian or the state or a designee of the state is the legal guardian of the person;
- (12) to the county medical examiner or the county coroner for identifying or locating relatives or friends of a deceased person;
- (13) data on a child support obligor who makes payments to the public agency may be disclosed to the higher education coordinating board to the extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5);
- (14) participant social security numbers and names collected by the telephone assistance

program may be disclosed to the department of revenue to conduct an electronic data match with the property tax refund database to determine eligibility under section 237.70, subdivision 4a;

(15) the current address of a recipient of aid to families with dependent children may be disclosed to law enforcement officers who provide the name and social security number of the recipient and satisfactorily demonstrate that: (i) the recipient is a fugitive felon, including the grounds for this determination; (ii) the location or apprehension of the felon is within the law enforcement officer's official duties; and (iii) the request is made in writing and in the proper exercise of those duties;

(16) the current address of a recipient of general assistance, work readiness, or general assistance medical care may be disclosed to probation officers and corrections agents who are supervising the recipient, and to law enforcement officers who are investigating the recipient in connection with a felony level offense;

(17) information obtained from food stamp applicant or recipient households may be disclosed to local, state, or federal law enforcement officials, upon their written request, for the purpose of investigating an alleged violation of the food stamp act, in accordance with Code of Federal Regulations, title 7, section 272.1(c); or

(18) data on a child support obligor who is in arrears may be disclosed for purposes of publishing the data pursuant to section 518.575.

(b) Information on persons who have been treated for drug or alcohol abuse may only be disclosed in accordance with the requirements of Code of Federal Regulations, title 42, sections 2.1 to 2.67.

(c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16), or (17), or paragraph (b), are investigative data and are confidential or protected nonpublic while the investigation is active. The data are private after the investigation becomes inactive under section 13.82, subdivision 5, paragraph (a) or (b).

(d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but is not subject to the access provisions of subdivision 10, paragraph (b).

Sec. 2. [JOINT EFFORT; INCENTIVE TO WORK.]

The departments of human services and revenue, in consultation with the department of economic security, must jointly develop a plan and seek federal waivers as necessary to develop a pilot project to provide the following tax credits on a monthly basis to eligible working taxpayers eligible to participate in the pilot program: Minnesota working family credit under section 290.0671, property tax refund under section 290A.04, dependent care credit under section 290.067, and, if the required federal waiver or waivers are granted, the federal earned income tax credit under section 32 of the Internal Revenue Code. The commissioners of human services and revenue shall report on the plan for implementation of the pilot program to the chairs of the human services policy and funding committees, and the chairs of the tax committees of the legislature by January 1, 1996.

Sec. 3. [PILOT PROGRAM: EARLY REFUND OF REFUNDABLE TAX CREDITS.]

Notwithstanding any law to the contrary, the commissioner of revenue may implement a pilot program to run for one calendar year beginning in the first quarter of calendar year 1996, to refund on a monthly basis to persons eligible for the AFDC program under Minnesota Statutes, sections 256.72 to 256.87, MFIP under Minnesota Statutes, sections 256.031 to 256.0361, or persons eligible for the GA program under Minnesota Statutes, sections 256D.01 to 256D.16 as a family assistance unit, an amount based on 50 percent of an estimate of how much the refundable credits of Minnesota Statutes, sections 290.067, 290.0671, and 290A.04, and, if the required federal waiver or waivers are granted, section 32 of the Internal Revenue Code, generated in a month exceed the estimated tax imposed under Minnesota Statutes, section 290.06, for the month. The commissioner of revenue shall use information provided by the commissioner of human services and department of revenue data to estimate the credits and tax for participating taxpayers. Taxpayers eligible for the pilot program must complete a form prepared and distributed by the

commissioner of revenue to participate. The form must request information necessary for administering the program, and must include a statement that the commissioners of human services and revenue will share data relating to program participants as necessary for program administration. Refunds issued under this program will be considered a tax on the taxpayer for the year in which the credits are generated for the purposes of assessing and collecting overpayments of the credits, except that the commissioner of revenue must abate any interest and penalties generated by the failure to timely repay any overpaid credits. By March 1, 1997, the commissioners of revenue and human services shall report on the implementation of the pilot program, with recommendations to the chairs of the house and senate human services policy and funding committees and to the chairs of the tax committees in both houses.

Sec. 4. [APPROPRIATION; TAX CREDITS.]

\$100,000 is appropriated from the general fund to the commissioner of revenue for the fiscal year ending June 30, 1996, for purposes of implementing sections 1 to 3.

ARTICLE 4

INCOME SUPPORT AND TRANSITION

Section 1. Minnesota Statutes 1994, section 256.035, subdivision 6d, is amended to read:

Subd. 6d. [~~LENGTH OF JOB SEARCH OBLIGATION TO SEEK AND OBTAIN FULL-TIME EMPLOYMENT.~~] (a) When the family support agreement specifies a date when job search should begin, the parental caregiver must participate in employment search activities. If, after three months of search, the parental caregiver does not find a job that is consistent with the parental caregiver's employment goal, the parent must accept any suitable employment. The search may be extended for up to three months if the parental caregiver seeks and needs additional job search assistance.

(b) When the family support agreement specifies job search consistent with the overall employment goal, the caregiver is expected to seek and accept full-time employment. For this purpose, full-time employment means 30 or more hours a week. Caregivers who are single parents with a child under six satisfy this requirement by working 20 or more hours a week.

(c) A caregiver who voluntarily quits suitable employment without good cause or without agreement of the case manager, or who is terminated for nonperformance, must contact the case manager within ten calendar days of the date employment ended to schedule a meeting to revise the family support agreement. A caregiver who fails to contact the case manager within the required time or fails to attend a scheduled meeting to revise the family support agreement is subject to sanction. If the revised family support agreement specifies job search, the caregiver must take any suitable employment. A caregiver who fails to comply is subject to sanction. A caregiver who voluntarily quits suitable employment with good cause or who is laid off must contact the case manager within ten calendar days of the date employment ended to schedule a meeting to revise the family support agreement. A caregiver who fails to contact the case manager within the required time or fails to attend a scheduled meeting to revise the family support agreement is subject to sanction. If the family support agreement specifies job search, the search is limited to three months to find a job related to the caregiver's overall employment goal. After three months, the caregiver must take any suitable employment. A caregiver who fails to comply is subject to sanction.

ARTICLE 5

WORK FIRST PROGRAM

Section 1. [256.7351] [WORK FIRST PROGRAM.]

Subdivision 1. [CITATION.] Sections 256.7351 to 256.7359 may be cited as the work first program.

Subd. 2. [DEFINITIONS.] As used in sections 256.7351 to 256.7359, the following words have the meanings given them.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Subd. 4. [PROGRAM ADMINISTRATION.] The program must be administered in a way that, in addition to the county agency, other sectors in the community such as employers from the public and private sectors, not-for-profit organizations, educational and social service agencies, labor unions, and neighborhood associations are involved.

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

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

Subd. 6. [WAIVER REQUESTS.] The department shall request all waivers as soon as possible to implement the program in coordination with section 256D.055, provided that all conditions are met under section 256.01, subdivision 2, clause (12). Upon obtaining all waivers, the department shall amend the state plans for the AFDC and the Jobs Opportunities and Basic Skills Program (JOBS), and Supportive Services plan to coordinate these programs under the work first program for the pilot counties, and shall seek approval of state plan amendments. The department shall request all waivers from federal statutes and regulations to qualify the program as a federally approved demonstration project under section 1115 of the Social Security Act.

Subd. 7. [DUTIES OF COMMISSIONER.] In addition to any other duties imposed by law, the commissioner shall:

- (1) request all waivers to implement the program;
- (2) establish the program according to sections 256.7351 to 256.7359 and allocate money as appropriate to pilot counties participating in the program;
- (3) provide systems development and staff training;
- (4) accept and supervise the disbursement of any funds that may be provided from other sources for use in the demonstration program; and

(5) direct a study to safeguard the interests of children.

Subd. 8. [DUTIES OF COUNTY AGENCY.] The county agency shall:

(1) collaborate with the commissioners of human services and economic security and other agencies to develop, implement, and evaluate the demonstration of the work first program;

(2) operate the work first program in partnership with private and public employers, local industry councils, labor unions, and employment, educational, and social service agencies and according to subdivision 4;

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

(4) for job assignments under section 256.7355 provide written notification to and obtain the written concurrence of the appropriate exclusive bargaining representatives with respect to job duties covered under collective bargaining agreements and ensure that no work assignment under this section results in: (i) termination, layoff, or reduction of the work hours of an employee for the purpose of hiring an individual under this section; (ii) the hiring of an individual if any other person is on layoff from the same or a substantially equivalent job; (iii) any infringement of the promotional opportunities of any currently employed individual; (iv) the impairment of existing contract for services of collective bargaining agreements; or (v) a participant filling an established unfilled position vacancy, except for on-the-job training under this section. If there is a dispute between an exclusive bargaining representative and a county or public work employer over whether or not job duties are covered under a collective bargaining agreement, the exclusive bargaining representative, the county, or the public works employer may petition the bureau of mediation services, who shall determine if the job duties are covered by a collective bargaining agreement.

Subd. 9. [DUTIES OF PARTICIPANT.] To be eligible for an AFDC or family GA benefit, a participant shall cooperate with the county agency, the provider, and the participant's employer in all aspects of the program.

Sec. 2. [256.7352] [PROGRAM PARTICIPANTS; PROGRAM EXPECTATIONS.]

All applicants selected for participation are expected to meet the requirements under the work first program. Payments for rent and utilities up to the AFDC or FGA benefits to which the assistance unit is entitled will be vendor paid for as many months as the applicant is eligible or six months, whichever comes first. The residual amount after vendor payment, if any, will be paid to the AFDC or FGA applicant or recipient, unless it is used as a wage subsidy under section 256.7354, subdivision 2.

Sec. 3. [256.7353] [PROGRAM REQUIREMENTS.]

Subdivision 1. [NOTIFICATION OF PROGRAM.] Except for the provisions in this section, the provisions for AFDC and FGA application process shall be followed. Within two days after the receipt of a completed combined application form, the county agency must refer to the provider the applicant who meets the conditions under section 256.7352, and notify the applicant in writing of the program including the following provisions:

(1) notification that, as part of the application process, applicants are required to attend orientation, to be followed immediately by a job search;

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

(3) the procedures for qualifying for and receiving benefits under the program;

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

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

Subd. 2. [PROGRAM ORIENTATION.] The provider must give a face-to-face orientation regarding the program to the applicant within five days after the date of application. The orientation must be designed to inform the applicant of:

- (1) the importance of locating and obtaining a job as soon as possible;
- (2) benefits to be provided to support work;
- (3) the manner by which benefits shall be paid;
- (4) how other supportive services such as medical assistance, child care, transportation, and other work-related aid shall be available to support job search and work;
- (5) the consequences for failure without good cause to comply with program requirements; and
- (6) the appeal process.

Subd. 3. [JOB SEARCH PLAN; EMPLOYMENT ADVISOR; FINANCIAL SPECIALIST.] At the end of orientation, the provider must assign an employment advisor and a financial specialist to the applicant. With advice from the employment advisor, the applicant must develop a job search plan (JSP) based on existing job markets, prior employment, work experience, and transferable work skills, unless exempt under subdivision 5. A job search must be planned and conducted for a period of up to eight consecutive weeks from the date of application and for at least 32 hours per week. The types of and target number of job openings to be pursued per week must be written in the job search plan. The following activities may be included in the job search plan:

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

Following the development of the JSP or the employability development plan (EDP) under subdivision 9, the financial specialist must interview the applicant to determine eligibility for and the extent of benefits under sections 256.7356 and 256.7357 to support the job search or employability development plan. The provider must attach to the appropriate plan the summary of the necessary enabling services and benefits to be furnished by the provider. The provider or its representative and the applicant must sign the plan, with its attachment, to indicate a self-sufficiency agreement between the provider and the participant.

Subd. 4. [IMMEDIATE JOB SEARCH.] An applicant must be required to begin job search within seven days after the date of application for at least 32 hours per week for up to eight weeks, unless exempted under subdivision 5 or deferred under subdivision 9. For an applicant who is working at least 20 hours per week, job search shall consist of 12 hours per week for up to eight weeks. Within the first five days of job search, the applicant is required to initiate informational contacts with prospective employers, generate additional job leads from the job network, review references and experiences from previous employment, and carry out the other activities under the job search plan developed under subdivision 3.

Subd. 5. [EXEMPTION CATEGORIES.] The applicant will be exempted from the job search requirements and development of JSP and EDP under subdivisions 3, 4 and 8 if the applicant belongs to any of the following groups:

- (1) caretakers under age 20 who have not completed a high school education and are attending high school on a full-time basis;
- (2) individuals who are age 60 or older;
- (3) individuals who are suffering from a professionally certified permanent or temporary illness, injury, or incapacity which is expected to continue for more than 30 days and which prevents the person from obtaining or retaining employment;

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

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

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

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

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

(9) individuals for whom lack of proficiency in English is a barrier to employment, provided such individuals are participating in an intensive program which lasts no longer than six months and is designed to remedy their language deficiency; individuals who, because of advanced age or lack of ability, are incapable of gaining proficiency in English, as determined by the county social worker, shall continue to be exempt under this subdivision and are not subject to the requirement that they be participating in a language program;

(10) individuals under such duress that they are incapable of participating in the program, as determined by the county social worker; or

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

Subd. 6. [AFDC-UP APPLICANTS.] All applicants and recipients under the AFDC-UP program will be required to meet the requirements in the community work experience program under section 256.737, instead of the requirements in subdivisions 4 to 14.

Subd. 6a. [DESIGNATED PARTICIPANT IN FGA FAMILIES.] Unless all adult members of an FGA family are exempt under section 256.7343, subdivision 1, one adult in the family must be designated to participate in all the requirements under this section. If the household contains more than one exempt adult, the adults may determine which adult must participate. If no designation is made or if the adults cannot agree, the county shall designate the adult having earned the greater income, including in-kind income, during the 24-month period immediately preceding the month of application for general assistance, as the adult that must participate. When there are no earnings or when earnings are identical for each adult, the county agency shall designate which adult must participate.

Subd. 7. [COUNTY DUTIES.] The county must act on the application within 30 days of the application date. If the applicant is not eligible, the application will be denied and the county must notify the applicant of the denial in writing. An applicant whose application has been denied may be allowed to complete the job search plan; however, supportive services will not be provided.

Subd. 8. [JOB SEARCH STATUS REPORT.] The applicant or participant must submit a completed JSP status report form to the employment advisor every two weeks during the job search process, with the first completed form due 21 days after the date of application.

Subd. 9. [EMPLOYABILITY DEVELOPMENT PLAN.] At the discretion and approval of the employment advisor, the applicant may be deferred from the requirement to conduct at least 32 hours of job search per week for up to eight consecutive weeks, if during the development of the job search plan, the applicant is determined to:

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

(2) be within six months of completing any post-secondary training program, provided that the applicant agrees to develop and carry out an EDP instead of a job search, and concurrently work for a minimum number of hours per week in a temporary public service job. The EDP must

include the employment goal and specific outcomes that the participant must achieve. The applicant that is deferred under this subdivision may choose to work in a job other than a public service job for a minimum number of hours per week rather than in a temporary public service job. For individuals who are participating in an educational program under this paragraph and who are attending school full time as determined by the institution there is no work requirement.

For individuals participating in an educational program on a part-time basis as determined by the institution, the minimum number of hours that a participant must work shall be decreased as the participant increases the number of credit hours taken, except that the participant shall not be required to work more than eight hours per week.

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

The applicant may be deferred for up to six months. At the end of the deferment period, the participant must develop a job search plan and conduct at least 32 hours of job search per week for up to eight consecutive weeks, and submit reports as required under subdivisions 3 and 4; or

(3) be in treatment for chemical dependency, be a victim of domestic abuse, or be homeless, provided that the applicant agrees to develop an EDP instead of a JSP, and immediately follow through with the activities in the EDP. The EDP must include specific outcomes that the applicant must achieve for the duration of the EDP and activities which are needed to address the issues identified. Under this clause, the applicant may be deferred for up to eight weeks.

Subd. 10. [EDP STATUS REPORT.] The participant who is deferred from job search under subdivision 9 must submit a completed EDP status report form to the employment advisor every 14 days as long as the participant continues to be deferred, with the first completed form due 21 days after the date of application.

Subd. 11. [JOB OFFER.] The participant must not refuse any job offer, provided that the job is within the participant's physical and mental abilities, pays hourly gross wages of not less than the applicable state or federal minimum wage, and meets health and safety standards set by federal, state, and local agencies. If a job is offered, the participant must inform the provider immediately to redetermine eligibility for and extent of benefits and services to support work. To enhance job retention, the provider may provide services such as motivational counseling or on-site problem solving for up to six months. The participant who has completed at least six months of work in a nonsubsidized job shall be encouraged to participate in a training program that would improve the participant's ability to obtain a job that pays a higher wage.

Subd. 12. [DUTY TO REPORT.] The participant must immediately inform the provider regarding any changes related to the participant's employment status.

Subd. 13. [REQUIREMENT TO WORK IN A TEMPORARY PUBLIC SERVICE JOB.] (a) If after the completion of the maximum eight weeks of job search the participant has failed to secure a nonsubsidized or a subsidized job for at least 32 hours per week, or does not earn a net income from self-employment that is equal to at least the AFDC or FGA monthly grant for the household size, whichever is applicable, the participant is required to work in a temporary public service job for up to 67 working days for (1) at least 32 hours per week, or (2) a period equivalent to the result of dividing the AFDC or FGA grant amount which the participant would otherwise receive, whichever is applicable, by the federal hourly minimum wage, or applicable hourly state minimum wage, or the hourly rate of pay for individuals employed in the same occupation at the site, whichever is highest. If the result is more than 128 hours per month, the participant's requirement to work in a temporary public service job shall not be more than 32 hours per week.

(b) Within seven days from the date of application, the participant that is deferred under subdivision 9, clause (1) or (2), and is participating in an educational program on a part-time basis must work in a temporary public service job as required under subdivision 9, clause (2).

(c) The provider shall strive to match the profile of the participant with the needs of the employers that are participating in a temporary jobs program under section 256.7355.

Subd. 14. [TERMINATION OF WORK ASSIGNMENT.] Work assignments are governed by section 256.7341.

Sec. 4. [256.7354] [JOB DEVELOPMENT AND SUBSIDY.]

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

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

Sec. 5. [256.7355] [TEMPORARY JOBS PROGRAM.]

Subdivision 1. [PROGRAM ESTABLISHED.] The provider must establish and operate a program to provide temporary jobs to participants who, after eight weeks of job search, are not hired into a nonsubsidized or a subsidized job, or are deferred under section 256.7353, subdivision 9. The temporary jobs to be created under this section must be public service jobs that serve a useful public service such as: health, social service, environmental protection, education, urban and rural development and redevelopment, welfare, recreation, public facilities, public safety, community service, services to the aged or disabled citizens, and child care.

Subd. 2. [ASSIGNMENT TO TEMPORARY PUBLIC SERVICE JOBS.] The provider must assign the participant that is within completion of the required eight weeks of job search and has failed to secure a nonsubsidized or a subsidized job for at least 32 hours per week, or does not earn a net income from self-employment that is equal to at least the AFDC or FGA monthly grant for the household size, whichever is applicable, to a temporary public service job. The assignment must be made seven days before the end of the job search and be based on section 256.7353, subdivision 13. The participant that is deferred under section 256.7353, subdivision 9, will be assigned by the provider to a temporary public service job within seven days after the application.

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

Subd. 4. [CONTINUOUS JOB SEARCH REQUIREMENT.] At the discretion of the employer or the provider, the participant who is working in a temporary public service job under section 256.7353, subdivision 13, may be required to continue to look for a job for up to eight hours per week.

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

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

Sec. 6. [256.7356] [TRANSITIONAL BENEFITS TO SUPPORT WORK; RENT AND UTILITIES VENDOR PAYMENT.]

Payments for rent and utilities up to the amount of AFDC or FGA benefits to which the assistance unit is entitled shall be provided in the form of vendor payments for as many months as the applicant is eligible or six months, whichever comes first. The residual amount after vendor payment, if any, will be paid to the AFDC or FGA recipient, unless it is used as a wage subsidy under section 256.7344, subdivision 2. This provision shall apply to all applicants including those meeting the exemption categories under section 256.7353, subdivision 5, or deferral categories under section 256.7353, subdivision 9. To the extent needed, a job search allowance shall be provided for up to eight weeks to cover expenses related to the job search. Before the job search allowance is issued, it must be approved by the employment advisor and financial specialist, and clearly described in the job search.

Sec. 7. [256.7357] [ELIGIBILITY FOR FOOD STAMPS, MEDICAL ASSISTANCE, AND CHILD CARE.]

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

Sec. 8. [256.7358] [SANCTIONS AND APPEAL PROCESS.]

Subdivision 1. [GOOD CAUSE.] (a) For the purpose of this subdivision, "good cause" means absence due to temporary illness or injury of the participant or a member of the participant's family; the unavailability of licensed child care or unavailability of transportation needed to attend orientation or conduct job search; or a nonmedical emergency as defined under section 256.7353, subdivision 5.

(b) The applicant who is required, but fails, without good cause, to participate in orientation, complete the JSP or EDP, and comply with the job search requirements under section 256.7353 prior to being eligible for AFDC or FGA shall be denied AFDC or FGA benefits. The applicant will not be eligible for AFDC or FGA benefits in Minnesota for at least six months.

(c) Following participation in the orientation, completion of JSP or EDP and participation in job search under section 256.7353, but before being determined eligible for AFDC or FGA recipients in AFDC-UP cases who are subject to the vendor payment provisions under section 256.7356 are subject to the job search, work experience, and sanction provisions of sections 256.736, subdivision 14, and 256.737 and not the job search and work provisions under work first.

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

(e) If the participant who is deferred under section 256.7353, subdivision 9, fails to comply with the activities described in the EDP, the participant will lose the deferment status, provided that the participant has received at least two written warnings from the provider.

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

Subd. 2. [NOTICE OF SANCTIONS.] If the county determines that the participant has failed or refused without good cause as defined in subdivision 1, to cooperate with the program requirements, the county shall inform the participant in writing of its intent to impose an

applicable sanction listed under subdivision 1 and the opportunity to have a conciliation conference upon request and within five days of receipt of the notice before a sanction is imposed.

Sec. 9. [256.7359] [FUNDING.]

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

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

Subd. 3. [EMPLOYER REIMBURSEMENT.] The employer shall be reimbursed for wages paid to participants under section 256.7354, subdivision 2.

Sec. 10. [APPROPRIATION; WORK FOCUS; WORK FIRST PROGRAM.]

\$1,025,000 is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 1997, for purposes of implementing the work focus program under Minnesota Statutes, section 256D.055, and work first in sections 1 to 9.

ARTICLE 6

GENERAL ASSISTANCE AND WORK READINESS

FOOD STAMP WORK AND TRAINING

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

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

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

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

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

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

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

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

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

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

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

(10) a child under the age of 18 who is not living with a parent, stepparent, or legal custodian, but only if: the child is legally emancipated or living with an adult with the consent of an agency acting as a legal custodian; the child is at least 16 years of age and the general assistance grant is approved by the director of the county agency or a designated representative as a component of a social services case plan for the child; or the child is living with an adult with the consent of the child's legal custodian and the county agency. For purposes of this clause, "legally emancipated" means a person under the age of 18 years who: (i) has been married; (ii) is on active duty in the uniformed services of the United States; (iii) has been emancipated by a court of competent jurisdiction; or (iv) is otherwise considered emancipated under Minnesota law, and for whom county social services has not determined that a social services case plan is necessary, for reasons other than that the child has failed or refuses to cooperate with the county agency in developing the plan;

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

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

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

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

(15) ~~(i) a family as defined in section 256D.02, subdivision 5, which is ineligible for the aid to families with dependent children program. If all children in the family are six years of age or older, or if suitable child care is available for children under age six at no cost to the family, all the adult members of the family must register for and cooperate in the work readiness program under section 256D.051. If one or more of the children is under the age of six and suitable child care is not available without cost to the family, all the adult members except one adult member must register for and cooperate with the work readiness program under section 256D.051. The adult~~

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

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

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

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

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

Sec. 2. Minnesota Statutes 1994, section 256D.051, subdivision 1, is amended to read:

Subdivision 1. [WORK REGISTRATION FOOD STAMP EMPLOYMENT AND TRAINING PROGRAM.] ~~(a) Except as provided in this subdivision, persons who are residents of the state and whose income and resources are less than the standard of assistance established by the commissioner, but who are not categorically eligible under section 256D.05, subdivision 1, are eligible for the work readiness program for~~ The commissioner shall implement a food stamp employment and training program in order to meet the food stamp employment and training participation requirements of the United States Department of Agriculture. Unless all adult members of the food stamp household are exempt under subdivision 3a, one nonexempt adult

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

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

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

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

Sec. 3. Minnesota Statutes 1994, section 256D.051, subdivision 1a, is amended to read:

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

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

~~At the time the county agency notifies the assistance unit household that it is eligible for family general assistance or work readiness assistance and by the first day of each month of services food stamps, the county agency must inform all mandatory registrants employment and training~~

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

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

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

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

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

~~(d) The county agency must offer a conciliation conference to participants who have failed to comply with food stamp employment and training program requirements. The purpose of the conference is to determine the cause for noncompliance, to attempt to resolve the problem causing the noncompliance so that all requirements are complied with, and to determine if good cause for noncompliance was present. The conciliation period shall run for ten working days from the date of the notice required in paragraph (c). Information about how to request a conciliation conference must be specified in the notice required in paragraph (c). If the county agency determines that the~~

participant, during the conciliation period, complied with all food stamp employment and training program requirements that the recipient was required to comply with prior to and during the conciliation period, or if the county agency determines that good cause for failing to comply with the requirements was present, a sanction on the participant's or household's food stamp eligibility shall not be imposed.

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

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

Sec. 4. Minnesota Statutes 1994, section 256D.051, subdivision 2, is amended to read:

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

- (1) orientation to the ~~work readiness~~ food stamp employment and training program;
- (2) an individualized employability assessment and an individualized employability development plan that includes assessment of literacy, ability to communicate in the English language, educational and employment history, and that estimates the length of time it will take the ~~registrant~~ participant to obtain employment. The employability assessment and development plan must be completed in consultation with the ~~registrant~~ participant, must assess the ~~registrant's~~ participant's assets, barriers, and strengths, and must identify steps necessary to overcome barriers to employment. A copy of the employability development plan must be provided to the registrant;
- (3) referral to available accredited remedial or skills training programs designed to address ~~registrant's~~ participant's barriers to employment;
- (4) referral to available programs ~~including the Minnesota employment and economic development program~~ that provide subsidized or unsubsidized employment as necessary;
- (5) a job search program, including job seeking skills training; and
- (6) other activities, to the extent of available resources designed by the county agency to prepare the ~~registrant~~ participant for permanent employment.

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

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

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

- (1) a description of the services to be offered by the county agency;
- (2) a plan to coordinate the activities of all public entities providing employment-related services in order to avoid duplication of effort and to provide services more efficiently;
- (3) a description of the factors that will be taken into account when determining a client's employability development plan; and

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

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

Sec. 5. Minnesota Statutes 1994, section 256D.051, is amended by adding a subdivision to read:

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

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

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

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

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

Sec. 6. Minnesota Statutes 1994, section 256D.051, subdivision 3, is amended to read:

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

Sec. 7. Minnesota Statutes 1994, section 256D.051, subdivision 3a, is amended to read:

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

(b) The commissioner shall determine, within federal requirements, persons required to participate in the Food Stamp Employment and Training (FSET) program.

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

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

- (2) a child;
- (3) a recipient over age 55;
- (4) a recipient who has a mental or physical illness, injury, or incapacity which is expected to continue for at least 30 days and which impairs the recipient's ability to obtain or retain employment as evidenced by professional certification or the receipt of temporary or permanent disability benefits issued by a private or government source;
- (5) a parent or other household member responsible for the care of either a dependent child in the household who is under age six or a person in the household who is professionally certified as having a physical or mental illness, injury, or incapacity. Only one parent or other household member may claim exemption under this provision;
- (6) a recipient receiving unemployment compensation or who has applied for unemployment compensation and has been required to register for work with the department of economic security as part of the unemployment compensation application process;
- (7) a recipient participating each week in a drug addiction or alcohol abuse treatment and rehabilitation program, provided the operators of the treatment and rehabilitation program, in consultation with the county agency, recommend that the recipient not participate in the food stamp employment and training program;
- (8) a recipient employed or self-employed for 30 or more hours per week at employment paying at least minimum wage, or who earns wages from employment equal to or exceeding 30 hours multiplied by the federal minimum wage; or
- (9) a student enrolled at least half time in any school, training program, or institution of higher education. When determining if a student meets this criteria, the school's, program's or institution's criteria for being enrolled half time shall be used.

Sec. 8. Minnesota Statutes 1994, section 256D.051, subdivision 3b, is amended to read:

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

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

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

Sec. 9. Minnesota Statutes 1994, section 256D.051, subdivision 6, is amended to read:

Subd. 6. [~~SERVICE COSTS.~~] Within the limits of available resources, the commissioner shall reimburse ~~92 percent of county agency expenditures for providing work readiness food stamp employment and training services including direct participation expenses and administrative costs; except as provided in section 256.017.~~ State work readiness food stamp employment and training funds shall be used only to pay the county agency's and work readiness food stamp employment and training service provider's actual costs of providing participant support services, direct program services, and program administrative costs for persons who participate in work readiness such employment and training services. ~~Beginning July 1, 1991,~~ The average annual reimbursable cost for providing work readiness food stamp employment and training services to a recipient for

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

Sec. 10. Minnesota Statutes 1994, section 256D.051, subdivision 6b, is amended to read:

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

Sec. 11. Minnesota Statutes 1994, section 256D.051, subdivision 8, is amended to read:

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

Sec. 12. Minnesota Statutes 1994, section 256D.051, subdivision 9, is amended to read:

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

Sec. 13. Minnesota Statutes 1994, section 256D.051, subdivision 17, is amended to read:

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

Sec. 14. Minnesota Statutes 1994, section 256D.052, subdivision 3, is amended to read:

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

Sec. 15. [256D.23] [TEMPORARY COUNTY ASSISTANCE PROGRAM.]

Subdivision 1. [PROGRAM ESTABLISHED.] Minnesota residents who meet the income and resource standards of section 256D.01, subdivision 1a, but do not qualify for cash benefits under sections 256D.01 to 256D.22, may qualify for a county payment under this section.

Subd. 2. [PAYMENT AMOUNT, DURATION, AND METHOD.] (a) A county may make a payment of up to \$203 for a single individual and up to \$260 for a married couple under the terms of this subdivision.

(b) Payments to an individual or married couple may only be made once in a calendar year. If the applicant qualifies for a payment as a result of an emergency, as defined by the county, the payment shall be made within ten working days of the date of application. If the applicant does not qualify under the county definition of emergency, the payment shall be made at the beginning of the second month following the month of application, and the applicant must receive the payment in person at the local agency office.

(c) Payments may be made in the form of cash or as vendor payments for rent and utilities. If vendor payments are made, they shall be equal to \$203 for a single individual or \$260 for a married couple, or the actual amount of rent and utilities, whichever is less.

(d) Each county must develop policies and procedures as necessary to implement this section.

(e) Payments under this section are not an entitlement. No county is required to make a payment in excess of the amount available to the county under subdivision 3.

Subd. 3. [STATE ALLOCATION TO COUNTIES.] The commissioner shall allocate to each county on an annual basis the amount specifically appropriated for payments under this section. The allocation shall be based on each county's proportionate share of state fiscal year 1994 work readiness expenditures.

Sec. 16. [APPROPRIATIONS]

Subdivision 1. [GENERAL ASSISTANCE GRANTS.] \$5,281,000 is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 1997, to cover the projected expansion in the general assistance caseload attributable to the transfer of some work readiness clients to general assistance.

Subd. 2. [TEMPORARY COUNTY ASSISTANCE.] \$6,427,000 is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 1997, for purposes of the temporary county assistance program under Minnesota Statutes, section 256D.23.

Sec. 17. [INSTRUCTION TO REVISOR.]

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

Sec. 18. [REPEALER.]

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

ARTICLE 7

MINNESOTA FAMILY INVESTMENT PLAN EXPANSION

Section 1. [256.047] [EXPANSION OF MFIP TO RAMSEY COUNTY (MFIP-R).]

Subdivision 1. [MISSION STATEMENT.] The goal of MFIP-R employment and pre-employment services is to help caregivers increase their family income in a timely manner through paid employment.

Subd. 2. [SERVICE PROVIDING AGENCIES.] Employment and pre-employment services must be offered by providers certified by the commissioner of economic security who meet the standards in section 268.871, subdivision 1. County agencies must ensure that all services, including contracted services, meet the requirements of MFIP-R services according to section 256.048, subdivision 6.

Subd. 3. [STAFFING.] County agencies may hire MFIP-R staff, which includes employment specialists, job developers, and vocational counselors to provide pre-employment and employment services described in section 256.048, subdivision 6, and coordinate social and support services. County agencies are expected to ensure that staff providing employment and pre-employment services have the necessary training and experience to perform the specific services which they are assigned to do.

Sec. 2. [256.0475] [DEFINITIONS.]

Subdivision 1. [EMPLOYABILITY PLAN.] "Employability plan" means the plan developed by MFIP-R staff and the caregiver under section 256.048.

Subd. 2. [FAMILY SUPPORT AGREEMENT.] "Family support agreement" means the subsection of the employability plan which is limited to employment, education, employment and training services, and scheduled meetings with MFIP-R staff. For mandatory caregivers, noncompliance with the family support agreement may result in sanction.

Subd. 3. [MANDATORY CAREGIVER.] "Mandatory caregiver" means a caregiver who is required to develop a family support agreement under section 256.048, and is not exempt under that section.

Subd. 4. [MFIP-R.] "MFIP-R" means the pre-employment and employment program under section 256.048 provided to caregivers assigned to the Minnesota family investment plan in Ramsey county who receive financial assistance under sections 256.033, 256.034, and 256.036.

Sec. 3. [256.048] [INCOME SUPPORT AND TRANSITION.]

Subdivision 1. [EXPECTATIONS.] The requirement for a caregiver to develop a family support agreement is tied to the structure of the family and the length of time on assistance according to paragraphs (a) to (c).

(a) In a family headed by a single adult parental caregiver who has received AFDC, family general assistance, MFIP, or a combination of AFDC, family general assistance, and MFIP assistance for 12 or more months within the preceding 24 months, the parental caregiver must be developing and complying with the terms of the family support agreement commencing with the 13th month of assistance.

(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 parental caregiver must be developing and complying with a family support agreement concurrent with the receipt of assistance. The terms of the family support agreement must include compliance with section 256.736, subdivision 3b. If the parental caregiver fails to comply with the terms of the family support agreement, the sanctions in subdivision 4 apply. When the requirements in section 256.736, subdivision 3b, have been met, a caregiver has fulfilled the caregiver's obligation. County agencies must continue to offer MFIP-R services if the caregiver wants to continue with an employability plan. Caregivers who fulfill the requirements of section 256.736, subdivision 3b, are subject to the expectations of paragraphs (a) and (c).

(c) In a family with two adult parental caregivers, at least one of whom has received AFDC, family general assistance, MFIP, or a combination of AFDC, family general assistance, and MFIP assistance for six or more months within the preceding 12 months, one parental caregiver must be

developing and complying with the terms of the family support agreement commencing with the seventh month of assistance. The family and MFIP-R staff will designate the parental caregiver who will develop the family support agreement based on which parent has the greater potential to increase family income through immediate employment.

Subd. 2. [EXEMPTIONS.] A caregiver is exempt from expectations as provided in paragraphs (a) and (b).

(a) Except for clause (4), which applies only for a single-parent family, a caregiver in a single-parent or two-parent family is exempt from the expectations of MFIP-R if the caregiver is:

(1) ill, incapacitated, or 60 years of age or older;

(2) needed in the home because of the illness or incapacity of another family member;

(3) the parent of a child under one year of age and is personally providing care for the child. This exemption does not apply to the school attendance requirement for minor parents or 18- and 19-year old parents as provided in section 256.736, subdivision 3b, paragraphs (f) and (g);

(4) the parent of a child under six years of age and is employed or participating in education or employment and training services for 20 or more hours per week. This exemption does not apply to the school attendance requirement for minor parents or 18- and 19-year-old parents as provided in section 256.736, subdivision 3b, paragraph (f), clause (5);

(5) working 30 hours or more per week or, if the number of hours cannot be verified, earns weekly, at least the federal minimum hourly wage rate multiplied by 30;

(6) in the second or third trimester of pregnancy; or

(7) not the natural parent, adoptive parent, or stepparent of a minor child in the assistance unit.

(b) In a two-parent household, only one parent may be exempt under paragraph (a), clause (2) or (3). If paragraph (a), clause (5), applies to either parent in a two-parent family, the other parent is exempt. In a two-parent household, if the parent designated to develop a family support agreement becomes exempt and the exemption is expected to last longer than six months, then the second parent is required to develop a family support agreement unless otherwise exempt under paragraph (a).

Subd. 3. [GOOD CAUSE FOR FAILURE TO COMPLY.] Caregivers may claim the following reasons as good cause for failure to comply with the expectations of MFIP-R employment and pre-employment services:

(1) needed child care is not available;

(2) the job does not meet the definition of suitable employment according to section 256.736, subdivision 1a, paragraph (h);

(3) the parental caregiver is ill, incapacitated, or injured;

(4) a family member is ill and needs care by the parental caregiver;

(5) the parental caregiver is unable to secure the necessary transportation;

(6) the parental caregiver is in an emergency situation;

(7) the schedule of compliance with the family support agreement conflicts with judicial proceedings;

(8) the parental caregiver is already participating in acceptable activities;

(9) the family support agreement requires an educational program for a parent under the age of 20, but the educational program is not offered in the school district;

(10) activities identified in the family support agreement are not available;

(11) the parental caregiver is willing to accept suitable employment but employment is not available;

(12) the parental caregiver documents other verifiable impediments to compliance with the family support agreement beyond the parental caregiver's control; or

(13) the family support agreement requires an educational program for a parent under the age of 20, but the only available school program requires round trip commuting time from the custodial parent's residence of more than two hours by available means of transportation, excluding the time necessary to transport children to and from child care.

Subd. 4. [SANCTION.] The county agency must reduce an assistance unit's assistance payment by ten percent of the transitional standard for the applicable family size when a caregiver, who is not exempt from the expectations in this section, fails to attend a mandatory briefing, fails to attend scheduled meetings with MFIP-R staff, or fails to develop or comply with the terms of the caregiver's family support agreement. MFIP-R staff must send caregivers a notice of intent to sanction. For the purpose of this section, "notice of intent to sanction" means MFIP-R staff must provide written notification to the caregiver that the caregiver is not fulfilling the requirement to develop or comply with the family support agreement. This notification must inform the caregiver of the right to request a conciliation conference within ten days of the mailing of the notice of intent to sanction or the right to request a fair hearing under section 256.045. If a caregiver requests a conciliation conference, the county agency must postpone implementation of the sanction pending completion of the conciliation conference. If the caregiver does not request a conciliation conference within ten calendar days of the mailing of the notice of intent to sanction, the MFIP-R staff must notify the county agency that the assistance payment should be reduced.

Upon notification from MFIP-R staff that an assistance payment should be reduced, the county agency must send a notice of adverse action to the caregiver stating that the assistance payment will be reduced in the next month following the ten-day notice requirement and state the reason for the action. For the purpose of this section, "notice of adverse action" means the county agency must send a notice of sanction, reduction, suspension, denial, or termination of benefits before taking any of those actions. The caregiver may request a fair hearing under section 256.045, upon notice of intent to sanction or notice of adverse action, but the conciliation conference is available only upon notice of intent to sanction.

Subd. 5. [ORIENTATION.] The county agency must provide a financial assistance orientation which supplies information to caregivers about the MFIP-R and must encourage parental caregivers to engage in activities to stabilize the family and lead to employment and self-support.

Subd. 6. [PRE-EMPLOYMENT AND EMPLOYMENT SERVICES.] The county agency must provide services identified in clauses (1) to (10). Services include:

(1) a required briefing for all nonmandatory caregivers assigned to MFIP-R, which includes a review of the information presented at an earlier MFIP-R orientation pursuant to subdivision 5, and an overview of services available under MFIP-R pre-employment and employment services, an overview of job search techniques, and the opportunity to volunteer for MFIP-R job search activities and basic education services;

(2) a briefing for all mandatory caregivers assigned to MFIP-R, which includes a review of the information presented at an earlier MFIP-R orientation pursuant to subdivision 5, and an overview of services available under MFIP-R pre-employment and employment services;

(3) an MFIP assessment that meets the requirements of section 256.736, subdivision 10, paragraph (a), clause (14), and addresses caregivers' skills, abilities, interests, and needs;

(4) development, together with the caregiver, of an employability plan and family support agreement according to subdivision 7;

(5) coordination of services including child care, transportation, education assistance, and social services necessary to enable caregivers to fulfill the terms of the employability plan and family support agreement;

(6) provision of full-time English as a second language (ESL) classes;

(7) provision of a broad range of employment and pre-employment services including basic skills testing, interest and aptitude testing, career exploration, job search activities, community work experience program under section 256.737, or on-the-job training under section 256.738;

(8) evaluation of the caregiver's compliance with the employability plan and family support agreement and support and recognition of progress toward employment goals;

(9) provision of postemployment follow-up for up to six months after caregivers become exempt or exit MFIP-R due to employment if requested by the caregiver; and

(10) approval of education and training program activities.

Subd. 7. [EMPLOYABILITY PLAN AND FAMILY SUPPORT AGREEMENT.] (a) The caregiver and MFIP-R staff will develop an employability plan and family support agreement. The employability plan includes the caregiver's overall employment goal, activities necessary to reach that goal, a timeline for each activity, and the support services provided by the agency. All activities in the employability plan must contribute to the caregiver's overall employment goal.

(b) The family support agreement is the enforceable section of an employability plan for mandatory caregivers. The family support agreement must be limited to employment, education, or employment and training services, and scheduled meetings with MFIP-R staff. The family support agreement must be signed by both an MFIP-R staff and the parental caregiver.

(1) In developing an employability plan and family support agreement, MFIP-R staff must discuss with the caregiver the economic benefits under MFIP of taking available employment. MFIP-R staff must provide examples of how different levels of earnings increase available income.

(2) Activities in the family support agreement must enhance the family's opportunities to increase its income in a timely manner through paid employment.

(3) Each step of the family support agreement shall build upon prior steps and facilitate progress toward the caregiver's overall employment goal.

(4) Social services, such as mental health or chemical dependency services, parenting education, or budget management, can be included in the employability plan but not in the family support agreement and are not subject to sanctions under subdivision 4.

(5) The family support agreement must state the parental caregiver's obligations and the standards for satisfactory compliance with the requirements of MFIP-R.

Subd. 8. [REQUIREMENT TO ATTEND BRIEFING.] All MFIP-R caregivers are required to attend a mandatory briefing which includes a review of the information presented at an earlier MFIP-R orientation pursuant to subdivision 5, and an overview of services available under MFIP-R pre-employment and employment services.

Subd. 9. [REQUIREMENT TO PARTICIPATE IN JOB SEARCH.] The family support agreement for mandatory caregivers will include 30 hours per week of job search activity. The family support agreement for single parental caregivers with a child under the age of six may require no more than 20 hours of job search activity. Job search requirements do not apply to minor parental caregivers and parental caregivers under the age of 20 who must meet the educational requirement under section 256.736, subdivision 3b.

Subd. 10. [LENGTH OF JOB SEARCH.] Caregivers participating in job search shall have eight weeks to find employment which is consistent with the employment goal in the family support agreement. If after eight weeks of job search the parental caregiver does not find employment consistent with the overall employment goal, the caregiver must accept any suitable employment.

Subd. 11. [LEVEL OF EMPLOYMENT.] Caregivers participating in job search are expected to seek and accept full-time employment. Any caregiver satisfies this requirement by working at least 30 hours per week. Single parents with a child under the age of six satisfy the requirement by working at least 20 hours per week.

Subd. 12. [CESSATION OF EMPLOYMENT.] Mandatory caregivers who quit a job, are laid off, or are terminated must contact MFIP-R staff within ten calendar days of the date the employment ended to schedule a meeting to revise the family support agreement to incorporate job search activities to obtain suitable employment. A caregiver who fails to contact MFIP-R staff within ten calendar days, fails to attend a scheduled meeting to revise the family support agreement, or fails to accept an offer of suitable employment is subject to sanctions under subdivision 4.

Subd. 13. [EDUCATION AND TRAINING ACTIVITIES; BASIC EDUCATION.] Basic education, including adult basic education, high school or general equivalency diploma, or ESL may be included in the family support agreement when a caregiver is actively participating in job search activities as specified in the family support agreement, or employed at least 12 hours per week. Six months of basic education activities may be included in the family support agreement, and extension of basic education activities is contingent upon review and approval by MFIP-R staff.

Non-English speaking caregivers have the option to participate in full-time ESL activities for up to six months prior to participation in job search with approval of MFIP-R staff.

Subd. 14. [EDUCATION AND TRAINING ACTIVITIES; POST-SECONDARY EDUCATION.] (a) Mandatory caregivers, mandatory caregivers who become exempt, and caregivers converted from STRIDE or ACCESS may have post-secondary education included in the family support agreement. For individuals who are participating in an educational program under this paragraph on a full-time basis as determined by the institution, there is no work requirement. For individuals participating in an educational program on a part-time basis as determined by the institution, the minimum number of hours that a participant must work shall be increased or decreased in inverse proportion to the number of credit hours being taken, up to a maximum of 12 hours weekly of work.

(b) Conditions for approval of a post-secondary education program include demonstration by the caregiver that:

(1) there is a market for full-time employees with this education or training where the caregiver will or is willing to reside upon completion of the program;

(2) the average wage level for employees with this education or training is significantly greater than the caregiver can earn without this education or training;

(3) the caregiver can meet the requirements for admission into the program; and

(4) there is a reasonable expectation that the caregiver will complete the training program based on such factors as the caregiver's current MFIP assessment; previous education, training, and work history; current motivation; and changes in previous circumstances.

(c) A comparison must be made between income foregone by delaying immediate entry into full-time paid employment while in pursuit of education or training and the probable income which will be earned following the education or training. The advantages and disadvantages to the family must be discussed with respect to both options.

(d) Activities under this subdivision are limited to the equivalent of two years of full-time education, with the following exceptions:

(1) caregivers in subdivision 15;

(2) caregivers who have already obtained a post-secondary degree. These caregivers are limited to course work necessary to upgrade skills, or obtain licensure or certification;

(3) extenuating circumstances that prohibit the caregiver from completing the program within the equivalent of two years; or

(4) the education activities may be part of a four-year education program provided the family support agreement specifies that the employment goal will be met at the time the caregiver completes the equivalent of two years of full-time education or that the caregiver will participate

in activities leading to the employment goal following completion of the two years of full-time education.

(e) Caregivers in education or training programs must maintain satisfactory progress. "Satisfactory progress" in an education or training program means the caregiver remains in good standing as defined by the education or training institution and meets the requirements in the caregiver's MFIP-R employability plan. MFIP-R staff may withdraw approval of the caregiver's employability plan when the caregiver does not maintain satisfactory progress in the education or training program.

Subd. 15. [CONVERTED STRIDE AND ACCESS CASES.] Caregivers with an employability plan from STRIDE or ACCESS must develop an MFIP-R employability plan. With approval of the MFIP-R staff, the family support agreement for caregivers under this section may include continuation of educational activities, up to a baccalaureate degree, if initiated under STRIDE or ACCESS. Caregivers who continue these activities must also participate in job search or work at least 12 hours per week.

Subd. 16. [REVISIONS TO FAMILY SUPPORT AGREEMENT.] The caregiver may revise the family support agreement with approval of MFIP-R staff.

Subd. 17. [VOLUNTEERS FOR MFIP-R PRE-EMPLOYMENT AND EMPLOYMENT SERVICES.] (a) Upon request, local agencies must continue to offer MFIP-R services to:

(1) caregivers with a signed family support agreement who become exempt under subdivision 2; and

(2) caregivers randomly assigned to MFIP during the conversion period who have an active STRIDE or ACCESS plan.

(b) County agencies must also service the following caregivers, as funding allows:

(1) second parent in a two-parent family; and

(2) caregivers who have not reached the timing for mandatory participation.

(c) Volunteers under paragraph (a) may access all MFIP-R services. Volunteers under paragraph (b), clause (1), may access MFIP-R job search and basic education services only. Volunteers under paragraph (b), clause (2), may access only MFIP-R job search services.

(d) Caregivers identified in this subdivision are voluntary participants for MFIP-R pre-employment and employment services and may not be sanctioned for failure to cooperate unless they reach the timing of MFIP-R pre-employment and employment services under subdivision 6, or are no longer exempt under subdivision 2.

Subd. 18. [CONCILIATION.] The county agency must inform the mandatory parental caregiver of the option of a conciliation conference when the mandatory parental caregiver receives a notice of intent to sanction or cannot reach agreement with MFIP-R staff about the contents or interpretation of the family support agreement.

Conciliation procedures shall be available as provided in section 256.736, subdivision 11, paragraph (c). Upon receiving a notice of intent to sanction, a caregiver may request a hearing under section 256.045 without exercising the option of a conciliation conference.

Subd. 19. [CHILD CARE.] The commissioner shall ensure that each MFIP caregiver who is employed or is developing or is engaged in activities identified in an employability plan under subdivision 7, and who needs assistance with child care costs to be employed or to develop or comply with the terms for an employability plan, receives a child care subsidy through child care money appropriated for the MFIP. The subsidy must cover all actual child care costs for eligible hours up to the maximum rate allowed under section 256H.15. A caregiver who is in the assistance unit and leaves the program as a result of increased earnings from employment, and needs child care assistance to remain employed, is entitled to extended child care assistance as provided under United States Code, title 42, section 602(g)(1)(a)(ii), on a copayment basis.

Subd. 20. [HEALTH CARE.] A family leaving the program as a result of increased earnings from employment is eligible for extended medical assistance as provided under Public Law Number 100-485, section 303, as amended, and Public Law Number 101-239, section 8015(b)(7).

Sec. 4. [256.049] [APPLICABILITY.]

Section 256.035 will not apply to the expansion of MFIP into Ramsey county (MFIP-R). Sections 256.047 to 256.048 will substitute for section 256.035 for the purposes of MFIP-R. Sections 256.031 to 256.034, and 256.036, 256.0361, and 268.871 are applicable to MFIP-R insofar as they are not inconsistent with sections 256.047 to 256.048. Minnesota Rules, part 9500.4220, does not apply to MFIP-R. Minnesota Rules, parts 9500.4000 to 9500.4210, and 9500.4230 to 9500.4340, are applicable to the expansion of MFIP into Ramsey county insofar as they are not inconsistent with sections 256.047 to 256.048.

Sec. 5. [APPROPRIATIONS.]

Subdivision 1. [COUNTY ADMINISTRATIVE COSTS.] (a) \$50,000 is appropriated to pay for MFIP-R county administrative costs for the fiscal year beginning July 1, 1995.

(b) \$200,000 is appropriated to pay for MFIP-R county administrative costs for the fiscal year beginning July 1, 1996.

Subd. 2. [MFIP-R.] \$6,589,000 is appropriated for the expansion of MFIP-R into Ramsey county for grants and child care for fiscal year beginning July 1, 1996.

Subd. 3. [MFIP-R CASE MANAGEMENT.] \$1,601,000 is appropriated for MFIP-R case management for the fiscal year beginning July 1, 1996.

Sec. 6. [EFFECTIVE DATE.]

(a) Sections 1 to 4 and 5, subdivisions 1, paragraph (b), 2, and 3, are effective July 1, 1996.

(b) Section 5, subdivision 1, paragraph (a), is effective July 1, 1995."

Delete the title and insert:

"A bill for an act relating to health and human services; authorizing welfare reform; childhood immunization; social services programs; recovery of funds; requesting federal waivers for programs; employment, education, and training programs; allocation and use of funds; coverage of health services; child support; data collection and disclosure; tax credits; appropriating money; amending Minnesota Statutes 1994, sections 13.46, subdivision 2; 256.01, by adding subdivisions; 256.035, subdivision 6d; 256.73, subdivision 8, and by adding subdivisions; 256.736, subdivisions 3a, 4a, 5, 10, 10a, 14, 16, and by adding a subdivision; 256.737, subdivisions 1a, 2, and by adding a subdivision; 256.74, by adding a subdivision; 256.81; 256.979, by adding a subdivision; 256.983, subdivision 1; 256B.0625, subdivision 13; 256D.01, subdivision 1a; 256D.03, subdivision 4; 256D.05, subdivisions 1 and 6; 256D.051, subdivisions 1, 1a, 2, 3, 3a, 3b, 6, 6b, 8, 9, 17, and by adding a subdivision; 256D.052, subdivision 3; and 256D.09, subdivision 2a, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 256; and 256D; repealing Minnesota Statutes 1994, sections 256.734; 256D.051, subdivisions 10, 13, 14, and 15; 256D.052, subdivisions 1, 2, and 4; 256D.091; 256D.101; 256D.111; and 256D.113."

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

House Conferees: (Signed) Loren Jennings, Tom Van Engen, Barb Vickerman, Becky Lourey, Thomas Huntley

Senate Conferees: (Signed) Don Samuelson, Don Betzold, Pat Piper, Martha R. Robertson, Paula E. Hanson

Mr. Samuelson moved that the foregoing recommendations and Conference Committee Report on H.F. No. 5 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. 5 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:

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

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. 1399, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1399 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 10, 1995

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1399

A bill for an act relating to crime; imposing penalties for assaulting a police horse while it is being used for law enforcement purposes; proposing coding for new law in Minnesota Statutes, chapter 609.

May 4, 1995

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H.F. No. 1399, 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. 1399 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [609.597] [ASSAULTING OR HARMING A POLICE HORSE; PENALTIES.]

Subdivision 1. [DEFINITION.] As used in this section, "police horse" means a horse that has been trained for crowd control and other law enforcement purposes and is used to assist peace officers in the performance of their official duties.

Subd. 2. [CRIME.] Whoever assaults or intentionally harms a police horse while the horse is being used or maintained for use by a law enforcement agency is guilty of a crime and may be sentenced as provided in subdivision 3.

Subd. 3. [PENALTIES.] A person convicted of violating subdivision 2 may be sentenced as follows:

(1) if a peace officer, or any other person suffers great bodily harm or death as a result of the violation, the person 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;

(2) if the police horse suffers death or great bodily harm as a result of the violation, or if a peace officer suffers demonstrable bodily harm as a result of the violation, the person may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than \$4,000, or both;

(3) if the police horse suffers demonstrable bodily harm as a result of the violation, the person may be sentenced to imprisonment for not more than one year and one day or to payment of a fine of not more than \$3,000, or both;

(4) if a peace officer is involuntarily unseated from the police horse or any person, other than the peace officer, suffers demonstrable bodily harm as a result of the violation, the person 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;

(5) if a violation other than one described in clauses (1) to (4) occurs, the person may be sentenced to imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the date following final enactment and applies to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to crime; imposing penalties for assaulting a police horse while it is being used for law enforcement purposes; proposing coding for new law in Minnesota Statutes, chapter 609."

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

House Conferees: (Signed) Wesley J. "Wes" Skoglund, Jim Farrell, Teresa Lynch

Senate Conferees: (Signed) Sam G. Solon, Jane B. Ranum, David L. Knutson

Mr. Solon moved that the foregoing recommendations and Conference Committee Report on H.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.

H.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 60 and nays 0, as follows:

Those who voted in the affirmative were:

- | | | | | |
|----------|----------|--------------|---------------|----------|
| Anderson | Bertram | Flynn | Johnson, D.E. | Kleis |
| Beckman | Betzold | Frederickson | Johnson, D.J. | Knutson |
| Belanger | Chandler | Hanson | Johnson, J.B. | Kramer |
| Berg | Dille | Hottinger | Johnston | Krentz |
| Berglin | Finn | Janezich | Kiscaden | Kroening |

Laidig	Merriam	Novak	Reichgott Junge	Solon
Langseth	Metzen	Oliver	Riveness	Spear
Larson	Moe, R.D.	Olson	Robertson	Stevens
Lesewski	Mondale	Ourada	Runbeck	Stumpf
Lessard	Morse	Pappas	Sams	Terwilliger
Limmer	Murphy	Pariseau	Samuelson	Vickerman
Marty	Neuville	Piper	Scheevel	Wiener

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

RECONSIDERATION

Mr. Chandler moved that the vote whereby S.F. No. 1406 failed to pass the Senate on May 10, 1995, be now reconsidered. The motion prevailed.

S.F. No. 1406: A bill for an act relating to employment; establishing and modifying certain salary limits; requiring an evaluation of agency head responsibilities; amending Minnesota Statutes 1994, sections 3.855, subdivision 3; 15A.081, subdivision 8; 15A.083, subdivisions 5, 6a, and 7; 43A.17, subdivisions 1, 3, and by adding a subdivision; 43A.18, subdivision 4; 85A.02, subdivision 5a; and 298.22, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 15A; repealing Minnesota Statutes 1994, sections 15A.081, subdivisions 1, 7, and 7b; and 43A.18, subdivision 5.

Mr. Terwilliger moved that S.F. No. 1406 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that Senate Concurrent Resolution No. 10 be taken from the table. The motion prevailed.

Senate Concurrent Resolution No. 10: A Senate concurrent resolution adopting Permanent Joint Rules of the Senate and House of Representatives.

Ms. Reichgott Junge moved the adoption of Senate Concurrent Resolution No. 10. The motion prevailed. So the resolution was adopted.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 11:00 a.m. The motion prevailed. The hour of 11:00 a.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.

Ms. Berglin moved that S.F. No. 845 be taken from the table. The motion prevailed.

S.F. No. 845: A bill for an act relating to health; MinnesotaCare; expanding provisions of health care; establishing requirements for integrated service networks; modifying requirements for health plan companies; establishing the standard health coverage; repealing the regulated all-payer option; modifying universal coverage and insurance reform provisions; revising the research and data initiatives; expanding eligibility for the MinnesotaCare program; creating the prescription drug purchasing authority; establishing a drug purchasing benefit program for senior citizens; extending the health care commission and regional coordinating boards; making technical

changes; providing penalties; appropriating money; amending Minnesota Statutes 1994, sections 13.99, by adding a subdivision; 16A.724; 60A.02, subdivision 1a; 60B.02; 60B.03, subdivision 2; 60G.01, subdivisions 2, 4, and 5; 62A.10, subdivisions 1 and 2; 62A.65, subdivisions 5 and 8; 62D.02, subdivision 8; 62D.042, subdivision 2; 62D.11, subdivision 1; 62D.181, subdivisions 2, 3, 6, and 9; 62E.05; 62E.141; 62H.04; 62H.08; 62J.017; 62J.04, subdivisions 1a and 3; 62J.05, subdivisions 2 and 9; 62J.06; 62J.09, subdivisions 1, 2, 6, 8, and by adding a subdivision; 62J.152, subdivision 5; 62J.17, subdivision 4a; 62J.212; 62J.37; 62J.38; 62J.40; 62J.41, subdivisions 1 and 2; 62J.48; 62J.54; 62J.55; 62J.58; 62L.02, subdivisions 11, 16, 24, and 26; 62L.03, subdivisions 3, 4, and 5; 62L.09, subdivision 1; 62L.12, subdivision 2; 62M.02, subdivision 12; 62M.07; 62M.09, subdivision 5; 62M.10, by adding a subdivision; 62N.02, by adding subdivisions; 62N.04; 62N.10, by adding a subdivision; 62N.11, subdivision 1; 62N.13; 62N.14, subdivision 3; 62N.25, subdivision 2; 62P.05, subdivision 4, and by adding a subdivision; 62Q.01, subdivisions 2, 3, 4, and by adding subdivisions; 62Q.03, subdivisions 1, 6, 7, 8, 9, 10, and by adding subdivisions; 62Q.07, subdivisions 1 and 2; 62Q.075, subdivision 4; 62Q.09, subdivision 3; 62Q.11, subdivision 2; 62Q.165; 62Q.17, subdivisions 2, 6, 8, and by adding a subdivision; 62Q.18; 62Q.19; 62Q.23; 62Q.25; 62Q.30; 62Q.32; 62Q.33, subdivisions 4 and 5; 62Q.41; 72A.20, by adding subdivisions; 136A.1355, subdivisions 3 and 5; 136A.1356, subdivisions 3 and 4; 144.1464, subdivisions 2, 3, and 4; 144.147, subdivision 1; 144.1484, subdivision 1; 144.1486, subdivision 4; 144.1489, subdivision 3; 151.48; 214.16, subdivisions 2 and 3; 256.9353, subdivisions 1 and 3; 256.9354, subdivisions 1, 4, 5, and by adding a subdivision; 256.9357, subdivisions 1, 2, and 3; 256.9358, subdivisions 3, 4, and by adding a subdivision; 256.9363, subdivision 5; 256B.037, subdivisions 1, 3, 4, and by adding subdivisions; 256B.04, by adding a subdivision; 256B.055, by adding a subdivision; 256B.057, subdivision 3, and by adding subdivisions; 256B.0625, subdivision 30; 256B.69, subdivisions 2 and 4; 270.101, subdivision 1; 295.50, subdivisions 3, 4, and 10a; 295.53, subdivisions 1, 3, and 4; 295.55, subdivision 4; 295.57; and 295.582; Laws 1990, chapter 591, article 4, section 9; Laws 1994, chapter 625, article 5, sections 5, subdivision 1; 7; and 10, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 62J; 62L; 62N; 62Q; 256; 256B; and 295; repealing Minnesota Statutes 1994, sections 62J.045; 62J.07, subdivision 4; 62J.09, subdivision 1a; 62J.152, subdivision 6; 62J.19; 62J.30; 62J.31; 62J.32; 62J.33; 62J.34; 62J.35; 62J.41, subdivisions 3 and 4; 62J.44; 62J.45; 62J.65; 62L.08, subdivision 7a; 62N.34; 62P.01; 62P.02; 62P.03; 62P.07; 62P.09; 62P.11; 62P.13; 62P.15; 62P.17; 62P.19; 62P.21; 62P.23; 62P.25; 62P.27; 62P.29; 62P.31; 62P.33; 62Q.03, subdivisions 2, 3, 4, 5, and 11; 62Q.21; 62Q.27; and 256.9353, subdivisions 4 and 5; Laws 1993, chapter 247, article 1, sections 12, 13, 14, 15, 18, and 19; Minnesota Rules, part 4685.1700, subpart 1, item D.

The question recurred on the second Neuville amendment, which was pending:

Mr. Neuville moved to amend S.F. No. 845 as follows:

Page 100, line 22, before "'Covered" insert "(a)"

Page 101, after line 1, insert:

"(b) MinnesotaCare shall not cover "elective abortions." For purposes of this requirement, "elective abortion" means an abortion other than where, in the professional judgment of the attending physician, which is a medical judgment that would be made by a reasonably prudent physician, knowledgeable about the case and the treatment possibilities with respect to the medical conditions involved, the life of the female would be endangered or substantial and irreversible impairment of a major bodily function would result if the fetus were carried to term; where the pregnancy is the result of criminal sexual conduct in the first or second degree committed with force or violence, and the incident is reported within 48 hours after the victim becomes physically able to report the rape; or where the pregnancy is the result of incest and the incident and relative are reported to a valid law enforcement agency prior to the abortion."

Ms. Berglin moved to amend the second Neuville amendment to S.F. No. 845 as follows:

Page 1, line 4, delete "not" and insert "only" and delete "abortions."" and insert "abortions." if the individual enrollee has elected, upon enrollment or renewal, to be covered for elective abortions. Persons who select coverage for elective abortions shall be charged premiums which reflect the cost of the elective abortion coverage."

CALL OF THE SENATE

Mr. Neville imposed a call of the Senate for the balance of the proceedings on S.F. No. 845. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Berglin amendment to the second Neville amendment.

Mr. Neville moved that the President be directed to close the roll. The motion did not prevail.

Ms. Berglin moved that the President be directed to close the roll. The motion prevailed.

The roll was called, and there were yeas 30 and nays 33, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Marty	Oliver	Riveness
Berglin	Hottinger	Moe, R.D.	Pappas	Robertson
Betzold	Janezich	Mondale	Piper	Solon
Chandler	Johnson, J.B.	Morse	Pogemiller	Spear
Cohen	Kiscaden	Murphy	Ranum	Terwilliger
Finn	Krentz	Novak	Reichgott Junge	Wiener

Those who voted in the negative were:

Beckman	Johnson, D.E.	Laidig	Metzen	Samuelson
Belanger	Johnson, D.J.	Langseth	Neville	Scheevel
Berg	Johnston	Larson	Olson	Stevens
Bertram	Kleis	Lesewski	Ourada	Stumpf
Dille	Knutson	Lessard	Pariseau	Vickerman
Frederickson	Kramer	Limmer	Runbeck	
Hanson	Kroening	Merriam	Sams	

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

Mr. Neville moved to amend the second Neville amendment to S.F. No. 845 as follows:

Page 1, line 13, after "of" insert "conduct which constitutes"

Page 1, line 14, delete "second" and insert "third" and delete "committed with force or violence"

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

The question recurred on the adoption of the second Neville amendment.

Ms. Reichgott Junge moved that the President be directed to close the roll. The motion prevailed.

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

Those who voted in the affirmative were:

Beckman	Johnson, D.E.	Laidig	Neville	Scheevel
Belanger	Johnson, D.J.	Langseth	Olson	Stevens
Berg	Johnston	Larson	Ourada	Stumpf
Bertram	Kleis	Lesewski	Pariseau	Vickerman
Dille	Knutson	Lessard	Runbeck	
Frederickson	Kramer	Limmer	Sams	
Hanson	Kroening	Merriam	Samuelson	

Those who voted in the negative were:

Anderson	Hottinger	Moe, R.D.	Piper	Solon
Berglin	Janezich	Mondale	Pogemiller	Spear
Betzold	Johnson, J.B.	Morse	Price	Terwilliger
Chandler	Kiscaden	Murphy	Ranum	Wiener
Cohen	Krentz	Novak	Reichgott Junge	
Finn	Marty	Oliver	Riveness	
Flynn	Metzen	Pappas	Robertson	

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

Mr. Moe, R.D. moved to amend S.F. No. 845 as follows:

Pages 13 to 15, delete sections 24 and 25

Pages 31 to 40, delete sections 22 to 27 and insert:

"Sec. 22. [CONSTRUCTION.]

Notwithstanding any other section of this bill or any statute in current law, nothing in this act shall be construed to change existing law with respect to coverage of abortion."

Pages 100 to 102, delete sections 3 and 4

Pages 122 and 123, delete section 39

Pages 130 and 131, delete section 6

Pages 134 and 135, delete section 14

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

Ms. Berglin moved that the President be directed to close the roll. The motion prevailed.

The roll was called, and there were yeas 36 and nays 27, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Larson	Pappas	Solon
Belanger	Hottinger	Marty	Piper	Spear
Berg	Janezich	Metzen	Pogemiller	Terwilliger
Berglin	Johnson, D.E.	Moe, R.D.	Price	Wiener
Betzold	Johnson, J.B.	Mondale	Ranum	
Chandler	Kiscaden	Morse	Reichgott Junge	
Cohen	Krentz	Novak	Riveness	
Finn	Langseth	Oliver	Robertson	

Those who voted in the negative were:

Beckman	Johnston	Lesewski	Ourada	Stevens
Bertram	Kleis	Lessard	Pariseau	Stumpf
Dille	Knutson	Limmer	Runbeck	Vickerman
Frederickson	Kramer	Murphy	Sams	
Hanson	Kroening	Neuville	Samuelson	
Johnson, D.J.	Laidig	Olson	Scheevel	

The motion prevailed. So the amendment was adopted.

Mr. Bertram moved to amend S.F. No. 845 as follows:

Page 14, after line 25, insert:

"(c) Medically appropriate guidelines and practice parameters must conform with section 62M.07, paragraph (c). No treatment or procedure which is effective in preserving or extending life may be deemed medically inappropriate or clinically ineffective on the basis of the patient's present or predicted age, disability, degree of need for future treatment, or quality of life, unless in comparison with another treatment or procedure which is equally or more effective in preserving or extending life."

Page 41, after line 22, insert:

"Sec. 2. Minnesota Statutes 1994, section 62J.03, subdivision 7, is amended to read:

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 or~~ preservation of the patient's life."

Page 44, line 18, before the semicolon, insert ", in compliance with section 62N.15, subdivision 6, paragraph (c)"

Page 59, line 21, after "means" insert ", in compliance with section 62N.15, subdivision 7, paragraph (c)."

Page 74, line 21, before the period, insert ", and in compliance with section 62N.15, subdivision 6, paragraph (c)"

Page 77, line 28, after "guidelines" insert "which are in compliance with section 62N.15, subdivision 6, paragraph (c), and which are"

Page 78, line 4, after "measurement" insert "must be in compliance with section 62N.15, subdivision 6, paragraph (c), and"

Page 156, after line 30, insert:

"(c) No utilization review organization, health plan company, or claims administrator may deny medical treatment that a patient is otherwise qualified to receive, against the wishes of a patient, or, if the patient is incompetent, against the wishes of a person possessing a durable power of attorney from the patient, or against the wishes of the patient's guardian, on the basis of the patient's present or predicted age, disability, degree of need for future treatment, or quality of life."

Page 156, lines 35 and 36, delete "based on accepted medical practice" and insert "in compliance with section 62M.07, paragraph (c)"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Bertram then moved to amend the Bertram amendment to S.F. No. 845 as follows:

Page 1, delete lines 2 to 11

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

Mr. Bertram then withdrew his amendment.

Mr. Marty moved to amend S.F. No. 845 as follows:

Pages 97 to 100, delete sections 1 and 2 and insert:

"Section 1. [16B.93] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For purposes of sections 16B.93 to 16B.97, the following definitions apply.

Subd. 2. [CONTRACTOR.] "Contractor" means the individual, business entity, or other private organization who is awarded the contract by the commissioner to negotiate the prices for prescription drugs pursuant to section 16B.94, subdivision 1.

Subd. 3. [MULTISTATE PHARMACEUTICAL CONTRACTING ALLIANCE OR ALLIANCE.] "Multistate pharmaceutical contracting alliance" or "alliance" means the alliance established and administered by the commissioner of administration under the authority granted in section 471.59.

Subd. 4. [MANUFACTURER.] "Manufacturer" means a manufacturer as defined in section 151.44, paragraph (c).

Subd. 5. [PRESCRIPTION DRUG.] "Prescription drug" means a drug as defined in section 151.44, paragraph (d).

Subd. 6. [PURCHASER.] "Purchaser" means a pharmacy as defined in section 151.01, subdivision 2, and includes health maintenance organizations and hospitals.

Subd. 7. [REBATE.] "Rebate" means any money, incentives, or credits given to a purchaser by a manufacturer or seller for purchasing a prescription drug.

Subd. 8. [SELLER.] "Seller" means any person, other than a manufacturer, who sells or distributes drugs to purchasers or other sellers within the state.

Subd. 9. [SINGLE SOURCE DRUG.] "Single source drug" means a prescription drug for which there is no other drug product sold or marketed in the state which the FDA has rated as therapeutically equivalent and has determined is pharmaceutically equivalent and bioequivalent.

Subd. 10. [STATE DRUG FORMULARY.] "State drug formulary" means a listing of drugs of proven safety, efficacy, and cost-effectiveness established by the commissioner of human services under section 256.996.

Sec. 2. [16B.94] [PRICE CONTRACT FOR PRESCRIPTION DRUGS ON THE STATE FORMULARY.]

(a) The commissioner shall negotiate price contracts for prescription drugs listed on the state drug formulary. The commissioner may contract with an individual, business entity, or other private organization to negotiate the contract price as required under this subdivision. The commissioner may negotiate a price differential based on volume purchasing.

(b) The contract price for each drug on the state drug formulary, with the exception of single source drugs, shall be based on the average manufacturer's price minus 15 percent, the best competitive bid price, or a negotiated price, whichever is lowest. In the case of single source drugs, the contract price shall be negotiated. The initial average manufacturer's price is the purchaser's actual acquisition cost as of March 1, 1995. For purposes of computing the contract price in 1996 and each year thereafter for those drugs on the state drug formulary, the commissioner or contractor shall not recognize increases in the average manufacturer's contracted price that exceed the rate of increase in the Consumer Price Index for All Items (U.S. city average) (CPI-U).

(c) The commissioner shall assess manufacturers who participate in the alliance participation fees in the amount of the anticipated costs to the departments of administration and human services of administering the state drug formulary program.

(d) Nothing in this section shall prohibit the commissioner or contractor from granting multiple awards.

Sec. 3. [16B.95] [STATE CONTRACT PRICE.]

Subdivision 1. [MANUFACTURER REQUIREMENT.] The contract price for all prescription drugs listed on the state formulary that the commissioner has negotiated shall be made available to any Minnesota purchaser by any manufacturer or seller who participates in the alliance. Any manufacturer who does not extend the negotiated contract price to a Minnesota purchaser shall be prohibited from participating in the alliance.

Subd. 2. [PURCHASER REQUIREMENT.] The commissioner of administration may require any Minnesota purchaser who plans on purchasing prescription drugs at the contract price negotiated by the commissioner of administration to submit any information deemed necessary by the commissioner regarding prescription drug purchase projections to assist the commissioner in the contract price negotiations.

Subd. 3. [PURCHASING PRESCRIPTION DRUGS NOT INCLUDED ON THE STATE DRUG FORMULARY.] Nothing in this section shall prevent a purchaser from purchasing a prescription drug that is not included on the state drug formulary.

Sec. 4. [16B.96] [NONDISCRIMINATION.]

No insurer or health plan company shall discriminate against a purchaser for participating in the multistate pharmaceutical contracting alliance or for taking advantage of the alliance contracting price.

Sec. 5. Minnesota Statutes 1994, section 151.21, subdivision 2, is amended to read:

Subd. 2. When a pharmacist receives a written prescription on which the prescriber has personally written in handwriting "dispense as written - brand medically necessary," or "D.A.W.," or an oral prescription in which the prescriber has expressly indicated that the prescription is to be dispensed as communicated, the pharmacist shall dispense the brand name legend drug as prescribed. If the prescriber specifies orally that the prescription shall be dispensed as communicated, written certification in the prescriber's handwriting bearing the phrase "dispense as written - brand medically necessary" must be sent to the dispensing pharmacy within ten days.

Sec. 6. Minnesota Statutes 1994, section 151.21, subdivision 3, is amended to read:

Subd. 3. When a pharmacist receives a written prescription on which the prescriber has not personally written in handwriting "dispense as written - brand medically necessary," or "D.A.W.," or an oral prescription in which the prescriber has not expressly indicated that the prescription is to be dispensed as communicated, and there is available in the pharmacist's stock a less expensive generically equivalent drug that, in the pharmacist's professional judgment, is safely interchangeable with the prescribed drug, then the pharmacist shall, after disclosing the substitution to the purchaser, dispense the generic drug, unless the purchaser objects. A pharmacist may also substitute pursuant to the oral instructions of the prescriber. A pharmacist may not substitute a generically equivalent drug product unless, in the pharmacist's professional judgment, the substituted drug is therapeutically equivalent and interchangeable to the prescribed drug. A pharmacist shall notify the purchaser if the pharmacist is dispensing a drug other than the brand name drug prescribed.

Sec. 7. Minnesota Statutes 1994, section 151.21, is amended by adding a subdivision to read:

Subd. 4a. Each pharmacy must post a sign in a conspicuous location in a typeface easily seen at the counter where prescriptions are dispensed stating that, "This pharmacy will substitute whenever possible an FDA approved, less expensive, generic drug product which is therapeutically equivalent and safely interchangeable to the one prescribed by your doctor in order to save you money, unless you object to this substitution."

Page 112, after line 7, insert:

"Sec. 25. [256.996] [STATE DRUG FORMULARY.]

Subdivision 1. [ESTABLISHMENT.] By January 1, 1996, the commissioner of human services shall establish a state drug formulary based on the criteria developed by the drug formulary committee established under section 256B.0625, subdivision 13. The commissioner shall publish the state drug formulary on an annual basis. Prior to publication, the drug formulary committee shall review and comment on the formulary contents. When developing the formulary contents, consideration must be given to drugs with a narrow therapeutic index.

Subd. 2. [DEVELOPMENT OF CRITERIA.] In developing the criteria to be used by the commissioner in establishing the state drug formulary, the drug formulary committee shall consult with health care professional experts in each therapeutic class of drugs. The criteria must also be based on review of scientific literature in peer-reviewed biomedical journals for purposes of identifying the most efficacious, safe, and cost-effective drugs in achieving optimal patient therapeutic outcomes.

Subd. 3. [STATE DRUG FORMULARY ADDITIONS AND DELETIONS.] (a) Any health care provider, consumer or consumer group, or seller of prescription drugs may apply to the commissioner on a form specified in the state drug formulary to add or delete a drug from the state drug formulary. For purposes of this subdivision, "health care provider" includes any vendor of medical care qualifying for reimbursement under the medical assistance program provided under chapter 256B.

(b) The drug formulary committee may recommend to the commissioner the addition or deletion of a prescription drug in the state drug formulary.

Subd. 4. [AVAILABILITY OF PRESCRIPTION DRUGS NOT INCLUDED ON THE STATE DRUG FORMULARY.] Nothing in this section shall prevent a physician or other person authorized to prescribe prescription drugs from prescribing a drug that is not included on the state drug formulary."

Page 120, after line 15, insert:

"Sec. 42. Minnesota Statutes 1994, 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 professional medical associations and professional pharmacist associations, shall designate a formulary committee to advise the commissioner on the names of drugs for which payment is made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The formulary committee shall consist of ~~nine~~ 11 members, ~~four of whom shall be three~~ 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 one~~ pharmacoeconomist, one nurse, ~~four~~ pharmacists who are not employed by the department of human services or by a health plan company as defined in section 62Q.01, subdivision 4, and a majority of whose practice is for persons paying privately or through health insurance, a one consumer representative, and a one nursing home representative. Committee members shall serve three-year terms and shall serve without compensation. Members may be reappointed once.

(b) The commissioner shall establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the administrative procedure act, but the formulary committee shall review and comment on the formulary contents. The formulary committee shall review and recommend drugs which require prior authorization. The formulary committee may recommend drugs for prior authorization directly to the commissioner, as long as opportunity for public input is provided. Prior authorization may be requested by the commissioner based on medical and clinical criteria before certain drugs are eligible for payment. Before a drug may be considered for prior authorization at the request of the commissioner:

(1) the drug formulary committee must develop criteria to be used for identifying drugs; the development of these criteria is not subject to the requirements of chapter 14, but the formulary committee shall provide opportunity for public input in developing criteria;

(2) the drug formulary committee must hold a public forum and receive public comment for an additional 15 days; and

(3) the commissioner must provide information to the formulary committee on the impact that placing the drug on prior authorization will have on the quality of patient care and information regarding whether the drug is subject to clinical abuse or misuse. Prior authorization may be required by the commissioner before certain formulary drugs are eligible for payment. The formulary shall not include:

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

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

(iii) any other over-the-counter drug identified by the commissioner, in consultation with the drug formulary committee, as necessary, appropriate, and cost-effective for the treatment of certain specified chronic diseases, conditions or disorders, and this determination shall not be subject to the requirements of chapter 14;

(iv) anorectics; and

(v) drugs for which medical value has not been established.

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

(c) The basis for determining the amount of payment shall be the lower of the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner, the maximum allowable cost set by the federal government or by the commissioner plus the fixed dispensing fee or the usual and customary price charged to the public. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. The actual acquisition cost of a drug shall be estimated by the commissioner, at average wholesale price minus 7.6 percent effective January 1, 1994. The maximum allowable cost of a multisource drug may be set by the commissioner and it shall be comparable to, but no higher than, the maximum amount paid by other third-party payors in this state who have maximum allowable cost programs. Establishment of the amount of payment for drugs shall not be subject to the requirements of the administrative procedure act. An additional dispensing fee of \$.30 may be added to the dispensing fee paid to pharmacists for legend drug prescriptions dispensed to residents of long-term care facilities when a unit dose blister card system, approved by the department, is used. Under this type of dispensing system, the pharmacist must dispense a 30-day supply of drug. The National Drug Code (NDC) from the drug container used to fill the blister card must be identified on the claim to the department. The unit dose blister card containing the drug must meet the packaging standards set forth in Minnesota Rules, part 6800.2700, that govern the return of unused drugs to the pharmacy for reuse. The pharmacy provider will be required to credit the department for the actual acquisition cost of all unused drugs that are eligible for reuse. Over-the-counter medications must be dispensed in the manufacturer's unopened package. The commissioner may permit the drug clozapine to be dispensed in a quantity that is less than a 30-day supply. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifically indicates "dispense as written - brand necessary" on the prescription as required by section 151.21, subdivision 2. Implementation of any change in the fixed dispensing fee that has not been subject to the administrative procedure act is limited to not more than 180 days, unless, during that time, the commissioner initiates rulemaking through the administrative procedure act.

(d) Until the date the on-line, real-time Medicaid Management Information System (MMIS) upgrade is successfully implemented, as determined by the commissioner of administration, a pharmacy provider may require individuals who seek to become eligible for medical assistance under a one-month spenddown, as provided in section 256B.056, subdivision 5, to pay for services to the extent of the spenddown amount at the time the services are provided. A pharmacy provider choosing this option shall file a medical assistance claim for the pharmacy services provided. If medical assistance reimbursement is received for this claim, the pharmacy provider shall return to the individual the total amount paid by the individual for the pharmacy services reimbursed by the medical assistance program. If the claim is not eligible for medical assistance reimbursement because of the provider's failure to comply with the provisions of the medical assistance program, the pharmacy provider shall refund to the individual the total amount paid by the individual. Pharmacy providers may choose this option only if they apply similar credit restrictions to private pay or privately insured individuals. A pharmacy provider choosing this option must inform individuals who seek to become eligible for medical assistance under a one-month spenddown of (1) their right to appeal the denial of services on the grounds that they have satisfied the spenddown requirement, and (2) their potential eligibility for the MinnesotaCare program or the children's health plan."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Ms. Berglin moved to amend the Marty amendment to S.F. No. 845 as follows:

Page 1, delete line 2 and insert:

"Page 100, after line 19, insert:"

Page 1, line 3, delete "Section 1" and insert "Sec. 3"

Renumber the sections in sequence and correct the internal references

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

The roll was called, and there were yeas 41 and nays 19, as follows:

Those who voted in the affirmative were:

Belanger	Janezich	Langseth	Neuville	Scheevel
Berg	Johnson, D.E.	Larson	Novak	Spear
Berglin	Johnson, D.J.	Lessard	Oliver	Stevens
Chandler	Johnston	Limmer	Olson	Terwilliger
Cohen	Kiscaden	Merriam	Pariseau	Wiener
Day	Knutson	Moe, R.D.	Pogemiller	
Flynn	Kramer	Mondale	Reichgott Junge	
Frederickson	Krentz	Morse	Robertson	
Hanson	Laidig	Murphy	Sams	

Those who voted in the negative were:

Anderson	Dille	Lesewski	Piper	Samuelson
Beckman	Finn	Marty	Price	Stumpf
Bertram	Kleis	Metzen	Ranum	Vickerman
Betzold	Kroening	Pappas	Riveness	

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 34 and nays 28, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Kroening	Pappas	Sams
Beckman	Hanson	Langseth	Piper	Samuelson
Bertram	Janezich	Lesewski	Pogemiller	Solon
Betzold	Johnson, D.J.	Lessard	Price	Stumpf
Chandler	Johnson, J.B.	Marty	Ranum	Vickerman
Cohen	Kleis	Metzen	Reichgott Junge	Wiener
Finn	Krentz	Morse	Riveness	

Those who voted in the negative were:

Belanger	Johnson, D.E.	Larson	Novak	Scheevel
Berg	Johnston	Limmer	Oliver	Spear
Berglin	Kiscaden	Merriam	Olson	Stevens
Day	Knutson	Mondale	Pariseau	Terwilliger
Dille	Kramer	Murphy	Robertson	
Frederickson	Laidig	Neuville	Runbeck	

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

Mrs. Pariseau moved to amend S.F. No. 845 as follows:

Page 174, after line 23, insert:

"Sec. 7. Minnesota Statutes 1994, section 295.52, is amended by adding a subdivision to read:

Subd. 6. [EXEMPTION FOR PROVIDERS OF DENTAL SERVICES.] Dentists, dental assistants, and dental hygienists are exempt from the health care provider tax imposed by this section."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

Ms. Berglin moved that the President be directed to close the roll. The motion prevailed.

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

Those who voted in the affirmative were:

Beckman	Dille	Laidig	Murphy	Scheevel
Belanger	Frederickson	Larson	Neuville	Solon
Berg	Johnson, D.E.	Lesewski	Olson	Stevens
Bertram	Johnston	Lessard	Ourada	Vickerman
Chandler	Kleis	Limmer	Pariseau	
Cohen	Knutson	Merriam	Robertson	
Day	Kramer	Metzen	Runbeck	

Those who voted in the negative were:

Anderson	Johnson, D.J.	Moe, R.D.	Pogemiller	Spear
Berglin	Johnson, J.B.	Mondale	Price	Stumpf
Betzold	Kiscaden	Morse	Ranum	Terwilliger
Flynn	Krentz	Novak	Reichgott Junge	Wiener
Hanson	Kroening	Oliver	Riveness	
Hottinger	Langseth	Pappas	Sams	
Janezich	Marty	Piper	Samuelson	

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

S.F. No. 845 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 52 and nays 13, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Lessard	Olson	Sams
Beckman	Janezich	Marty	Pappas	Scheevel
Belanger	Johnson, D.E.	Merriam	Pariseau	Solon
Berg	Johnson, D.J.	Metzen	Piper	Spear
Berglin	Johnson, J.B.	Moe, R.D.	Pogemiller	Stevens
Betzold	Kiscaden	Mondale	Price	Stumpf
Chandler	Knutson	Morse	Ranum	Terwilliger
Cohen	Krentz	Murphy	Reichgott Junge	Wiener
Dille	Langseth	Neuville	Riveness	
Finn	Larson	Novak	Robertson	
Flynn	Lesewski	Oliver	Runbeck	

Those who voted in the negative were:

Bertram	Hanson	Kramer	Limmer	Vickerman
Day	Johnston	Kroening	Ourada	
Frederickson	Kleis	Laidig	Samuelson	

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

RECONSIDERATION

Mr. Moe, R.D. moved that the vote whereby S.F. No. 845 was passed by the Senate on May 11, 1995, be now reconsidered. The motion did not prevail.

CALL OF THE SENATE

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

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. 479: Messrs. Morse, Merriam and Scheevel.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Messrs. Chmielewski and Kelly were excused from the Session of today. Messrs. Mondale and Riveness were excused from the Session of today from 9:00 to 10:00 a.m. Ms. Krentz was excused from the Session of today from 9:30 to 10:30 a.m. Ms. Ranum was excused from the Session of today from 9:45 to 9:55 a.m. Mr. Pogemiller was excused from the Session of today from 9:00 to 11:20 a.m. Mr. Price was excused from the Session of today from 9:00 to 11:50 a.m. Mr. Day was excused from the Session of today from 9:00 a.m. to 12:30 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Friday, May 12, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTY-NINTH DAY

St. Paul, Minnesota, Friday, May 12, 1995

The Senate met at 9:00 a.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Douglas P. Foreman.

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

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

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.

May 10, 1995

The Honorable Allan H. Spear
President of the Senate

Dear President Spear:

I have vetoed and I am returning Chapter 157, Senate File 308/House File 416, a bill relating to special motor vehicle license plates.

This bill is clearly an unfunded mandate to the Department of Public Safety. Currently, if the DWI violator were not the owner of the car being driven at the time of incident, plates would be returned with the costs paid by the State of Minnesota. This bill would have allowed non-driving owners to get their plates back only if they did not know the person was driving their car. This could be shown by reporting the car as missing to a law enforcement agency. If no report were made, the owner would have to apply and pay for special license plates. By forcing the owners to

be more responsible and accountable for the use of their automobile, the bill would hope to lessen the number of DWI drivers on our highways.

However, this bill does not grant Public Safety the appropriation necessary to implement these laudable goals.

The department estimates that an additional three employees would be needed to process the 10,000 special license plates that would have to be issued annually. The department calculates their cost would be \$124,000 per year. If the department were given the funds to carry out the program, they would be able to supply the General Fund with approximately \$250,000 per year in receipts.

It is unfortunate that good policy, one that would have brought additional money into the general fund while keeping drunk drivers off the road, could not have been appropriately funded.

Warmest regards,
Arne H. Carlson, Governor

Mr. Moe, R.D. moved that S.F. No. 308 and the veto message thereon be laid on the table. The motion prevailed.

May 10, 1995

The Honorable Allan H. Spear
President of the Senate

Dear President Spear:

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. 752.

Warmest regards,
Arne H. Carlson, Governor

May 11, 1995

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1995 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 1995	Date Filed 1995
	617	141	10:17 a.m. May 10	May 10
	927	142	10:18 a.m. May 10	May 10
	1048	143	10:20 a.m. May 10	May 10
	1052	144	10:22 a.m. May 10	May 10
	1402	145	10:45 a.m. May 10	May 10
	1003	146	10:41 a.m. May 10	May 10
	1018	147	10:40 a.m. May 10	May 10
	1371	148	10:36 a.m. May 10	May 10
	1082	150	10:24 a.m. May 10	May 10
	217	151	10:32 a.m. May 10	May 10

	751	152	10:15 a.m.	May 10	May 10
	1709	153	10:30 a.m.	May 10	May 10
	1437	154	10:28 a.m.	May 10	May 10
	1174	155	10:28 a.m.	May 10	May 10
752		156	10:16 a.m.	May 10	May 10

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 File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 526: A bill for an act relating to local government; modifying the local approval requirements for the Nashwauk area ambulance district law; amending Laws 1994, chapter 587, article 9, section 10, subdivision 6.

Senate File No. 526 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 11, 1995

Mr. Lessard moved that S.F. No. 526 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. 507: A bill for an act relating to petroleum tank release cleanup program; providing for payment for a site assessment prior to tank removal; modifying reimbursement provisions; adding requirements for tank monitoring; establishing registration requirements; modifying program and liability provisions; amending Minnesota Statutes 1994, sections 88.171, subdivision 2; 115C.02, subdivision 11, and by adding a subdivision; 115C.03, subdivision 10; 115C.09, subdivisions 1, 2, 3, 3b, and 3c; 115C.11, subdivision 1; 115C.12; 115C.13; 115E.01, by adding subdivisions; 115E.04, subdivision 2; 115E.06; and 115E.061; proposing coding for new law in Minnesota Statutes, chapters 115C; and 116.

Senate File No. 507 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 11, 1995

Mr. Novak moved that the Senate do not concur in the amendments by the House to S.F. No. 507, 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. 273: A bill for an act relating to water; providing for the classification of water supply

systems and wastewater treatment facilities and certification of operators by the department of health and the pollution control agency; appropriating money; amending Minnesota Statutes 1994, sections 115.71, subdivisions 1, 4, 8, 10, and by adding subdivisions; 115.72; 115.73; 115.75; 115.76; 115.77; and 144.99, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 115; repealing Minnesota Statutes 1994, sections 115.71, subdivisions 2, 3, and 3a; 115.74; 115.78; 115.79; 115.80; and 115.82.

Senate File No. 273 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 11, 1995

CONCURRENCE AND REPASSAGE

Mr. Price moved that the Senate concur in the amendments by the House to S.F. No. 273 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 273 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:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. Lessard moved that S.F. No. 526 be taken from the table. The motion prevailed.

S.F. No. 526: A bill for an act relating to local government; modifying the local approval requirements for the Nashwauk area ambulance district law; amending Laws 1994, chapter 587, article 9, section 10, subdivision 6.

CONCURRENCE AND REPASSAGE

Mr. Lessard moved that the Senate concur in the amendments by the House to S.F. No. 526 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 526 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 1, as follows:

Those who voted in the affirmative were:

Anderson	Belanger	Bertram	Chmielewski	Day
Beckman	Berglin	Betzold	Cohen	Finn

Flynn	Kiscaden	Limmer	Pappas	Sams
Frederickson	Kleis	Metzen	Pariseau	Samuelson
Hanson	Knutson	Moe, R.D.	Piper	Scheevel
Hottinger	Kramer	Mondale	Pogemiller	Solon
Janezich	Krentz	Morse	Price	Spear
Johnson, D.E.	Kroening	Murphy	Ranum	Stevens
Johnson, D.J.	Langseth	Novak	Reichgott Junge	Stumpf
Johnson, J.B.	Larson	Oliver	Riveness	Terwilliger
Johnston	Lesewski	Olson	Robertson	Vickerman
Kelly	Lessard	Ourada	Runbeck	Wiener

Mr. Merriam 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. 579: A bill for an act relating to commerce; regulating charitable organizations; regulating filing statement; appropriating money; amending Minnesota Statutes 1994, sections 309.501, subdivision 1; 309.52, subdivisions 2 and 7; 309.53, subdivisions 1, 2, 3, and 8; 309.531, subdivisions 1 and 4; 309.54, subdivision 1; 309.556, subdivision 1; 501B.36; 501B.37, subdivision 2, and by adding a subdivision; and 501B.38; repealing Minnesota Statutes 1994, sections 309.53, subdivision 1a.

Senate File No. 579 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 11, 1995

Mr. Moe, R.D. moved that S.F. No. 579 be laid on the table. 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. 440: A bill for an act relating to insurance; regulating coverages, notice provisions, enforcement provisions, and licensees; the comprehensive health association; increasing the lifetime benefit limit; making technical changes; providing for certain breast cancer coverage; prohibiting certain rate differentials within the same town or city; amending Minnesota Statutes 1994, sections 60A.06, subdivision 3; 60A.085; 60A.111, subdivision 2; 60A.124; 60A.23, subdivision 8; 60A.26; 60A.951, subdivisions 2 and 5; 60A.954, subdivision 1; 60K.03, subdivision 7; 60K.14, subdivision 1; 61A.03, subdivision 1; 61A.071; 61A.092, subdivisions 3 and 6; 61B.28, subdivisions 8 and 9; 62A.042; 62A.135; 62A.136; 62A.14; 62A.141; 62A.31, subdivisions 1h and 1i; 62A.46, subdivision 2, and by adding a subdivision; 62A.48, subdivisions 1 and 2; 62A.50, subdivision 3; 62C.14, subdivisions 5 and 14; 62E.02, subdivision 7; 62E.12; 62F.02, subdivision 2; 62I.09, subdivision 2; 62L.02, subdivision 16; 62L.03, subdivision 5; 65A.01, by adding a subdivision; 65B.06, subdivision 3; 65B.08, subdivision 1; 65B.09, subdivision 1; 65B.10, subdivision 3; 65B.61, subdivision 1; 72A.20, subdivisions 13, 23, and by adding a subdivision; 72B.05; 79.251, subdivision 5, and by adding a subdivision; 79.34, subdivision 2; 79.35; 79A.01, by adding a subdivision; 79A.02, subdivision 4; 79A.03, by adding a subdivision; 176.181, subdivision 2; 299F.053, subdivision 2; and 515A.3-112; proposing coding for new law in Minnesota Statutes, chapters 60A; and 62A; repealing Minnesota Statutes 1994, sections 61A.072, subdivision 3; and 65B.07, subdivision 5.

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

Tomassoni, McCollum and Lynch.

Senate File No. 440 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 11, 1995

MOTIONS AND RESOLUTIONS

Messrs. Johnson, D.E. and Moe, R.D. introduced--

Senate Resolution No. 69: A Senate resolution commending Elton R. Redalen, Commissioner of the Department of Agriculture, for his years of dedicated service to the people of Minnesota.

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 bill was read the first time and referred to the committee indicated.

Messrs. Berg, Merriam, Lessard, Mrs. Pariseau and Mr. Laidig introduced--

S.F. No. 1699: A bill for an act relating to natural resources; prohibiting the obstruction or impedance of hunters, trappers, or anglers; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 97A; repealing Minnesota Statutes 1994, section 97A.037.

Referred to the Committee on Environment and Natural Resources.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 16 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 16

A bill for an act relating to health; modifying provisions relating to the administration and prescription of neuroleptic medications; changing the name of a court in certain circumstances; amending Minnesota Statutes 1994, sections 13.42, subdivision 3; 253B.03, subdivisions 6b and 6c; 253B.05, subdivisions 2 and 3; 253B.12, subdivision 1; and 253B.17, subdivision 1.

May 11, 1995

The Honorable Allan H. Spear
President of the Senate

The Honorable Irv Anderson
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 16, 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. 16 be further amended as follows:

Page 5, line 32, delete everything after "(k)"

Page 5, delete lines 33 to 35

Page 5, line 36, delete everything before "The"

Page 10, lines 9 to 12, reinstate the stricken language

Page 10, line 13, reinstate everything before the stricken "A"

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

Senate Conferees: (Signed) Don Betzold, Sheila M. Kiscaden, Harold R. "Skip" Finn

House Conferees: (Signed) Andy Dawkins, Linda Wejcman, Bill Macklin

Mr. Betzold moved that the foregoing recommendations and Conference Committee Report on S.F. No. 16 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. 16 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:

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

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. 507: Messrs. Novak, Samuelson and Dille.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 188 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 188

A bill for an act relating to appropriations; permitting use of appropriation to relocate athletic fields and facilities at Brainerd Technical College; authorizing additional design and construction of space at certain community college campuses; requiring plans to provide for joint use of space with certain technical colleges and state universities; authorizing additional construction using nonstate resources; amending Laws 1992, chapter 558, section 2, subdivision 3; and Laws 1994, chapter 643, section 11, subdivisions 6, 8, 10, and 11.

May 5, 1995

The Honorable Allan H. Spear
President of the Senate

The Honorable Irv Anderson
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 188, 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. 188 be further amended as follows:

Page 2, delete sections 3 and 4 and insert:

"Sec. 3. Laws 1994, chapter 643, section 11, subdivision 10, is amended to read:

Subd. 10. North Hennepin Community College 6,000,000

This appropriation is to ~~plan~~ predesign, design, ~~remodel~~, and construct ~~space for classrooms, labs classroom, student services, learning resource center, the campus center, and~~ administrative, and related space, and to predesign and design through design development the reuse of vacated space including addition to and remodeling of the learning resource center, labs, and portions of the campus center. This appropriation may be used to predesign and design this reuse and addition even if its construction would require an additional appropriation."

Page 3, after line 38, insert:

"Sec. 5. [BRAINERD AND WILLMAR ADOLESCENT PROGRAMS.]

The appropriation in Laws 1990, chapter 610, article 1, section 12, subdivision 8, may be used to remodel the facilities at Brainerd and Willmar for up to 20 additional beds at each facility for the current adolescent programs."

Renumber the sections in sequence and correct internal references

Amend the title as follows:

Page 1, line 11, delete "8,"

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

Senate Conferees: (Signed) Don Samuelson, LeRoy A. Stumpf, Gary W. Laidig

House Conferees: (Signed) Kris Hasskamp, Barbara Sykora, Anthony G. "Tony" Kinkel

Mr. Samuelson moved that the foregoing recommendations and Conference Committee Report on S.F. No. 188 be now adopted, and that the bill be repassed as amended by the Conference Committee.

CALL OF THE SENATE

Mr. Merriam imposed a call of the Senate for the balance of the proceedings on S.F. No. 188. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Merriam moved that the recommendations and Conference Committee Report on S.F. No. 188 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. Merriam.

The roll was called, and there were yeas 39 and nays 24, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Krentz	Oliver	Riveness
Belanger	Johnson, J.B.	Laidig	Olson	Robertson
Berglin	Johnston	Limmer	Ourada	Runbeck
Betzold	Kelly	Merriam	Pappas	Scheevel
Cohen	Kiscaden	Moe, R.D.	Pariseau	Spear
Dille	Kleis	Mondale	Piper	Terwilliger
Flynn	Knutson	Morse	Price	Wiener
Frederickson	Kramer	Neuville	Ranum	

Those who voted in the negative were:

Beckman	Hanson	Langseth	Novak	Solon
Bertram	Janezich	Larson	Pogemiller	Stevens
Chmielewski	Johnson, D.E.	Lesewski	Reichgott Junge	Stumpf
Day	Johnson, D.J.	Metzen	Sams	Vickerman
Finn	Kroening	Murphy	Samuelson	

The motion prevailed.

MEMBERS EXCUSED

Messrs. Berg, Chandler and Marty were excused from the Session of today. Mr. Lessard was excused from the Session of today at 10:25 a.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Monday, May 15, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SIXTIETH DAY

St. Paul, Minnesota, Monday, May 15, 1995

The Senate met at 9:00 a.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, Rabbi Stacy Offner.

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

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

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

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.

May 11, 1995

The Honorable Allan H. Spear
President of the Senate

Dear President Spear:

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. 1051 and 243.

Warmest regards,
Arne H. Carlson, Governor

May 11, 1995

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1995 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 1995	Date Filed 1995
1051		149	9:40 a.m. May 11	May 11
	1246	158	9:45 a.m. May 11	May 11
243		159	9:42 a.m. May 11	May 11
	1256	161	9:46 a.m. May 11	May 11
	1678	162	9:48 a.m. May 11	May 11

Sincerely,
Joan Anderson Growe
Secretary of State

May 12, 1995

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Act of the 1995 Session of the State Legislature has been received from the Office of the Governor and is deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1995	Date Filed 1995
	54	124		May 11

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. 74, 1118 and 342.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 12, 1995

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.

Without objection, the Senate reverted to the Orders of Business of Executive and Official Communications and Messages From the House.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

May 12, 1995

The Honorable Allan H. Spear
President of the Senate

Dear President Spear:

I have vetoed and I am returning Chapter 160, Senate File 1402/House File 1524, a bill that would establish a state employee suggestion program. The legislature has spent time and energy to present to me a bill that would put into Minnesota Statutes language that would mandate how an employee offers suggestions to her or his employer. This picayune bill is entirely unnecessary.

Since 1991, our administration has made it part of our mission to empower state employees. They have offered numerous insightful recommendations. For example, as a part of the CORE Commission in 1991 when we sought input on how employees - not just supervisors - could perform their duties more effectively and efficiently, we received a tremendous positive reaction. As a direct result of the over 1,000 individual responses, taxpayers have saved roughly \$18 million. This was done without legislation.

I am perfectly confident in the ability of state employees in the executive branch to continue to offer advice as to how state government can operate more efficiently and productively. It has been a policy of my administration to actively solicit employee input and involve them in the operation of their agencies. However, this legislation would require that suggestions go directly to legislative oversight committees, not the people responsible for responding and acting upon the suggestion in a timely fashion. To presume, as this bill does, that state employees are not capable of making even so much as a suggestion without following a step-by-step, inflexible formula, devised in St. Paul, is precisely the type of micro-management that is so frustrating to state employees. Even Rube Goldberg would have found this bewildering. I believe we should continue to empower employees, not restrain them further.

This bill is a solution in desperate search of a problem. Bills of this nature, mandating the exact steps as to how an employee makes a suggestion on how to improve service, are senseless. Minnesota taxpayers demand and deserve better.

Warmest regards,
Arne H. Carlson, Governor

Mr. Moe, R.D. moved that S.F. No. 1402 and the veto message thereon be laid on the table. The motion prevailed.

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. 603:

Delete the name of Rest and add the name of Orenstein.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 12, 1995

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. 1551: A bill for an act relating to agricultural economics; providing loans and incentives for agricultural energy resources development for family farms and cooperatives; amending Minnesota Statutes 1994, sections 41B.02, subdivision 19; 41B.046, subdivision 1, and by adding a subdivision; and 216C.41, subdivisions 1, 2, 3, and 4.

Senate File No. 1551 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 12, 1995

Ms. Johnson, J.B. moved that the Senate do not concur in the amendments by the House to S.F. No. 1551, 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. 1204: A bill for an act relating to insurance; no-fault auto; regulating rental vehicle coverages; determining when a vehicle is rented; modifying the right to compensation for loss of use of a damaged rented motor vehicle; providing for limits of liability for motor vehicle lessors; amending Minnesota Statutes 1994, section 65B.49, subdivision 5a.

Senate File No. 1204 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 12, 1995

Mr. Betzold moved that the Senate do not concur in the amendments by the House to S.F. No. 1204, 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. 910: A bill for an act relating to telecommunications; eliminating the telecommunication access for communication-impaired persons board; creating telecommunication access duties for the departments of public service and human services; specifying the membership of regional service for deaf and hard of hearing advisory committees; amending Minnesota Statutes 1994, sections 237.50, subdivision 4; 237.51, subdivisions 1, 5, and by adding a subdivision; 237.52, subdivisions 2, 4, and 5; 237.53, subdivisions 1, 3, 5, and 7; 237.54, subdivision 2; 237.55; and 256C.24, subdivision 3; repealing Minnesota Statutes 1994, sections 237.50, subdivision 2; 237.51, subdivisions 2, 3, 4, and 6; and 237.54, subdivision 1.

Senate File No. 910 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 12, 1995

CONCURRENCE AND REPASSAGE

Mr. Marty moved that the Senate concur in the amendments by the House to S.F. No. 910 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 910 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 0, as follows:

Those who voted in the affirmative were:

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

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 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. 992: A bill for an act relating to health; reinstating certain advisory councils and a task force; amending Minnesota Statutes 1994, section 326.41.

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

Lourey, Jennings and Vickerman.

Senate File No. 992 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 12, 1995

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. 507: A bill for an act relating to petroleum tank release cleanup program; providing for payment for a site assessment prior to tank removal; modifying reimbursement provisions; adding requirements for tank monitoring; establishing registration requirements; modifying program and liability provisions; amending Minnesota Statutes 1994, sections 88.171, subdivision 2; 115C.02, subdivision 11, and by adding a subdivision; 115C.03, subdivision 10; 115C.09, subdivisions 1, 2, 3, 3b, and 3c; 115C.11, subdivision 1; 115C.12; 115C.13; 115E.01, by adding subdivisions; 115E.04, subdivision 2; 115E.06; and 115E.061; proposing coding for new law in Minnesota Statutes, chapters 115C; and 116.

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

Cooper, Wenzel and Kraus.

Senate File No. 507 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 12, 1995

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. 155, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 155: A bill for an act relating to wild animals; authorizing poultry farmers to trap great horned owls; amending Minnesota Statutes 1994, section 97B.705.

Senate File No. 155 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 12, 1995

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. 1173: A bill for an act relating to telecommunications; regulating the sale of local exchange service territory; proposing coding for new law in Minnesota Statutes, chapter 237.

Senate File No. 1173 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 12, 1995

CONCURRENCE AND REPASSAGE

Mr. Chandler moved that the Senate concur in the amendments by the House to S.F. No. 1173 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1173 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 6, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Kramer	Ourada	Robertson	Runbeck	Stevens
Limmer				

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. 979: A bill for an act relating to motor carriers; regulating hazardous material transporters; requiring fingerprints of motor carrier managers for criminal background checks; making technical changes related to calculating proportional mileage under the international registration plan; specifying violations that may result in suspension or revocation of permit; making technical changes relating to hazardous waste transporter licenses; providing for disposition of fees collected for hazardous material registration, licensing, and permitting; amending Minnesota Statutes 1994, section 221.0355, subdivisions 3, 5, 6, 12, 15, and by adding a subdivision.

Senate File No. 979 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 12, 1995

Ms. Johnston moved that S.F. No. 979 be laid on the table. 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. 2:

H.F. No. 2: A bill for an act relating to the environment; automobile emissions; providing that a vehicle need not be inspected until the year of its registration is five years more than its model year; changing the inspection fee; providing a contingent expiration date for the inspection program; amending Minnesota Statutes 1994, sections 116.61, subdivision 1, and by adding a subdivision; 116.64, subdivision 1.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Johnson, A.; Peterson and Molnau have been appointed as such committee on the part of the House.

House File No. 2 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 May 12, 1995

Mr. Metzen moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2, 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 Senate File No. 16, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 16: A bill for an act relating to health; modifying provisions relating to the administration and prescription of neuroleptic medications; changing the name of a court in certain circumstances; amending Minnesota Statutes 1994, sections 13.42, subdivision 3; 253B.03, subdivisions 6b and 6c; 253B.05, subdivisions 2 and 3; 253B.12, subdivision 1; and 253B.17, subdivision 1.

Senate File No. 16 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1995

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 628:

H.F. No. 628: A bill for an act relating to the family; creating a presumption of refusal or neglect of parental duties in certain termination of parental rights cases; amending Minnesota Statutes 1994, section 260.221, subdivision 1.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Bishop, Pugh and Skoglund have been appointed as such committee on the part of the House.

House File No. 628 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 May 12, 1995

Ms. Kiscaden moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 628, 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. Novak from the Committee on Jobs, Energy and Community Development, to which were referred the following appointments as reported in the Journal for February 16, 1995:

DEPARTMENT OF PUBLIC SERVICE COMMISSIONER

Krista L. Sanda

MINNESOTA HOUSING FINANCE AGENCY COMMISSIONER

Katherine G. Hadley

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. Novak from the Committee on Jobs, Energy and Community Development, to which was referred the following appointment as reported in the Journal for March 2, 1995:

DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT
COMMISSIONER

E. Peter Gillette, Jr.

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 Jobs, Energy and Community Development, to which was referred the following appointment as reported in the Journal for March 16, 1995:

PUBLIC UTILITIES COMMISSION

Joel Jacobs

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 Jobs, Energy and Community Development, to which was referred the following appointment as reported in the Journal for March 9, 1995:

DEPARTMENT OF ECONOMIC SECURITY
COMMISSIONER

R. Jane Brown

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.

MOTIONS AND RESOLUTIONS

Mr. Larson introduced--

Senate Resolution No. 70: A Senate resolution congratulating the Fergus Falls Community College SIFE team on winning the 1995 SIFE regional championship and receiving the Kraft General Foods Success 2000 Award.

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. Johnson, D.J. introduced--

S.F. No. 1700: A bill for an act relating to retirement; alternative retirement coverage for certain state university and community college teachers; amending Minnesota Statutes 1994, section 352D.02, by adding a subdivision.

Referred to the Committee on Governmental Operations and Veterans.

Mr. Kelly, Mses. Johnson, J.B. and Johnston introduced--

S.F. No. 1701: A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

Referred to the Committee on Finance.

Mr. Spear introduced--

S.F. No. 1702: A bill for an act relating to civil actions; providing limits on liability of certain private corrections treatment facilities that receive patients under court or administrative order; proposing coding for new law in Minnesota Statutes, chapter 604A.

Referred to the Committee on Crime Prevention.

Ms. Berglin introduced--

S.F. No. 1703: A bill for an act relating to human services; requiring the commissioner of human services to study and make recommendations on the administration of the community alternative care program, and to study and report on the effect on medical assistance waiver programs of medically fragile children in foster care.

Referred to the Committee on Health Care.

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. 2: Messrs. Metzen, Stumpf and Mrs. Pariseau.

H.F. No. 628: Ms. Kiscaden, Messrs. Finn and Hottinger.

S.F. No. 1204: Messrs. Betzold, Solon and Larson.

S.F. No. 1551: Ms. Johnson, J.B.; Mr. Vickerman and Ms. Lesewski.

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. 323, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 323 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 12, 1995

CONFERENCE COMMITTEE REPORT ON H.F. NO. 323

A bill for an act relating to housing; making the landlord the bill payer and customer of record on utility accounts in single-metered multiunit residential buildings; amending Minnesota Statutes 1994, section 504.185, subdivision 1, and by adding a subdivision.

May 3, 1995

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H.F. No. 323, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment.

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

House Conferees: (Signed) Andy Dawkins, Loren Jennings, Tom Van Engen

Senate Conferees: (Signed) Janet B. Johnson, Ellen R. Anderson, Sheila M. Kiscaden

Ms. Johnson, J.B. moved that the foregoing recommendations and Conference Committee Report on H.F. No. 323 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. 323 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

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

Ms. Johnston, Mr. Limmer and Ms. Robertson voted in the negative.

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. 990, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 990 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 15, 1995

CONFERENCE COMMITTEE REPORT ON H.F. NO. 990

A bill for an act relating to consumer protection; providing warranties for new assistive devices; providing enforcement procedures; proposing coding for new law in Minnesota Statutes, chapter 325G.

May 9, 1995

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H.F. No. 990, 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. 990 be further amended as follows:

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

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

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

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

House Conferees: (Signed) Matt Entenza, Andy Dawkins, Steven Smith

Senate Conferees: (Signed) Ellen R. Anderson, Carol Flynn, Dave Kleis

Ms. Anderson moved that the foregoing recommendations and Conference Committee Report on H.F. No. 990 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. 990 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 4, as follows:

Those who voted in the affirmative were:

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

Mr. Knutson, Ms. Lesewski, Mr. Oliver and Ms. Runbeck 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

Ms. Johnston moved that S.F. No. 979 be taken from the table. The motion prevailed.

S.F. No. 979: A bill for an act relating to motor carriers; regulating hazardous material transporters; requiring fingerprints of motor carrier managers for criminal background checks; making technical changes related to calculating proportional mileage under the international registration plan; specifying violations that may result in suspension or revocation of permit; making technical changes relating to hazardous waste transporter licenses; providing for disposition of fees collected for hazardous material registration, licensing, and permitting; amending Minnesota Statutes 1994, section 221.0355, subdivisions 3, 5, 6, 12, 15, and by adding a subdivision.

Ms. Johnston moved that the Senate do not concur in the amendments by the House to S.F. No. 979, 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.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1450 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1450: A bill for an act relating to health; organ donations; amending the living will form to include provisions for organ donations; allowing a durable power of attorney for health care to include provisions for organ donations; amending Minnesota Statutes 1994, sections 145B.04; and 145C.05, subdivision 2.

Ms. Reichgott Junge moved to amend H.F. No. 1450 as follows:

Page 6, line 24, delete everything after "or"

Page 6, line 25, delete everything before the period and insert "an amendment to, revocation of, or refusal to make an anatomical gift"

The motion prevailed. So the amendment was adopted.

Ms. Reichgott Junge then moved to amend H.F. No. 1450 as follows:

Page 5, after line 15, insert:

"I understand that, upon my death, my next of kin may be asked permission for donation. Therefore, it is in my best interests to inform my next of kin about my decision ahead of time and ask them to honor my request."

The motion prevailed. So the amendment was adopted.

Ms. Reichgott Junge then moved that H.F. No. 1450 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. 528 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 528: A bill for an act relating to telecommunications; restricting eligibility for communication device for communication-impaired person in a residential care facility when the facility already provides or is required to provide comparable telephone service; amending Minnesota Statutes 1994, section 237.53, 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 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Marty moved that S.F. No. 57, No. 1 on General Orders, be stricken and re-referred to the Committee on Judiciary. 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. Betzold imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

MEMBERS EXCUSED

Mr. Kelly was excused from the Session of today.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Tuesday, May 16, 1995.
The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SIXTY-FIRST DAY

St. Paul, Minnesota, Tuesday, May 16, 1995

The Senate met at 9:00 a.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Mr. Eric O. Strom.

The roll was called, and the following Senators answered to their names:

Anderson	Frederickson	Kroening	Neuville	Runbeck
Beckman	Hanson	Laidig	Novak	Sams
Belanger	Hottinger	Langseth	Oliver	Samuelson
Berg	Janezich	Larson	Olson	Scheevel
Berglin	Johnson, D.E.	Lesewski	Ourada	Solon
Bertram	Johnson, D.J.	Lessard	Pappas	Spear
Betzold	Johnson, J.B.	Limmer	Pariseau	Stevens
Chandler	Johnston	Marty	Piper	Stumpf
Chmielewski	Kelly	Merriam	Pogemiller	Terwilliger
Cohen	Kiscaden	Metzen	Price	Vickerman
Day	Kleis	Moe, R.D.	Ranum	Wiener
Dille	Knutson	Mondale	Reichgott Junge	
Finn	Kramer	Morse	Riveness	
Flynn	Krentz	Murphy	Robertson	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

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. 537: A bill for an act relating to drivers' licenses; requiring the refund of license fees to applicants who do not receive licenses, duplicate licenses, permits, or Minnesota identification cards within six weeks; requesting legislative audit commission evaluation of driver's license and identification card program; amending Minnesota Statutes 1994, sections 171.06, by adding a subdivision; and 171.07, subdivisions 1 and 3.

Senate File No. 537 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1995

Mr. Murphy moved that S.F. No. 537 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. 538: A bill for an act relating to state agencies; requiring the refund of license fees to certain applicants if licenses are not issued within six weeks; proposing coding for new law in Minnesota Statutes, chapter 15.

Senate File No. 538 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1995

Mr. Murphy moved that the Senate do not concur in the amendments by the House to S.F. No. 538, 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. 467: A bill for an act relating to metropolitan government; providing for coordination and consolidation of public safety radio communications systems; providing governance and finance of the state and regional elements of a regionwide public safety radio communication system; extending the public safety channel moratorium; authorizing the use of 911 emergency telephone service fees for costs of the regionwide public safety radio communication system; authorizing the issuance of bonds by the metropolitan council; abolishing the metropolitan radio board on a certain date and transferring its duties and responsibilities; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 174 and 473.

Senate File No. 467 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1995

Mr. Mondale moved that S.F. No. 467 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. 732: A bill for an act relating to commerce; enacting the revised article 8 of the uniform commercial code proposed by the national conference of commissioners on uniform state laws; regulating investment securities; amending Minnesota Statutes 1994, sections 336.1-105; 336.1-206; 336.4-104; 336.5-114; 336.9-103; 336.9-105; 336.9-106; 336.9-203; 336.9-301; 336.9-302; 336.9-304; 336.9-305; 336.9-306; 336.9-309; 336.9-312; and 336.10-104; proposing coding for new law in Minnesota Statutes, chapter 336; repealing Minnesota Statutes 1994, sections 336.8-101; 336.8-102; 336.8-103; 336.8-104; 336.8-105; 336.8-106; 336.8-107; 336.8-108; 336.8-201; 336.8-202; 336.8-203; 336.8-204; 336.8-205; 336.8-206; 336.8-207; 336.8-208; 336.8-301; 336.8-302; 336.8-303; 336.8-304; 336.8-305; 336.8-306; 336.8-307; 336.8-308; 336.8-309; 336.8-310; 336.8-311; 336.8-312; 336.8-313; 336.8-314; 336.8-315; 336.8-316; 336.8-317; 336.8-318; 336.8-319; 336.8-320; 336.8-321; 336.8-401; 336.8-402; 336.8-403; 336.8-404; 336.8-405; 336.8-406; 336.8-407; and 336.8-408.

Senate File No. 732 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1995

CONCURRENCE AND REPASSAGE

Mr. Betzold moved that the Senate concur in the amendments by the House to S.F. No. 732 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 732 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 0, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Kroening	Murphy	Runbeck
Beckman	Frederickson	Laidig	Neuville	Sams
Berg	Hanson	Langseth	Novak	Samuelson
Berglin	Janezich	Larson	Oliver	Solon
Bertram	Johnson, D.J.	Lesewski	Olson	Stevens
Betzold	Johnson, J.B.	Limmer	Ourada	Stumpf
Chandler	Johnston	Marty	Pappas	Terwilliger
Chmielewski	Kiscaden	Merriam	Pariseau	Vickerman
Cohen	Kleis	Metzen	Piper	Wiener
Day	Knutson	Moe, R.D.	Ranum	
Dille	Kramer	Mondale	Reichgott Junge	
Finn	Krentz	Morse	Robertson	

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 refuses to concur in the Senate amendments to House File No. 787:

H.F. No. 787: A bill for an act relating to water; wetland protection and management; amending Minnesota Statutes 1994, sections 103F.612, subdivisions 2, 3, 5, 6, and 7; 103G.127; 103G.222; 103G.2241; 103G.2242, subdivisions 1, 6, 7, 9, and 12; 103G.237, subdivision 4; 103G.2372, subdivision 1; and 103G.2373; repealing Minnesota Statutes 1994, section 103G.2242, subdivision 13.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Munger, Tunheim, McCollum, Sviggum and Girard have been appointed as such committee on the part of the House.

House File No. 787 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 May 15, 1995

Mr. Stumpf moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 787, 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. 1478:

H.F. No. 1478: A bill for an act relating to state government; requiring notice to the commissioner of agriculture and certain other actions before an agency adopts or repeals rules that affect farming operations; amending Minnesota Statutes 1994, sections 14.11, by adding a subdivision; 14.14, by adding a subdivision; and 116.07, subdivision 4.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Otremba, Jennings, Greiling, Farrell and Knoblach have been appointed as such committee on the part of the House.

House File No. 1478 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 May 15, 1995

Mr. Sams moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1478, 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

Mr. Bertram introduced--

Senate Resolution No. 71: A Senate resolution commending Shirley Zablocki, President of the Sixth District American Legion Auxiliary.

Referred to the Committee on Rules and Administration.

Mr. Mondale moved that S.F. No. 467 be taken from the table. The motion prevailed.

S.F. No. 467: A bill for an act relating to metropolitan government; providing for coordination and consolidation of public safety radio communications systems; providing governance and finance of the state and regional elements of a regionwide public safety radio communication system; extending the public safety channel moratorium; authorizing the use of 911 emergency telephone service fees for costs of the regionwide public safety radio communication system; authorizing the issuance of bonds by the metropolitan council; abolishing the metropolitan radio board on a certain date and transferring its duties and responsibilities; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 174 and 473.

CONCURRENCE AND REPASSAGE

Mr. Mondale moved that the Senate concur in the amendments by the House to S.F. No. 467 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 467: A bill for an act relating to metropolitan government; providing for coordination and consolidation of public safety radio communications systems; providing governance and finance of the state and regional elements of a regionwide public safety radio communication system; extending the public safety channel moratorium; authorizing the use of 911 emergency telephone service fees for costs of the regionwide public safety radio communication system; authorizing the issuance of bonds by the metropolitan council; appropriating money; amending Minnesota Statutes 1994, section 352.01, subdivision 2a; proposing coding for new law in Minnesota Statutes, chapters 174; and 473.

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 1, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Laidig	Neuville	Robertson
Beckman	Frederickson	Langseth	Novak	Runbeck
Belanger	Hanson	Larson	Oliver	Sams
Berg	Hottinger	Lesewski	Olson	Samuelson
Berglin	Janezich	Lessard	Ourada	Scheevel
Bertram	Johnson, D.J.	Limmer	Pappas	Solon
Betzold	Johnson, J.B.	Marty	Pariseau	Stevens
Chandler	Kiscaden	Merriam	Piper	Stumpf
Chmielewski	Kleis	Metzen	Pogemiller	Terwilliger
Cohen	Knutson	Moe, R.D.	Price	Vickerman
Day	Kramer	Mondale	Ranum	Wiener
Dille	Krentz	Morse	Reichgott Junge	
Finn	Kroening	Murphy	Riveness	

Ms. Johnston voted in the negative.

So the bill, as amended, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Murphy moved that S.F. No. 537 be taken from the table. The motion prevailed.

S.F. No. 537: A bill for an act relating to drivers' licenses; requiring the refund of license fees to applicants who do not receive licenses, duplicate licenses, permits, or Minnesota identification cards within six weeks; requesting legislative audit commission evaluation of driver's license and identification card program; amending Minnesota Statutes 1994, sections 171.06, by adding a subdivision; and 171.07, subdivisions 1 and 3.

CONCURRENCE AND REPASSAGE

Mr. Murphy moved that the Senate concur in the amendments by the House to S.F. No. 537 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 537: A bill for an act relating to drivers' licenses; providing conditions for validity of state contracts; requiring refund of license fee if a qualified applicant does not receive a license, duplicate license, permit, or identification card within six weeks of application; providing for issuance of license without regard to whether the fee has been refunded; requiring legislative audit commission to study driver's license and identification card program; amending Minnesota Statutes 1994, sections 16B.06, subdivision 2; 171.06, by adding a subdivision; and 171.07, subdivisions 1 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 57 and nays 5, as follows:

Those who voted in the affirmative were:

Anderson	Chmielewski	Hottinger	Kroening	Metzen
Beckman	Cohen	Johnson, D.E.	Laidig	Moe, R.D.
Belanger	Day	Johnson, D.J.	Langseth	Morse
Berg	Dille	Johnson, J.B.	Larson	Murphy
Berglin	Finn	Kiscaden	Lessard	Oliver
Bertram	Flynn	Kleis	Limmer	Olson
Betzold	Frederickson	Kramer	Marty	Ourada
Chandler	Hanson	Krentz	Merriam	Pappas

Pariseau	Ranum	Sams	Stevens	Wiener
Piper	Reichgott Junge	Samuelson	Stumpf	
Pogemiller	Riveness	Scheevel	Terwilliger	
Price	Robertson	Solon	Vickerman	

Those who voted in the negative were:

Johnston	Knutson	Lesewski	Neuville	Runbeck
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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 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. 1393: A bill for an act relating to public finance; providing conditions and requirements for the issuance of debt and use of the proceeds; authorizing use of capital improvement bonds for indoor ice arenas; exempting issuance of certain debt from election requirements; authorizing home rule charter cities to issue tax anticipation certificates; authorizing operation of certain recreational facilities; providing for the computation of tax increment from certain hazardous substance subdistricts; authorizing continuing disclosure agreements; providing for funding of self-insurance by political subdivisions; providing for the issuance of temporary obligations and modifying issuance procedures; amending Minnesota Statutes 1994, sections 373.40, subdivision 1; 447.46; 462C.05, subdivision 1; 469.041; 469.174, subdivision 4, and by adding subdivisions; 469.175, subdivision 1; 469.177, subdivisions 1, 1a, and 2; 471.16, subdivision 1; 471.191, subdivisions 1 and 2; 471.98, subdivision 3; 471.981, subdivisions 2, 4a, 4b, and 4c; 475.51, subdivision 4; 475.52, subdivision 6; 475.58, subdivision 1, and by adding a subdivision; 475.60, by adding a subdivision; 475.61, by adding a subdivision; 475.63; and 475.79; Laws 1971, chapter 773, section 4, as amended; proposing coding for new law in Minnesota Statutes, chapters 373; and 410.

Senate File No. 1393 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1995

Mr. Pogemiller moved that the Senate do not concur in the amendments by the House to S.F. No. 1393, 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. 1246: A bill for an act relating to state government; abolishing periodic reports; repealing obsolete rules of the departments of agriculture, commerce, health, human services, public safety, public service, and revenue and the pollution control agency; removing internal references to repealed rules; providing a deadline for certain actions by state and local government agencies; clarifying statutory waiver requirements with respect to the housing finance agency for the civil service pilot project; requiring legislative review of certain agency reorganization efforts;

establishing the office of citizen advocate in the department of administration; modifying provisions relating to data classification; workers' compensation premium collection; employment classifications and procedures; and benefits; providing penalties; establishing a task force to recommend a governmental structure for environmental and natural resource functions and services; requiring establishment of an employee participation committee before agency restructuring; abolishing the department of natural resources, the board of water and soil resources, the office of environmental assistance, the pollution control agency, the environmental quality board, the harmful substances compensation board, the petroleum tank release compensation board, and the agricultural chemical response board; providing for appointments; abolishing the transportation regulation board; transferring its functions to other agencies; establishing pilot projects to improve the efficiency and effectiveness of state agencies; authorizing waivers of certain rules and policies; abolishing the legislative commission on children, youth, and their families, the legislative water commission, the legislative commission on the economic status of women, the legislative commission on child protection, the legislative commission on health care access, the legislative commission on long-term health care, the legislative commission on waste management, and the legislative tax study commission; transferring functions of the legislative commission on Minnesota resources to the office of strategic and long-range planning; establishing the department of children, families, and learning; making related changes; amending Minnesota Statutes 1994, sections 4.071, subdivision 2; 13.67; 15A.081, subdivision 1; 43A.04, subdivision 1; 43A.08, subdivision 1; 43A.10, subdivision 8; 43A.13, subdivision 6; 43A.15, by adding a subdivision; 43A.19, subdivision 1; 43A.191, subdivisions 1, 2, and 3; 43A.24, subdivision 2; 43A.27, subdivision 3; 43A.316; 43A.317, subdivision 5; 62J.04, subdivision 1a; 62J.45, subdivision 8; 62Q.33, subdivision 5; 84.0274, subdivision 7; 85.019, subdivision 2; 86.72, subdivisions 2 and 3; 89.022, subdivision 2; 103A.43; 103B.321, subdivision 1; 115A.07, subdivision 3; 115A.15, subdivision 5; 115A.158, subdivision 2; 115A.165; 115A.193; 115A.22, subdivision 5; 115A.5501, subdivisions 2 and 4; 115A.551, subdivisions 4 and 5; 115A.557, subdivision 4; 115A.9157, subdivision 6; 115A.96, subdivision 2; 115A.961, subdivision 2; 115A.9651, subdivision 2; 115A.97, subdivisions 5 and 6; 115B.20, subdivisions 2, 5, and 6; 116C.712, subdivision 5; 116J.555, subdivision 2; 116P.02; 116P.03; 116P.05, subdivision 2, and by adding a subdivision; 116P.06; 116P.07; 116P.08, subdivisions 3, 4, 5, 6, and 7; 116P.09; 116P.10; 116P.11; 116P.12; 116Q.02; 174.02, subdivisions 4, 5, and by adding subdivisions; 174.06, by adding a subdivision; 174.10; 218.041, subdivision 6; 219.074, subdivisions 1 and 2; 256.9352, subdivision 3; 256B.0644; 256B.431, subdivision 2i; 256F.13, subdivision 1; 290.431; 290.432; 356.87; and 473.846; Minnesota Rules, parts 1540.2140; 7001.0140, subpart 2; 7001.0180; 8130.3500, subpart 3; and 8130.6500, subpart 5; proposing coding for new law in Minnesota Statutes, chapters 15; 16B; 174; and 465; proposing coding for new law as Minnesota Statutes, chapter 119A; repealing Minnesota Statutes 1994, sections 3.861; 3.873; 3.885; 3.887; 3.9222; 3.9227; 14.115, subdivision 8; 62J.04, subdivision 4; 62J.07; 62N.24; 103B.351; 115A.03, subdivision 16; 115A.08; 115A.14; 115A.29; 115A.38; 115A.411; 115A.913, subdivision 5; 115A.9157, subdivision 4; 115A.965, subdivision 7; 115A.981, subdivision 3; 115B.22, subdivision 8; 115B.43, subdivision 4; 116P.05, subdivision 1; 174.05; 174.06; 174A.01; 174A.02; 174A.03; 174A.04; 216C.051; 218.011, subdivision 7; 218.041, subdivision 7; 256B.504; 473.149, subdivisions 2c and 6; 473.845, subdivision 4; and 473.848, subdivision 4; Minnesota Rules, parts 1540.0010, subparts 12, 18, 21, 22, and 24; 1540.0060; 1540.0070; 1540.0080; 1540.0100; 1540.0110; 1540.0120; 1540.0130; 1540.0140; 1540.0150; 1540.0160; 1540.0170; 1540.0180; 1540.0190; 1540.0200; 1540.0210; 1540.0220; 1540.0230; 1540.0240; 1540.0260; 1540.0320; 1540.0330; 1540.0340; 1540.0350; 1540.0370; 1540.0380; 1540.0390; 1540.0400; 1540.0410; 1540.0420; 1540.0440; 1540.0450; 1540.0460; 1540.0490; 1540.0500; 1540.0510; 1540.0520; 1540.0770; 1540.0780; 1540.0800; 1540.0810; 1540.0830; 1540.0880; 1540.0890; 1540.0900; 1540.0910; 1540.0920; 1540.0930; 1540.0940; 1540.0950; 1540.0960; 1540.0970; 1540.0980; 1540.0990; 1540.1000; 1540.1005; 1540.1010; 1540.1020; 1540.1030; 1540.1040; 1540.1050; 1540.1060; 1540.1070; 1540.1080; 1540.1090; 1540.1100; 1540.1110; 1540.1120; 1540.1130; 1540.1140; 1540.1150; 1540.1160; 1540.1170; 1540.1180; 1540.1190; 1540.1200; 1540.1210; 1540.1220; 1540.1230; 1540.1240; 1540.1250; 1540.1255; 1540.1260; 1540.1280; 1540.1290; 1540.1300; 1540.1310; 1540.1320; 1540.1330; 1540.1340; 1540.1350; 1540.1360; 1540.1380; 1540.1400; 1540.1410; 1540.1420; 1540.1430; 1540.1440; 1540.1450; 1540.1460; 1540.1470; 1540.1490; 1540.1500; 1540.1510; 1540.1520; 1540.1530; 1540.1540; 1540.1550; 1540.1560; 1549.1570; 1540.1580; 1540.1590; 1540.1600; 1540.1610; 1540.1620; 1540.1630; 1540.1640; 1540.1650; 1540.1660; 1540.1670; 1540.1680; 1540.1690; 1540.1700; 1540.1710; 1540.1720; 1540.1730; 1540.1740; 1540.1750; 1540.1760; 1540.1770; 1540.1780;

1540.1790; 1540.1800; 1540.1810; 1540.1820; 1540.1830; 1540.1840; 1540.1850; 1540.1860;
 1540.1870; 1540.1880; 1540.1890; 1540.1900; 1540.1905; 1540.1910; 1540.1920; 1540.1930;
 1540.1940; 1540.1950; 1540.1960; 1540.1970; 1540.1980; 1540.1990; 1540.2000; 1540.2010;
 1540.2015; 1540.2020; 1540.2090; 1540.2100; 1540.2110; 1540.2120; 1540.2180; 1540.2190;
 1540.2200; 1540.2210; 1540.2220; 1540.2230; 1540.2240; 1540.2250; 1540.2260; 1540.2270;
 1540.2280; 1540.2290; 1540.2300; 1540.2310; 1540.2320; 1540.2325; 1540.2330; 1540.2340;
 1540.2350; 1540.2360; 1540.2370; 1540.2380; 1540.2390; 1540.2400; 1540.2410; 1540.2420;
 1540.2430; 1540.2440; 1540.2450; 1540.2490; 1540.2500; 1540.2510; 1540.2530; 1540.2540;
 1540.2550; 1540.2560; 1540.2570; 1540.2580; 1540.2590; 1540.2610; 1540.2630; 1540.2640;
 1540.2650; 1540.2660; 1540.2720; 1540.2730; 1540.2740; 1540.2760; 1540.2770; 1540.2780;
 1540.2790; 1540.2800; 1540.2810; 1540.2820; 1540.2830; 1540.2840; 1540.3420; 1540.3430;
 1540.3440; 1540.3450; 1540.3460; 1540.3470; 1540.3560; 1540.3600; 1540.3610; 1540.3620;
 1540.3630; 1540.3700; 1540.3780; 1540.3960; 1540.3970; 1540.3980; 1540.3990; 1540.4000;
 1540.4010; 1540.4020; 1540.4030; 1540.4040; 1540.4080; 1540.4190; 1540.4200; 1540.4210;
 1540.4220; 1540.4320; 1540.4330; 1540.4340; 2642.0120, subpart 1; 2650.0100; 2650.0200;
 2650.0300; 2650.0400; 2650.0500; 2650.0600; 2650.1100; 2650.1200; 2650.1300; 2650.1400;
 2650.1500; 2650.1600; 2650.1700; 2650.1800; 2650.1900; 2650.2000; 2650.2100; 2650.3100;
 2650.3200; 2650.3300; 2650.3400; 2650.3500; 2650.3600; 2650.3700; 2650.3800; 2650.3900;
 2650.4000; 2650.4100; 2655.1000; 2660.0070; 2770.7400; 4610.2210; 7002.0410; 7002.0420;
 7002.0430; 7002.0440; 7002.0450; 7002.0460; 7002.0470; 7002.0480; 7002.0490; 7047.0010;
 7047.0020; 7047.0030; 7047.0040; 7047.0050; 7047.0060; 7047.0070; 7100.0300; 7100.0310;
 7100.0320; 7100.0330; 7100.0335; 7100.0340; 7100.0350; 7510.6100; 7510.6200; 7510.6300;
 7510.6350; 7510.6400; 7510.6500; 7510.6600; 7510.6700; 7510.6800; 7510.6900; 7510.6910;
 7600.0100; 7600.0200; 7600.0300; 7600.0400; 7600.0500; 7600.0600; 7600.0700; 7600.0800;
 7600.0900; 7600.1000; 7600.1100; 7600.1200; 7600.1300; 7600.1400; 7600.1500; 7600.1600;
 7600.1700; 7600.1800; 7600.1900; 7600.2000; 7600.2100; 7600.2200; 7600.2300; 7600.2400;
 7600.2500; 7600.2600; 7600.2700; 7600.2800; 7600.2900; 7600.3000; 7600.3100; 7600.3200;
 7600.3300; 7600.3400; 7600.3500; 7600.3600; 7600.3700; 7600.3800; 7600.3900; 7600.4000;
 7600.4100; 7600.4200; 7600.4300; 7600.4400; 7600.4500; 7600.4600; 7600.4700; 7600.4800;
 7600.4900; 7600.5000; 7600.5100; 7600.5200; 7600.5300; 7600.5400; 7600.5500; 7600.5600;
 7600.5700; 7600.5800; 7600.5900; 7600.6000; 7600.6100; 7600.6200; 7600.6300; 7600.6400;
 7600.6500; 7600.6600; 7600.6700; 7600.6800; 7600.6900; 7600.7000; 7600.7100; 7600.7200;
 7600.7210; 7600.7300; 7600.7400; 7600.7500; 7600.7600; 7600.7700; 7600.7750; 7600.7800;
 7600.7900; 7600.8100; 7600.8200; 7600.8300; 7600.8400; 7600.8500; 7600.8600; 7600.8700;
 7600.8800; 7600.8900; 7600.9000; 7600.9100; 7600.9200; 7600.9300; 7600.9400; 7600.9500;
 7600.9600; 7600.9700; 7600.9800; 7600.9900; 7625.0100; 7625.0110; 7625.0120; 7625.0200;
 7625.0210; 7625.0220; 7625.0230; 8120.1100, subpart 3; 8121.0500, subpart 2; 8130.9912;
 8130.9913; 8130.9916; 8130.9920; 8130.9930; 8130.9956; 8130.9958; 8130.9968; 8130.9972;
 8130.9980; 8130.9992; 8850.6900; 9540.0100; 9540.0200; 9540.0300; 9540.0400; 9540.0500;
 9540.1000; 9540.1100; 9540.1200; 9540.1300; 9540.1400; 9540.1500; 9540.2000; 9540.2100;
 9540.2200; 9540.2300; 9540.2400; 9540.2500; 9540.2600; and 9540.2700.

Senate File No. 1246 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1995

Mr. Riveness moved that the Senate do not concur in the amendments by the House to S.F. No. 1246, 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 to be appointed on the part of the House. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Reichgott Junge moved that H.F. No. 1450 be taken from the table. The motion prevailed.

H.F. No. 1450: A bill for an act relating to health; organ donations; amending the living will form to include provisions for organ donations; allowing a durable power of attorney for health care to include provisions for organ donations; amending Minnesota Statutes 1994, sections 145B.04; and 145C.05, subdivision 2.

Ms. Reichgott Junge moved to amend H.F. No. 1450 as follows:

Page 6, line 26, after "APPLICATION" insert "; EFFECT"

Page 6, line 28, after the period, insert "Nothing in this act affects or overrides the provisions of the uniform anatomical gift act in Minnesota Statutes, sections 525.921 to 525.9224."

The motion prevailed. So the amendment was adopted.

H.F. No. 1450 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 2, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Krentz	Murphy	Riveness
Beckman	Hanson	Laidig	Neuville	Robertson
Belanger	Hottinger	Langseth	Novak	Runbeck
Berg	Janezich	Larson	Oliver	Sams
Berglin	Johnson, D.E.	Lesewski	Olson	Samuelson
Betzold	Johnson, D.J.	Lessard	Ourada	Scheevel
Chandler	Johnson, J.B.	Limmer	Pariseau	Solon
Cohen	Johnston	Marty	Piper	Stevens
Day	Kiscaden	Merriam	Pogemiller	Stumpf
Dille	Kleis	Metzen	Price	Terwilliger
Finn	Knutson	Moe, R.D.	Ranum	Vickerman
Flynn	Kramer	Morse	Reichgott Junge	Wiener

Messrs. Bertram and Chmielewski voted in the negative.

So the bill, as amended, was passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Kroening moved that Senate Concurrent Resolution No. 5 be taken from the table. The motion prevailed.

Senate Concurrent Resolution No. 5: A Senate concurrent resolution expressing support for the recommendations of the Rainy Lake/Namakan Reservoir Water Level International Steering Committee.

WHEREAS, the Rainy Lake/Namakan Reservoir Water Level International Steering Committee has long studied the problems of fluctuations of water levels in the Rainy Lake and Namakan Reservoir basins; and

WHEREAS, the steering committee was composed of citizen representatives from the United States and Canada, representatives from the National Park Service, the Ontario Ministry of Natural Resources, the Minnesota Department of Natural Resources, the Citizens' Council on Voyageurs National Park, and Boise Cascade; and

WHEREAS, the recommendations made by the steering committee have been supported by Representatives James Oberstar, Collin Peterson, and Bruce Vento, Senator Paul Wellstone and former Senator David Durenberger, Governor Arne Carlson, Attorney General Hubert Humphrey III, Speaker of the Minnesota House of Representatives Irv Anderson, the Citizens' Council on Voyageurs National Park, the VRNPA, and many environmental organizations; NOW, THEREFORE,

BE IT RESOLVED by the Senate of the State of Minnesota, the House of Representatives concurring, that it join the above-mentioned organizations and public officials in support of the steering committee recommendations.

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 International Joint Commission.

Mr. Kroening moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

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 bill was read the first time and referred to the committee indicated.

Messrs. Metzen; Laidig; Janezich; Johnson, D.E. and Chmielewski introduced--

S.F. No. 1704: A bill for an act relating to metropolitan government; providing for the financing, organization, and ownership of certain athletic organizations; providing conditions for the use of certain facilities; permitting the issuance of bonds; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 473I.

Referred to the Committee on Metropolitan and Local Government.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 2:00 p.m. The motion prevailed. The hour of 2:00 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Mr. Betzold 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. 1678 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1678

A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative and administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; amending Minnesota Statutes 1994, sections 3.9741, subdivision 2; 5.14; 15.50, subdivision 2; 15.91, subdivision 2; 16B.39, by adding a subdivision; 16B.42, subdivision 3; 16B.88, subdivisions 1, 2, 3, and 4; 126A.01; 126A.02; 126A.04; 197.05; 240A.08; 309.501, by adding a subdivision; and 349A.08, subdivision 5; Laws 1993, chapter 224, article 12, section 33; proposing coding for new law in Minnesota Statutes, chapters 16B; and 43A.

May 15, 1995

The Honorable Allan H. Spear
President of the Senate

The Honorable Irv Anderson
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1678, 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. 1678 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. [STATE GOVERNMENT 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 "1995," "1996," and "1997," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1995, June 30, 1996, or June 30, 1997, respectively.

SUMMARY BY FUND

	1995	1996	1997	BIENNIAL TOTAL
General	\$790,000	\$254,009,000	\$254,050,000	\$508,059,000
Local Government Trust		431,000		431,000
State Government Special Revenue		10,360,000	10,491,000	20,851,000
Environmental		208,000	208,000	416,000
Landfill Cleanup		75,000	75,000	150,000
Highway User		1,682,000	1,687,000	3,369,000
Trunk Highway		32,000	32,000	64,000
Workers' Compensation		4,171,000	4,176,000	8,347,000
Computer Services		626,000	626,000	1,252,000
TOTAL	\$790,000	\$271,594,000	\$271,345,000	\$542,939,000

APPROPRIATIONS
Available for the Year
Ending June 30

1996 1997

Sec. 2. LEGISLATURE

Subdivision 1. Total
Appropriation

47,776,000 50,296,000

Summary by Fund

General	47,744,000	50,264,000
Trunk Highway	32,000	32,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Senate	15,422,000	16,163,000
Subd. 3. House of Representatives	20,833,000	22,943,000
Subd. 4. Legislative Coordinating Commission	11,521,000	11,190,000

Summary by Fund

General	11,489,000	11,158,000
Trunk Highway	32,000	32,000

\$4,062,000 the first year and \$4,438,000 the second year are for the office of the revisor of statutes.

\$945,000 the first year and \$945,000 the second year are for the legislative reference library.

\$4,400,000 the first year and \$4,294,000 the second year are for the office of the legislative auditor.

\$40,000 the first year of the appropriation to the legislative auditor is for the legislative auditor to evaluate the statewide systems project, if directed by the legislative audit commission. The legislative audit commission shall consider directing the legislative auditor to evaluate the computerized systems developed as part of the statewide systems project and determine the extent to which the systems have saved or are likely to save money in the administrative functions of state government, and recommend ways the systems could be used to save money and increase the productivity of the administrative functions of state government. The legislative auditor should give particular but not exclusive attention to the systems' impacts on the administrative functions of smaller organizations in state government.

The legislative audit commission shall consider directing the legislative auditor to evaluate the administrative functions of the small state agencies and other small organizations in the executive branch of state government, such as boards and commissions, and recommend ways those functions could be provided more cost-effectively. The commission shall give special consideration to centralizing the human resources, management complement, and accounting functions of these small organizations. A report of the evaluation must be submitted to the commission by October 1, 1995.

The legislative audit commission is requested to consider directing the legislative auditor to conduct a full program evaluation of the department of human rights in calendar year 1995.

\$20,000 the first year and \$10,000 the second year are for the legislative coordinating commission to contract for needed services to ensure that sign language interpreter services are available at all times during the legislative sessions.

Subd. 5. Compensation Council

The salary increases recommended by the compensation council on April 1, 1995, for legislators, constitutional officers, and judges may not take effect unless ratified or approved as modified by another bill enacted by the 1995 legislature.

Sec. 3. GOVERNOR AND LIEUTENANT GOVERNOR

	3,507,000	3,504,000
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This appropriation is to fund the offices of the governor and lieutenant governor.

\$19,000 the first year and \$19,000 the second year are for necessary expenses in the normal performance of the governor's and lieutenant governor's duties for which no other reimbursement is provided.

\$97,000 the first year and \$97,000 the second year are for membership dues of the National Governors Association.

\$20,000 the first year and \$20,000 the second year are for the Council of Great Lakes Governors.

The commissioner of finance shall report to the chairs of the state government finance division of the senate and the state government finance division of the house of representatives any personnel costs incurred by the office of the governor and the lieutenant governor that were supported by appropriations to 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. 4. STATE AUDITOR	7,136,000	7,144,000
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Sec. 5. STATE TREASURER	2,477,000	2,478,000
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\$1,600,000 the first year and \$1,600,000 the second year are for the treasurer to pay for banking services by fees rather than by compensating balances.

Sec. 6. ATTORNEY GENERAL

Subdivision 1. Total

Appropriation	24,408,000	22,499,000
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Summary by Fund

General	22,589,000	20,678,000
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State Government		
Special Revenue	1,628,000	1,630,000
Environmental	116,000	116,000
Landfill Cleanup	75,000	75,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Government Services

4,358,000	4,371,000
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Summary by Fund

General	2,730,000	2,741,000
State Government Special Revenue	1,628,000	1,630,000

Subd. 3. Public and
Human Resources

3,316,000	3,335,000
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Summary by Fund

General	3,241,000	3,260,000
Landfill Cleanup	75,000	75,000

Subd. 4. Law Enforcement

4,060,000	4,079,000
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Summary by Fund

General	3,944,000	3,963,000
Environmental	116,000	116,000

Subd. 5. Legal Policy and
Administration

5,760,000	3,760,000
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Subd. 6. Business Regulation

3,509,000	3,528,000
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Subd. 7. Solicitor General

3,405,000	3,426,000
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Sec. 7. ETHICAL PRACTICES BOARD	441,000	446,000
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Sec. 8. INVESTMENT BOARD	2,092,000	2,093,000
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\$40,000 each year is for local relief association account management.

Sec. 9. ADMINISTRATIVE HEARINGS	3,946,000	3,826,000
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This appropriation is from the workers' compensation special compensation fund for considering workers' compensation claims.

\$100,000 the first year and \$100,000 the second year are for an internship program in which students at Minnesota law schools will serve as law clerks for judges in the workers' compensation division.

\$180,000 the first year and \$180,000 the second year are for additional clerical support for workers' compensation judges.

\$125,000 the first year is for a mapper board calendaring system.

Sec. 10. OFFICE OF STRATEGIC
AND LONG-RANGE PLANNING

3,943,000 3,917,000

\$1,026,000 the first year and \$1,027,000 the second year are for the land management information center.

Sec. 11. ADMINISTRATION

Subdivision 1. Total
Appropriation

29,231,000 29,145,000

Summary by Fund

General	20,238,000	20,148,000
State Government		
Special Revenue	8,367,000	8,371,000
Computer Services	626,000	626,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Operations Management

3,358,000 3,323,000

The house and senate governmental operations committees shall study and report to the legislature by January 15, 1996, on the desirability of leasing versus purchasing state vehicles, and on maintenance costs for vehicles under the current system. If the study finds that it would be desirable, during the year ending June 30, 1997, the central motor pool shall not purchase any new vehicles and shall not sell any vehicles with less than 100,000 miles.

Subd. 3. Intertechnologies Group

7,778,000 7,768,000

Summary by Fund

General	727,000	717,000
State Government		
Special Revenue	6,425,000	6,425,000
Computer Services	626,000	626,000

The appropriation from the special revenue fund is for recurring costs of 911 emergency telephone service.

\$100,000 the first year and \$90,000 the second year are for transfer to the commissioner of human services to add an aging accounts payable module to the Medicaid management information system.

Subd. 4. Facilities Management

10,198,000	10,225,000
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Summary by Fund

General	8,318,000	8,341,000
State Government		
Special Revenue	1,880,000	1,884,000

\$4,850,000 the first year and \$4,882,000 the second year are for office space costs of the legislature and veterans organizations, for ceremonial space, and for statutorily free space.

The appropriation from the special revenue fund is from building code surcharge receipts for operation of the building codes and standards division. In addition, building code surcharge and fee receipts of more than \$2,900,000 the first year and \$2,900,000 the second year are appropriated from the special revenue fund to the commissioner of administration for the building codes and standards division.

\$150,000 the first year and \$150,000 the second year from the special revenue fund is for transfer by the commissioner of finance to the general fund.

The commissioner shall review the Uniform Code for Building Conservation, and report to the legislature by January 15, 1996, on legislation or rules needed to implement this code in a manner that is consistent with the state building code.

\$20,000 the first year is to clean, refit, and rehabilitate the statue of Leif Erikson on the grounds of the state capitol.

Notwithstanding any law to the contrary, if the facility is accessible to disabled people, the Prairie Lakes Juvenile Detention Center need not install an elevator.

This appropriation includes money to pay increased rental costs incurred by the board of the arts.

Subd. 5. Administrative Management

2,211,000	2,216,000
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Summary by Fund

General	2,149,000	2,154,000
State Government		
Special Revenue	62,000	62,000

\$2,000 the first year and \$2,000 the second year are for the state employees' band.

\$62,000 each year to the commissioner of

administration is to be used for processing and oversight of grants and allocations in the oil overcharge program. This appropriation is from oil overcharge money, as defined in Minnesota Statutes, section 4.071, in the special revenue fund.

The targeted group purchasing study required by Minnesota Statutes, section 16B.19, subdivision 2b, need not be completed during the biennium ending June 30, 1997.

Subd. 6. Information Policy Office

1,977,000	1,903,000
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\$25,000 the first year and \$100,000 the second year for the government information access council is available only as matched, dollar for dollar, by contributions from nonstate sources.

The information policy office, with the advice of the attorney general, shall monitor all computer systems development projects conducted by state agencies to assure that full performance of contract requirements is achieved and that any remedies provided in such contracts for nonperformance or inadequate performance are fully pursued. The information policy office and the attorney general shall report to the legislature by January 15, 1996, on performance of contract requirements related to large systems such as the statewide systems project, and Minnesota Medicaid Management Information System, and the information systems related to drivers' licenses.

Subd. 7. Management Analysis

565,000	566,000
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Subd. 8. Public Broadcasting

3,054,000	3,054,000
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\$1,450,000 the first year and \$1,450,000 the second year are for matching grants for public television. Public television grant recipients shall give special emphasis to children's programming. In addition, public television grant recipients shall promote program and outreach initiatives that attempt to reduce youth violence in our communities.

\$600,000 the first year and \$600,000 the second year are for public television equipment needs. Equipment grant allocations shall be made after considering the recommendations of the Minnesota public television association.

\$320,000 the first year and \$320,000 the second year are for community service grants to public educational radio stations, which must be

allocated after considering the recommendations of the Association of Minnesota Public Educational Radio Stations under Minnesota Statutes, section 129D.14.

\$494,000 the first year and \$494,000 the second year are for equipment grants to public radio stations. These grants must be allocated after considering the recommendations of the Association of Minnesota Public Educational Radio Stations and Minnesota Public Radio, Inc.

\$15,000 each year is for a grant to the association of Minnesota public education radio stations for station KMOJ. This money may be used for equipment.

\$150,000 the first year and \$150,000 the second year are for public information television transmission of legislative activities. At least one-half must go for programming to be broadcast in rural Minnesota.

\$25,000 the first year and \$25,000 the second year are for grants to the Twin Cities regional cable channel.

If an appropriation for either year for grants to public television or radio stations is not sufficient, the appropriation for the other year is available for it.

Subd. 9. Children's Museum

90,000

90,000

This appropriation is for a grant to the Minnesota Children's Museum.

Sec. 12. INTERGOVERNMENTAL INFORMATION SYSTEMS ADVISORY COUNCIL

186,000

187,000

These amounts must be subtracted from the amount that would otherwise be payable to local government aid under Minnesota Statutes, chapter 477A, in order to fund the intergovernmental information systems advisory council.

The appropriation for a local government financial reporting system in Laws 1994, chapter 587, article 3, section 3, clause (5), is available until expended.

Sec. 13. CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD

358,000

262,000

\$50,000 the first year is for predesign and design of a Minnesota Korean war veterans' memorial on the capitol mall. This appropriation is available until expended. In creating the memorial, the board may accept money from nonstate sources. The board shall select a site for

the memorial and conduct a selection process to award the contracts for design and construction of the memorial.

\$50,000 the first year is to maintain the police and peace officers memorial on the capitol mall. This appropriation is available until spent.

The capitol area architectural and planning board shall provide a preliminary planning and programming report for a human development center in or near the capitol area of St. Paul. The planning and studies must be done in collaboration with the city of St. Paul foundations including, but not limited to, the Minnesota Education Foundation, the private sector, and appropriate state departments including, but not limited to, administration, health, education, and human services. The focus of the center will be on the development of the human person. The center is intended to serve as a research and demonstration center and will be the result of a partnership between the public and private sector. The board shall report the results of its studies to the governor and legislature no later than December 15, 1996.

Sec. 14. FINANCE

Subdivision 1. Total
Appropriation

20,583,000

20,651,000

Summary by Fund

General

20,478,000

20,651,000

Local Government

Trust

105,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Accounting Services

3,986,000

4,003,000

Subd. 3. Accounts Receivable
Operations

4,327,000

3,577,000

\$600,000 the first year is for modification and enhancement of the accounts receivable system.

The commissioner of finance may transfer money, as deemed necessary, to other state agencies participating in the accounts receivable project.

\$175,000 the first year and \$25,000 the second year are for the debt collection pilot program in article 5, section 17.

During the biennium ending June 30, 1997, to

the extent feasible and cost-effective, any new jobs created in the debt collections entity must be located in a county in greater Minnesota that had a population loss of five percent or more between the 1980 and 1990 census.

Subd. 4. Budget Services

2,026,000	2,026,000	
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Summary by Fund

General	1,921,000	2,026,000
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Local Government

Trust	105,000	
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Subd. 5. Economic Analysis

299,000	308,000	
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Subd. 6. Information Services

8,920,000	9,643,000	
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Subd. 7. Management Services

1,525,000	1,594,000	
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Subd. 8. General Reduction

(500,000)	(500,000)	
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The commissioner of finance shall make reductions of \$1,000,000 from programs funded in this section. The reductions may be made in either year of the biennium.

If federal funding for programs is reduced or eliminated during the biennium ending June 30, 1997, the commissioner shall ensure to the extent possible that the costs of reducing or terminating the programs supported by those funds are paid by federal funds.

Sec. 15. EMPLOYEE RELATIONS

Subdivision 1. Total

Appropriation	7,726,000	7,731,000
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The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Human Resources

Management

6,894,000	6,899,000	
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\$325,000 each year is for a one-time redesign of the state's human resources programs, processes and policies, including, but not limited to, improving the employee performance management process, recruitment and hiring, retraining and deployment capabilities, and classification of state positions.

\$190,000 the first year and \$185,000 the second

year are to expand and target state workforce diversity efforts. These funds are to support expanded, dedicated functions serving protected groups in obtaining and retaining state employment, and secure greater opportunities for advancement within state employment ranks for under-represented groups. The commissioner must allocate these funds exclusively to the purposes described in the diversity-related budget initiative in the governor's proposed biennial budget for the department of employee relations for the biennium ending June 30, 1997. The 1996 and 1998 performance reports prepared by the commissioner under Minnesota Statutes, sections 15.90 to 15.92, must contain a separate section presenting the agency's activities and the outcomes attributable to implementation of the diversity functions expanded or improved pursuant to this appropriation. The commissioner of finance shall include these amounts when determining the base appropriation level for the department of employee relations for the biennium ending June 30, 1999.

Any unexpended balance on June 30, 1995, from the appropriations in Laws 1993, chapter 192, section 18, subdivision 2, for implementation of human resources management projects does not cancel but is available for expenditure in the 1996-1997 biennium.

This appropriation includes money for a grant each year to the government training service.

\$75,000 the first year and \$75,000 the second year are for the Minnesota quality college created by new Minnesota Statutes, section 43A.211.

In order to maximize delivery of services to the public, if layoffs of state employees as defined in Minnesota Statutes, chapter 43A, are necessary during the biennium ending June 30, 1997, each agency with more than 50 full-time equivalent employees must reduce at least the same percentage of management and supervisory personnel as line and support personnel.

If a state agency is to be abolished, the classified positions of the agency to be abolished with its incumbent employees shall be transferred as provided by Minnesota Statutes, section 15.039, subdivision 7. The commissioner of employee relations shall assist agencies and bargaining units to reach agreements that provide options to layoff for affected employees in accordance with Minnesota Statutes, section 43A.045, as interpreted by collective bargaining agreements.

State agencies must demonstrate that they cannot use available staff before hiring outside consultants or services. As state agencies implement reductions in their operating budgets in the biennium ending June 30, 1997, agencies shall give priority to reducing spending on professional and technical contracts before laying off permanent employees. Agencies must report on the specific manner in which this directive is implemented to the senate finance and house ways and means committees by February 1, 1996, and February 1, 1997. Where outside consultants and services are necessary, agencies are encouraged to negotiate contracts that will involve permanent staff so as to upgrade and maximize training of state personnel. Money spent on outside professional, technical, and computer service consultants must be reported by February 1, 1997, to the senate finance and house of representatives ways and means committees.

During the biennium ending June 30, 1997, no two federated funding campaigns that are related organizations, as defined in Minnesota Statutes, section 317A.011, subdivision 18, may be registered to participate in the state employee combined charitable campaign.

Subd. 3. Employee Insurance

832,000	832,000
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\$104,000 the first year and \$104,000 the second year from the general fund are for the right-to-know contracts administered through the employee insurance division.

\$728,000 the first year and \$728,000 the second year from the general fund are for workers' compensation reinsurance premiums. If the appropriation for either year is insufficient, the appropriation for the other year is available.

The commissioner of finance shall transfer in the second year of the biennium \$2,000,000 from the public employees' insurance program account within the employee benefits internal service fund to the general fund.

During the biennium ending June 30, 1997, the commissioner shall continue the health promotion and disease prevention program for state employees initiated in fiscal year 1994.

Sec. 16. REVENUE

Subdivision 1. Total
Appropriation

75,904,000	74,975,000
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Summary by Fund

General	73,804,000	73,196,000
Local Government Trust	326,000	
Highway User	1,682,000	1,687,000
Environmental	92,000	92,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Income Tax

12,802,000	11,502,000
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\$1,300,000 in fiscal year 1996 is for payment of overtime to experienced corporate audit staff to complete processing of bank refund claims, and to add temporary positions to perform duties of personnel who have been diverted to other duties associated with bank refund claims. Expenditures and collections associated with this appropriation must be reported separately. This amount is available until June 30, 1997, and must not be included in the budget base for the biennium ending June 30, 1999.

Subd. 3. Sales and Special Taxes

13,200,000	13,205,000
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Summary by Fund

General	11,347,000	11,426,000
Local Government Trust	79,000	-0-
Highway User	1,682,000	1,687,000
Environmental	92,000	92,000

Subd. 4. Property Tax and State Aids

2,880,000	2,880,000
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Summary by Fund

General	2,855,000	2,880,000
Local Government Trust	25,000	-0-

\$75,000 the first year and \$75,000 the second year must be subtracted from the total taconite production tax revenues distributed to local units of government. These amounts shall be credited to the general fund and appropriated to the department of revenue for the costs and expenses incurred by the department in collecting and distributing taconite production tax revenues.

Subd. 5. Tax Operations

32,213,000	32,213,000
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Summary by Fund

General	32,030,000	32,213,000
Local Government Trust	183,000	-0-

During the biennium ending June 30, 1997, the commissioner shall not spend more money to enforce the unfair cigarette sales laws than the revenue derived from fees imposed under the law.

Subd. 6. Legal and Research

3,728,000	3,728,000
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Summary by Fund

General	3,689,000	3,728,000
Local Government Trust	39,000	-0-

Subd. 7. Administrative Support

11,431,000	11,847,000
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Subd. 8. General Reduction

(350,000)	(400,000)
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The commissioner shall allocate the general reduction among the department's programs.

Sec. 17. AMATEUR SPORTS COMMISSION

1,938,000	1,942,000
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(a) \$45,000 each year is for the following purposes:

- (1) Target Center programming; and
- (2) development of more amateur sports opportunities for women, girls, seniors, inner-city youth, and athletes with special needs.

The amateur sports commission must work with staff of the city of Minneapolis and the metropolitan sports facilities commission to: research Minnesota's capabilities to attract local, national, and international amateur events; meet with appropriate national amateur sports governing bodies and Olympic officials on a regular basis; and create new grassroots events; all of which will have a favorable economic impact on the state.

(b) Of this appropriation:

- (1) \$1,226,000 the first year and \$1,227,000 the second year are for grants for ice centers, under Minnesota Statutes, section 240A.09, of up to \$250,000 each;
- (2) \$200,000 each year is for renovation grants for existing ice arenas; and
- (3) \$11,000 each year is for ice arena technical assistance.

Sec. 18. HUMAN RIGHTS**Subdivision 1. Total**

Appropriation	3,446,000	3,263,000
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The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Contract Compliance

370,000	370,000
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Subd. 3. Complaint Processing

2,214,000	2,220,000
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Subd. 4. Management Services

862,000	673,000
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Sec. 19. MILITARY AFFAIRS**Subdivision 1. Total**

Appropriation	9,337,000	9,416,000
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The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Maintenance of Training Facilities

5,431,000	5,497,000
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The appropriation for planning and remodeling grants for 12 armories scheduled to be sold or disposed of pursuant to Laws 1992, chapter 511, article 2, section 50, is available until June 30, 1997.

Any unexpended and unencumbered appropriation for the biennium ending June 30, 1995, for the tuition reimbursement program does not cancel, but is carried forward and may be used to pay assessments due to the cities of New Brighton, Montevideo, Park Rapids, and Rosemount.

Subd. 3. General Support

1,555,000	1,568,000
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\$75,000 the first year and \$75,000 the second year are for expenses of military forces ordered to active duty under Minnesota Statutes, chapter 192. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 4. Enlistment Incentives

2,351,000	2,351,000
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Obligations for the reenlistment bonus program, suspended on December 31, 1991, shall be paid from the amounts available within the enlistment incentives program.

If appropriations for either year of the biennium are insufficient, the appropriation from the other year is available. The appropriations for enlistment incentives are available until expended.

Sec. 20. VETERANS AFFAIRS

3,832,000

3,820,000

\$230,000 the first year and \$230,000 the second year are for grants to county veterans offices for training of county veterans service officers.

\$1,544,000 the first year and \$1,544,000 the second year are for emergency financial and medical needs of veterans. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

With the approval of the commissioner of finance, the commissioner of veterans affairs may transfer the unencumbered balance from the veterans relief program to other department programs during the fiscal year. The commissioner of veterans affairs shall provide background information explaining why the unencumbered balance exists. The amounts transferred must be identified to the chairs of the senate finance committee division on state government and the house governmental operations and gambling committee division on state government finance.

\$250,000 the first year and \$250,000 the second year are for a grant to the Vinland National Center.

\$16,200 is to be used to make a contribution toward the women in military service memorial at the entrance to Arlington National Cemetery.

\$30,000 is to fund a program of the Minnesota state council of the Vietnam Veterans of America to assist Vietnam veterans and Vietnam-era veterans in the preparation and presentation of their claims to the United States government for compensation and other benefits to which they are entitled as a result of disabilities incurred in military service. This appropriation may not be used for membership recruitment. This appropriation is available until June 30, 1997.

Sec. 21. VETERANS OF FOREIGN WARS

41,000

41,000

For carrying out the provisions of Laws 1945, chapter 455.

Sec. 22. MILITARY ORDER OF THE PURPLE HEART

20,000

20,000

Sec. 23. DISABLED AMERICAN VETERANS

12,000

12,000

For carrying out the provisions of Laws 1941, chapter 425.

Sec. 24. LAWFUL GAMBLING
CONTROL

2,081,000 2,039,000

If the amount of unclaimed prize money in the lottery prize fund during fiscal year 1996 exceeds \$5,000,000, 60 percent of the excess that is not added to prize pools of subsequent games is appropriated in fiscal year 1997 to the gambling control board for information systems. The amount appropriated under this paragraph may not exceed \$650,000.

Sec. 25. RACING COMMISSION

370,000 370,000

Sec. 26. STATE LOTTERY

The director of the state lottery shall reimburse the general fund \$150,000 the first year and \$150,000 the second year for lottery-related costs incurred by the department of public safety.

The director of the state lottery shall reimburse the general fund \$540,000 the first year and \$540,000 the second year for amounts appropriated from the general fund to the commissioner of human services for compulsive gambling hotline services, outpatient treatment services, felony screening, and compulsive gambling youth education.

Sec. 27. GENERAL CONTINGENT
ACCOUNTS

500,000 500,000

Summary by Fund

General	150,000	150,000
State Government		
Special Revenue	250,000	250,000
Workers' Compensation	100,000	100,000

The appropriations in this section must be spent with the approval of the governor after consultation with the legislative advisory commission under Minnesota Statutes, section 3.30.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

The special revenue appropriation is available to be transferred to the attorney general when the costs to provide legal services to the health boards exceed the biennial appropriation to the attorney general from the special revenue fund. The boards receiving the additional services shall set their fees to cover the costs.

Sec. 28. TORT CLAIMS

300,000 275,000

To be spent by the commissioner of finance.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 29. MINNESOTA STATE
RETIREMENT SYSTEM

2,158,000 2,158,000

The amounts estimated to be needed for each program are as follows:

(a) Legislators

1,993,000 1,993,000

Under Minnesota Statutes, sections 3A.03, subdivision 2; 3A.04, subdivisions 3 and 4; and 3A.11.

(b) Constitutional Officers

165,000 165,000

Under Minnesota Statutes, sections 352C.031, subdivision 5; 352C.04, subdivision 3; and 352C.09, subdivision 2.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Sec. 30. MINNEAPOLIS EMPLOYEES
RETIREMENT FUND

11,005,000 11,005,000

\$10,455,000 the first year and \$10,455,000 the second year are to the commissioner of finance for payment to the Minneapolis employees retirement fund under Minnesota Statutes, section 422A.101, subdivision 3. Payment must be made in four equal installments, March 15, July 15, September 15, and November 15, each year.

\$550,000 the first year and \$550,000 the second year are to the commissioner of finance for payment to the Minneapolis employees retirement fund for the supplemental benefit for pre-1973 retirees under Minnesota Statutes, section 356.865.

Sec. 31. POLICE AND FIRE
AMORTIZATION AID

6,420,000 6,420,000

\$5,020,000 the first year and \$5,020,000 the second year are to the commissioner of revenue for state aid to amortize the unfunded liability of local police and salaried firefighters' relief associations, under Minnesota Statutes, section 423A.02.

\$1,000,000 the first year and \$1,000,000 the second year are to the commissioner of revenue for supplemental state aid to amortize the unfunded liability of local police and salaried

firefighters' relief associations under Minnesota Statutes, section 423A.02, subdivision 1a.

\$400,000 the first year and \$400,000 the second year are to the commissioner of revenue to pay reimbursements to relief associations for firefighter supplemental benefits paid under Minnesota Statutes, section 424A.10.

**Sec. 32. SMALL AGENCY
SUPPLEMENT**

420,000 910,000

Summary by Fund

General	180,000	420,000
State Government Special Revenue	115,000	240,000
Workers' Compensation	125,000	250,000

This appropriation is available in either year of the biennium. During the biennium the commissioner shall transfer the necessary dollars to the small agency accounts, as determined by the commissioner of finance, to cover the costs of the collective bargaining agreement.

The commissioner shall report to the chair of the ways and means committee of the house of representatives and the chair of the finance committee of the senate on the transfers made under these provisions.

**Sec. 33. ATTORNEY GENERAL; MILLE LACS
TREATY LITIGATION**

\$790,000 in fiscal year 1995 is added to the appropriation in Laws 1993, chapter 192, section 11, subdivision 3, for the unanticipated expenses of the Mille Lacs and Fond du Lac treaty litigation efforts.

Sec. 34. Minnesota Statutes 1994, section 3.85, subdivision 12, is amended to read:

Subd. 12. [ALLOCATION OF ACTUARIAL COST.] (a) The commission shall assess each retirement plan specified in subdivision 11, paragraph (b), ~~for a portion of the compensation~~ paid to the actuary retained by the commission for the actuarial valuation calculations and quadrennial experience studies. The assessment is ~~72~~ 100 percent of the amount of contract compensation for the actuarial consulting firm retained by the commission for actuarial valuation calculations, including the public employees police and fire plan consolidation accounts of the public employees retirement association, annual experience data collection and processing, and quadrennial experience studies.

The portion of the total assessment payable by each retirement system or pension plan must be determined as follows:

(1) Each pension plan specified in subdivision 11, paragraph (b), clauses (1) to (14), must pay the following indexed amount based on its total active, deferred, inactive, and benefit recipient membership:

up to 2,000 members, inclusive	\$2.55 per member
2,001 through 10,000 members	\$1.13 per member

over 10,000 members

\$0.11 per member

The amount specified is applicable for the assessment of the July 1, 1991, to June 30, 1992, fiscal year actuarial compensation amounts. For the July 1, 1992, to June 30, 1993, fiscal year and subsequent fiscal year actuarial compensation amounts, the amount specified must be increased at the same percentage increase rate as the implicit price deflator for state and local government purchases of goods and services for the 12-month period ending with the first quarter of the calendar year following the completion date for the actuarial valuation calculations, as published by the federal Department of Commerce, and rounded upward to the nearest full cent.

(2) The total per-member portion of the allocation must be determined, and that total per-member amount must be subtracted from the total amount for allocation. Of the remainder dollar amount, the following per-retirement system and per-pension plan charges must be determined and the charges must be paid by the system or plan:

(i) 37.87 percent is the total additional per-retirement system charge, of which one-seventh must be paid by each retirement system specified in subdivision 11, paragraph (b), clauses (1), (2), (6), (7), (9), (10), and (11).

(ii) 62.13 percent is the total additional per-pension plan charge, of which one-thirteenth must be paid by each pension plan specified in subdivision 11, paragraph (b), clauses (1) to (13), if there are not any participants in the plan specified in subdivision 11, paragraph (b), clause (14), or of which one-fourteenth must be paid by each pension plan specified in subdivision 11, paragraph (b), clauses (1) to (14), if there are participants in the plan specified in subdivision 11, paragraph (b), clause (14).

(b) The assessment must be made following the completion of the actuarial valuation calculations and the experience analysis. The amount of the assessment is appropriated from the retirement fund applicable to the retirement plan. Receipts from assessments must be deposited in the state treasury and credited to the general fund.

Sec. 35. Minnesota Statutes 1994, section 3.9741, subdivision 2, is amended to read:

Subd. 2. [POST-SECONDARY EDUCATION BOARD.] The legislative auditor may enter into an interagency agreement with the ~~community college board, state university board, or the state board of technical~~ board of trustees of the Minnesota state colleges and universities to conduct financial audits, in addition to audits conducted under section 3.972, subdivision 2. All payments received for audits requested by the board shall be added to the appropriation for the legislative auditor.

Sec. 36. Minnesota Statutes 1994, section 3C.02, is amended by adding a subdivision to read:

Subd. 6. A contract for professional or technical services that is valued at more than \$50,000 may be made only after the revisor has consulted with the legislative coordinating commission. The contract is subject to its recommendation as provided by section 3C.10, subdivision 3, for a printing contract.

Sec. 37. Minnesota Statutes 1994, section 7.09, subdivision 1, is amended to read:

Subdivision 1. [PROCEDURE.] The state treasurer is authorized to receive and accept, on behalf of the state, any gift, bequest, devise, or endowment which may be made by any person, by will, deed, gift, or otherwise, to or for the benefit of the state, or any of its departments or agencies, or to or in aid, or for the benefit, support, or maintenance of any educational, charitable, or other institution maintained in whole or in part by the state, or for the benefit of students, employees, or inmates thereof, or for any proper state purpose or function, and the money, property, or funds constituting such gift, bequest, devise, or endowment. No such gift, bequest, devise, or endowment whose value is equal to or exceeds \$10,000 shall be so accepted unless the commissioner of finance and the state treasurer shall determine that it is for the interest of the state to accept it, and shall approve of and direct the acceptance. If the value is less than \$10,000, only the state treasurer need determine that it is for the interest of the state to accept it, and approve of and direct the acceptance. When, in order to effect the purpose for which any gift, bequest, devise, or endowment has been accepted, it is necessary to sell property so received, the state treasurer, upon request of the authority in charge of the agency, department, or institution concerned, may sell it at a price which shall be fixed by the state board of investment.

Sec. 38. Minnesota Statutes 1994, section 15.061, is amended to read:

15.061 [~~CONSULTANT, PROFESSIONAL AND OR~~ TECHNICAL SERVICES.]

~~Pursuant to the provisions of~~ In accordance with section 16B.17, the head of a state department or agency may, with the approval of the commissioner of administration, contract for ~~consultant services and professional and or technical services~~ in connection with the operation of the department or agency. A contract negotiated under this section ~~shall~~ is not be subject to the competitive bidding requirements of chapter ~~16~~ 16B.

Sec. 39. Minnesota Statutes 1994, section 15.415, is amended to read:

15.415 [CORRECTIONS IN TRANSACTIONS, WAIVER.]

In any instance where a correction concerning any state department or agency transaction involves an amount less than the administrative cost of making the correction, the correction shall be waived unless it is possible at a relatively nominal expense to include the correction in a later transaction. If the amount of any correction is less than ~~\$2~~ \$5 it shall be prima facie evidence that the cost of the correction would exceed the amount involved.

Sec. 40. Minnesota Statutes 1994, section 15.50, subdivision 2, is amended to read:

Subd. 2. [CAPITOL AREA PLAN.] (a) The board shall prepare, prescribe, and from time to time, after a public hearing, amend a comprehensive use plan for the capitol area, called the area in this subdivision, which consists of that portion of the city of Saint Paul comprehended within the following boundaries: Beginning at the point of intersection of the center line of the Arch-Pennsylvania freeway and the center line of Marion Street, thence southerly along the center line of Marion Street extended to a point 50 feet south of the south line of Concordia Avenue, thence southeasterly along a line extending 50 feet from the south line of Concordia Avenue to a point 125 feet from the west line of John Ireland Boulevard, thence southwesterly along a line extending 125 feet from the west line of John Ireland Boulevard to the south line of Dayton Avenue, thence northeasterly from the south line of Dayton Avenue to the west line of John Ireland Boulevard, thence northeasterly to the center line of the intersection of Old Kellogg Boulevard and Summit Avenue, thence northeasterly along the center line of Summit Avenue to the center line of the new West Kellogg Boulevard, thence southerly along the east line of the new West Kellogg Boulevard, to the center line of West Seventh Street, thence northeasterly along the center line of West Seventh Street to the center line of the Fifth Street ramp, thence northwesterly along the center line of the Fifth Street ramp to the east line of the right-of-way of Interstate Highway 35-E, thence northeasterly along the east line of the right-of-way of Interstate Highway 35-E to the south line of the right-of-way of Interstate Highway 94, thence easterly along the south line of the right-of-way of Interstate Highway 94 to the west line of St. Peter Street, thence southerly to the south line of ~~Eleventh~~ Exchange Street, thence easterly along the south line of ~~Eleventh~~ Exchange Street to the west line of Cedar Street, thence ~~southeasterly~~ northerly along the west line of Cedar Street to the center line of Tenth Street, thence northeasterly along the center line of Tenth Street to the center line of Minnesota Street, thence northwesterly along the center line of Minnesota Street to the center line of Eleventh Street, thence northeasterly along the center line of Eleventh Street to the center line of Jackson Street, thence northwesterly along the center line of Jackson Street to the center line of the Arch-Pennsylvania freeway extended, thence westerly along the center line of the Arch-Pennsylvania freeway extended and Marion Street to the point of origin. If construction of the labor interpretive center does not commence prior to December 31, ~~1998~~ 2000, at the site recommended by the board, the boundaries of the capitol area revert to their configuration as of 1992.

Under the comprehensive plan, or a portion of it, the board may regulate, by means of zoning rules adopted under the administrative procedure act, the kind, character, height, and location, of buildings and other structures constructed or used, the size of yards and open spaces, the percentage of lots that may be occupied, and the uses of land, buildings and other structures, within the area. To protect and enhance the dignity, beauty, and architectural integrity of the capitol area, the board is further empowered to include in its zoning rules design review procedures and standards with respect to any proposed construction activities in the capitol area significantly affecting the dignity, beauty, and architectural integrity of the area. No person may undertake these construction activities as defined in the board's rules in the capitol area without

first submitting construction plans to the board, obtaining a zoning permit from the board, and receiving a written certification from the board specifying that the person has complied with all design review procedures and standards. Violation of the zoning rules is a misdemeanor. The board may, at its option, proceed to abate any violation by injunction. The board and the city of Saint Paul shall cooperate in assuring that the area adjacent to the capitol area is developed in a manner that is in keeping with the purpose of the board and the provisions of the comprehensive plan.

(b) The commissioner of administration shall act as a consultant to the board with regard to the physical structural needs of the state. The commissioner shall make studies and report the results to the board when it requests reports for its planning purpose.

(c) No public building, street, parking lot, or monument, or other construction may be built or altered on any public lands within the area unless the plans for the project conform to the comprehensive use plan as specified in paragraph (d) and to the requirement for competitive plans as specified in paragraph (e). No alteration substantially changing the external appearance of any existing public building approved in the comprehensive plan or the exterior or interior design of any proposed new public building the plans for which were secured by competition under paragraph (e) may be made without the prior consent of the board. The commissioner of administration shall consult with the board regarding internal changes having the effect of substantially altering the architecture of the interior of any proposed building.

(d) The comprehensive plan must show the existing land uses and recommend future uses including: areas for public taking and use; zoning for private land and criteria for development of public land, including building areas, open spaces, monuments, and other memorials; vehicular and pedestrian circulation; utilities systems; vehicular storage; elements of landscape architecture. No substantial alteration or improvement may be made to public lands or buildings in the area without the written approval of the board.

(e) The board shall secure by competitions plans for any new public building. Plans for any comprehensive plan, landscaping scheme, street plan, or property acquisition that may be proposed, or for any proposed alteration of any existing public building, landscaping scheme or street plan may be secured by a similar competition. A competition must be conducted under rules prescribed by the board and may be of any type which meets the competition standards of the American Institute of Architects. Designs selected become the property of the state of Minnesota, and the board may award one or more premiums in each competition and may pay the costs and fees that may be required for its conduct. At the option of the board, plans for projects estimated to cost less than \$1,000,000 may be approved without competition provided the plans have been considered by the advisory committee described in paragraph (h). Plans for projects estimated to cost less than \$400,000 and for construction of streets need not be considered by the advisory committee if in conformity with the comprehensive plan.

(f) Notwithstanding paragraph (e), an architectural competition is not required for the design of any light rail transit station and alignment within the capitol area. The board and its advisory committee shall select a preliminary design for any transit station in the capitol area. Each stage of any station's design through working drawings must be reviewed by the board's advisory committee and approved by the board to ensure that the station's design is compatible with the comprehensive plan for the capitol area and the board's design criteria. The guideway and track design of any light rail transit alignment within the capitol area must also be reviewed by the board's advisory committee and approved by the board.

(g) Of the amount available for the light rail transit design, adequate funds must be available to the board for design framework studies and review of preliminary plans for light rail transit alignment and stations in the capitol area.

(h) The board may not adopt any plan under paragraph (e) unless it first receives the comments and criticism of an advisory committee of three persons, each of whom is either an architect or a planner, who have been selected and appointed as follows: one by the board of the arts, one by the board, and one by the Minnesota Society of the American Institute of Architects. Members of the committee may not be contestants under paragraph (e). The comments and criticism must be a matter of public information. The committee shall advise the board on all architectural and

planning matters. For that purpose, the committee must be kept currently informed concerning, and have access to, all data, including all plans, studies, reports and proposals, relating to the area as the data are developed or in the process of preparation, whether by the commissioner of administration, the commissioner of trade and economic development, the metropolitan council, the city of Saint Paul, or by any architect, planner, agency or organization, public or private, retained by the board or not retained and engaged in any work or planning relating to the area, and a copy of any data prepared by any public employee or agency must be filed with the board promptly upon completion.

The board may employ stenographic or technical help that may be reasonable to assist the committee to perform its duties.

When so directed by the board, the committee may serve as, and any member or members of the committee may serve on, the jury or as professional advisor for any architectural competition, and the board shall select the architectural advisor and jurors for any competition with the advice of the committee.

The city of Saint Paul shall advise the board.

(i) The comprehensive plan for the area must be developed and maintained in close cooperation with the commissioner of trade and economic development, the planning department and the council for the city of Saint Paul, and the board of the arts, and no plan or amendment of a plan may be effective without 90 days' notice to the planning department of the city of Saint Paul and the board of the arts and without a public hearing with opportunity for public testimony.

(j) The board and the commissioner of administration, jointly, shall prepare, prescribe, and from time to time revise standards and policies governing the repair, alteration, furnishing, appearance, and cleanliness of the public and ceremonial areas of the state capitol building. The board shall consult with and receive advice from the director of the Minnesota state historical society regarding the historic fidelity of plans for the capitol building. The standards and policies developed under this paragraph are binding upon the commissioner of administration. The provisions of sections 14.02, 14.04 to 14.36, 14.38, and 14.44 to 14.45 do not apply to this paragraph.

(k) The board in consultation with the commissioner of administration shall prepare and submit to the legislature and the governor no later than October 1 of each even-numbered year a report on the status of implementation of the comprehensive plan together with a program for capital improvements and site development, and the commissioner of administration shall provide the necessary cost estimates for the program. The board shall report any changes to the comprehensive plan adopted by the board to the committee on governmental operations and gambling of the house of representatives and the committee on governmental operations and reform of the senate and upon request shall provide testimony concerning the changes. The board shall also provide testimony to the legislature on proposals for memorials in the capitol area as to their compatibility with the standards, policies, and objectives of the comprehensive plan.

(l) The state shall, by the attorney general upon the recommendation of the board and within appropriations available for that purpose, acquire by gift, purchase, or eminent domain proceedings any real property situated in the area described in this section, and it may also acquire an interest less than a fee simple interest in the property, if it finds that the property is needed for future expansion or beautification of the area.

(m) The board is the successor of the state veterans service building commission, and as such may adopt rules and may reenact the rules adopted by its predecessor under Laws 1945, chapter 315, and amendments to it.

(n) The board shall meet at the call of the chair and at such other times as it may prescribe.

(o) The commissioner of administration shall assign quarters in the state veterans service building to (1) the department of veterans affairs, of which a part that the commissioner of administration and commissioner of veterans affairs may mutually determine must be on the first floor above the ground, and (2) the American Legion, Veterans of Foreign Wars, Disabled American Veterans, Military Order of the Purple Heart, United Spanish War Veterans, and

Veterans of World War I, and their auxiliaries, incorporated, or when incorporated, under the laws of the state, and (3) as space becomes available, to other state departments and agencies as the commissioner may deem desirable.

Sec. 41. Minnesota Statutes 1994, section 15.91, subdivision 2, is amended to read:

Subd. 2. [~~PERFORMANCE REPORTS.~~] ~~(a) Each agency shall develop a performance report for the major programs that it provides or administers. The report shall include each of the following items or an explanation of why an item does not apply to the agency or its individual programs:~~

~~(1) a statement of the mission, goals, and objectives of the agency including those set forth in statute;~~

~~(2) measures of the output and outcome of the program;~~

~~(3) identification of priority and other populations served by the programs under current law and how those populations are expected to change within the period of the report;~~

~~(4) plans for how outcome information can be used as an incentive for improving state programs and program outcomes;~~

~~(5) requests for statutory flexibility needed to reach outcome goals;~~

~~(6) proposals and cost estimates for collecting new outcome information; and~~

~~(7) other information that may be required to explain the past and projected performance of state programs.~~

~~The objectives required under clause (1): (i) must be simple declarative statements of intent; (ii) should carry benchmarks for accomplishment; and (iii) should be specific enough so citizens can measure progress year to year.~~

~~(b) Each agency shall issue a first annual report by September 1, 1994, and annual updated reports no later than September 1 of each year beginning in 1995. A report must cover a period of four years previous and two years in the future from the date that it is required to be issued, including previous forecasts versus actual measures.~~

~~(c) Each agency shall send a copy of each report issued to the governor, the speaker of the house of representatives, the president of the senate, the legislative commission on planning and fiscal policy, the legislative auditor, the commissioner of finance, and two copies to the legislative reference library.~~

~~(d) The legislative auditor shall review the drafts and give comments to agencies and the legislature before September 1, 1994, and shall review and give comments on annual reports on a rotating biennial schedule.~~

~~(e) State agency reports shall be compiled as required in this paragraph. The commissioner of finance, in consultation with the commissioner of administration, the legislative commission on planning and fiscal policy, and the finance committees and divisions of the house of representatives and senate, shall:~~

~~(1) develop forms and instructions and coordinate training for the use of the agencies in the preparation of their reports;~~

~~(2) work with individual agencies to determine acceptable measures of staff workload, unit costs, output, and outcome for use in reports; and~~

~~(3) request any needed additional information concerning any agency report submitted.~~

Each agency shall include citizens, agency clients, consumer and advocacy groups, worker participation committees, managers, elected officials, and contractors in its planning. By November 1 of each even-numbered year, each agency shall issue a performance report that includes the following:

- (1) the agency's mission;
- (2) goals and objectives for each major program for which the agency will request funding in its next biennial budget;
- (3) identification of the populations served by the programs; and
- (4) workload, efficiency, output, and outcome measures for each program listed in the report, with data showing each programs' actual performance relative to these measures for the previous four fiscal years and the performance the agency projects it will achieve during the next two fiscal years with the level of funding it has requested.

If it would enhance an understanding of its mission, programs, and performance, the agency shall include in its report information that describes the broader economic, social, and physical environment in which the agency's programs are administered.

Each agency shall send a copy of its performance report to the speaker of the house, president of the senate, legislative auditor, and legislative reference library, and provide a copy to others upon request.

The commissioner of finance shall ensure that performance reports are complete, accurate, and reliable and compiled in such a way that they are useful to the public, legislators, and managers in state government. To maintain a computerized performance data system, the commissioner of finance may require agencies to provide performance data annually.

The legislative auditor shall review and comment on performance reports as provided for by section 3.971, subdivision 3.

Sec. 42. [16A.101] [SERVICE CONTRACTS.]

The state accounting system must list expenditures for professional and technical service contracts, as defined in section 16B.17, as a separate category. No other expenditures may be included in this category.

Sec. 43. Minnesota Statutes 1994, section 16A.11, is amended by adding a subdivision to read:

Subd. 3b. [CONTRACTS.] The detailed budget estimate must also include the following information on professional or technical services contracts:

- (1) the number and amount of contracts over \$35,000 for each agency for the past biennium;
- (2) the anticipated number and amount of contracts over \$35,000 for each agency for the upcoming biennium; and
- (3) the total value of all contracts from the previous biennium, and the anticipated total value of all contracts for the upcoming biennium.

Sec. 44. Minnesota Statutes 1994, section 16A.127, subdivision 8, is amended to read:

Subd. 8. [EXEMPTIONS.] (a) No statewide or agency indirect cost liability shall be accrued to any program, appropriation, or account that is specifically exempted from the liability in federal or state law, or if the commissioner determines the funds to be held in trust, or to be a pass-through, workshop, or seminar account. Accounts receiving proceeds from bond issues, and ~~those accounts whose funds are determined by the commissioner to originate from the general fund,~~ accounts are also exempt from this section.

(b) Except for the costs of the legislative auditor to conduct financial audits of federal funds, this section does not apply to the community college board, state university board, or the state board of technical colleges. Receipts attributable to financial audits conducted by the legislative auditor of federal funds administered by these post-secondary education boards shall be deposited in the general fund.

Sec. 45. Minnesota Statutes 1994, section 16A.129, subdivision 3, is amended to read:

Subd. 3. [CASH ADVANCES.] When the operations of any nongeneral fund account would be impeded by projected cash deficiencies resulting from delays in the receipt of grants, dedicated income, or other similar receivables, and when the deficiencies would be corrected within the budget period involved, the commissioner of finance may ~~transfer use~~ general fund cash reserves into the accounts as necessary to meet cash demands. If funds are transferred from the general fund to meet cash flow needs, the cash flow transfers must be returned to the general fund as soon as sufficient cash balances are available in the account to which the transfer was made. Any interest earned on general fund cash flow transfers accrues to the general fund and not to the accounts or funds to which the transfer was made.

Sec. 46. Minnesota Statutes 1994, section 16A.28, subdivision 5, is amended to read:

Subd. 5. [PERMANENT IMPROVEMENTS.] An appropriation for permanent improvements, including the acquisition of real property does not lapse until the purposes of the appropriation are determined by the commissioner, after consultation with the affected agencies, to be accomplished or abandoned. This subdivision also applies to any part of an appropriation for a fiscal year that has been requisitioned to acquire real property or construct permanent improvements.

Sec. 47. Minnesota Statutes 1994, section 16A.28, subdivision 6, is amended to read:

Subd. 6. [~~CANCELED SEPTEMBER 1~~ OCTOBER 15.] On ~~September 1~~ October 15 all allotments and encumbrances for the last fiscal year shall be canceled unless an agency head certifies to the commissioner that there is an encumbrance for services rendered or goods ordered in the last fiscal year, or certifies that funding will be carried forward under subdivision 1. The commissioner may: reinstate the part of the cancellation needed to meet the certified encumbrance or charge the certified encumbrance against the current year's appropriation.

Sec. 48. Minnesota Statutes 1994, section 16A.40, is amended to read:

16A.40 [WARRANTS.]

Money must not be paid out of the state treasury except upon the warrant of the commissioner or an electronic fund transfer approved by the commissioner. Warrants must be drawn on printed blanks that are in numerical order. The commissioner shall enter, in numerical order in a warrant register, the number, amount, date, and payee for every warrant issued.

Sec. 49. Minnesota Statutes 1994, section 16A.57, is amended to read:

16A.57 [APPROPRIATION, ALLOTMENT, AND WARRANT NEEDED.]

Unless otherwise expressly provided by law, state money may not be spent or applied without an appropriation, an allotment, and issuance of a warrant or electronic fund transfer.

Sec. 50. Minnesota Statutes 1994, section 16B.06, is amended by adding a subdivision to read:

Subd. 7. [COMPLIANCE.] The commissioner must develop procedures to audit agency personnel to whom the commissioner has delegated contracting authority, in order to assure compliance with laws and guidelines governing issuance of contracts, including laws and guidelines governing conflicts of interest.

Sec. 51. [16B.167] [EMPLOYEE SKILLS INVENTORY.]

(a) The commissioners of employee relations and administration shall develop a list of skills that state agencies commonly seek from professional or technical service contracts, in consultation with exclusive representatives of state employees.

(b) Before an agency may seek approval of a professional or technical services contract valued in excess of \$25,000, it must certify to the commissioner that it has publicized the contract by posting notice at appropriate worksites within agencies and has made reasonable efforts to determine that no state employee, including an employee outside the contracting agency, is able and available to perform the services called for by the contract. When possible this posting must be done electronically.

Sec. 52. Minnesota Statutes 1994, section 16B.17, is amended to read:

16B.17 [~~CONSULTANTS AND PROFESSIONAL OR TECHNICAL SERVICES.~~]

Subdivision 1. [~~TERMS.~~] For the purposes of this section, ~~the following terms have the meanings given them:~~

(a) [~~CONSULTANT SERVICES.~~] "Consultant professional or technical services" means services ~~which~~ that are intellectual in character; ~~which~~ that do not involve the provision of supplies or materials; ~~which~~ that include consultation analysis, evaluation, prediction, planning, or recommendation; and ~~which~~ that result in the production of a report or the completion of a task.

(b) [~~PROFESSIONAL AND TECHNICAL SERVICES.~~] "Professional and technical services" means ~~services which are predominantly intellectual in character; which do not involve the provision of supplies or materials; and in which the final result is the completion of a task rather than analysis, evaluation, prediction, planning, or recommendation.~~

Subd. 2. [~~PROCEDURE FOR CONSULTANT AND PROFESSIONAL AND OR TECHNICAL SERVICES CONTRACTS.~~] Before approving a proposed state contract for ~~consultant services or professional and~~ or technical services, the commissioner must determine, at least, that:

(1) all provisions of section 16B.19 and subdivision 3 of this section have been verified or complied with;

(2) the work to be performed under the contract is necessary to the agency's achievement of its statutory responsibilities, and there is statutory authority to enter into the contract;

(3) the contract will not establish an employment relationship between the state or the agency and any persons performing under the contract;

(4) no current state employees will engage in the performance of the contract;

(5) no state agency has previously performed or contracted for the performance of tasks which would be substantially duplicated under the proposed contract; ~~and~~

(6) the contracting agency has specified a satisfactory method of evaluating and using the results of the work to be performed; and

(7) the combined contract and amendments will not extend for more than five years.

Subd. 3. [~~DUTIES OF CONTRACTING AGENCY.~~] Before an agency may seek approval of a ~~consultant or professional and or~~ technical services contract valued in excess of \$5,000, it must certify to the commissioner that:

(1) no current state employee is able and available to perform the services called for by the contract;

(2) the normal competitive bidding mechanisms will not provide for adequate performance of the services;

(3) ~~the services are not available as a product of a prior consultant or professional and technical services contract, and~~ the contractor has certified that the product of the services will be original in character;

(4) reasonable efforts were made to publicize the availability of the contract to the public;

(5) the agency has received, reviewed, and accepted a detailed work plan from the contractor for performance under the contract; ~~and~~

(6) the agency has developed, and fully intends to implement, a written plan providing for the assignment of specific agency personnel to a monitoring and liaison function; the periodic review of interim reports or other indications of past performance, and the ultimate utilization of the final product of the services; and

(7) the agency will not allow the contractor to begin work before funds are fully encumbered.

Subd. 3a. [RENEWALS.] The renewal of a professional or technical contract must comply with all requirements, including notice, applicable to the original contract. A renewal contract must be identified as such. All notices and reports on a renewal contract must state the date of the original contract and the amount paid previously under the contract.

Subd. 4. [REPORTS.] (a) The commissioner shall submit to the governor, the chairs of the house ways and means and senate finance committees, and the legislature legislative reference library a monthly listing of all contracts for ~~consultant services and for professional and or technical services~~ executed or disapproved in the preceding month. The report must identify the parties and the contract amount, duration, and tasks to be performed. The commissioner shall also issue quarterly reports summarizing the contract review activities of the department during the preceding quarter.

(b) The monthly and quarterly reports must:

(1) be sorted by agency and by contractor;

(2) show the aggregate value of contracts issued by each agency and issued to each contractor;

(3) distinguish between contracts that are being issued for the first time and contracts that are being renewed;

(4) state the termination date of each contract; and

(5) categorize contracts according to subject matter, including topics such as contracts for training, contracts for research and opinions, and contracts for computer systems.

(c) Within 30 days of final completion of a contract over \$35,000 covered by this subdivision, the chief executive of the agency entering into the contract must submit a one-page report to the commissioner who must submit a copy to the legislative reference library. The report must:

(1) summarize the purpose of the contract, including why it was necessary to enter into a contract;

(2) state the amount spent on the contract; and

(3) explain why this amount was a cost-effective way to enable the agency to provide its services or products better or more efficiently.

Subd. 5. [CONTRACT TERMS.] (a) A ~~consultant or technical and professional or technical services~~ contract must by its terms permit the agency to unilaterally terminate the contract prior to completion, upon payment of just compensation, if the agency determines that further performance under the contract would not serve agency purposes. If the final product of the contract is to be a written report, ~~no more than three copies of the report, one in camera-ready form, shall be submitted to the agency. One of the copies~~ a copy must be filed with the legislative reference library.

(b) The terms of a contract must provide that no more than 90 percent of the amount due under the contract may be paid until the final product has been reviewed by the chief executive of the agency entering into the contract, and the chief executive has certified that the contractor has satisfactorily fulfilled the terms of the contract.

Subd. 6. [EXCLUSIONS.] This section and section 16B.167 do not apply:

(1) to Minnesota state college or university contracts to provide instructional services to public or private organizations, agencies, businesses, or industries;

(2) to contracts with individuals or organizations for administration of employee pension plans authorized under chapter 354B or 354C; or

(3) to instructional services provided to Minnesota state colleges or universities by organizations or individuals provided the contracts are consistent with terms of applicable labor agreements.

Sec. 53. [16B.175] [PROFESSIONAL OR TECHNICAL SERVICE CONTRACT CONFLICT OF INTEREST GUIDELINES.]

Subdivision 1. [DEVELOPMENT; APPLICABILITY.] The commissioner of administration must develop guidelines designed to prevent conflicts of interest for agency employees involved in professional or technical service contracts. The guidelines must apply to agency employees who are directly or indirectly involved in: developing requests for proposals; evaluating proposals; drafting and entering into professional or technical service contracts; evaluating performance under these contracts; and authorizing payments under the contract.

Subd. 2. [CONTENT.] (a) The guidelines must attempt to assure that an employee involved in contracting:

(1) does not have any financial interest in and does not personally benefit from the contract;

(2) does not accept from a contractor or bidder any promise, obligation, contract for future reward, or gift; and

(3) does not appear to have a conflict of interest because of a family or close personal relationship to a contractor or bidder, or because of a past employment or business relationship with a contractor or bidder.

(b) The guidelines must contain a process for making employees aware of guidelines and laws relating to conflict of interest, and for training employees on how to avoid and deal with potential conflicts.

(c) The guidelines must contain a process under which an employee who has a conflict or a potential conflict may disclose the matter, and a process under which work on the contract may be assigned to another employee if possible.

Sec. 54. Minnesota Statutes 1994, section 16B.19, subdivision 2, is amended to read:

Subd. 2. [CONSULTANT, PROFESSIONAL AND OR TECHNICAL PROCUREMENTS.] Every state agency shall for each fiscal year designate for awarding to small businesses at least 25 percent of the value of anticipated procurements of that agency for ~~consultant services or~~ professional and or technical services. The set-aside under this subdivision is in addition to that provided by subdivision 1, but shall must otherwise comply with section 16B.17.

Sec. 55. Minnesota Statutes 1994, section 16B.19, subdivision 10, is amended to read:

Subd. 10. [APPLICABILITY.] This section does not apply to construction contracts or contracts for ~~consultant~~, professional, or technical services under section 16B.17 that are financed in whole or in part with federal funds and that are subject to federal disadvantaged business enterprise regulations.

Sec. 56. Minnesota Statutes 1994, section 16B.42, subdivision 3, is amended to read:

Subd. 3. [OTHER DUTIES.] The intergovernmental information systems advisory council shall (1) recommend to the commissioners of state departments, the legislative auditor, and the state auditor a method for the expeditious gathering and reporting of information and data between agencies and units of local government in accordance with cooperatively developed standards; (2) elect an executive committee, not to exceed seven members from its membership; (3) develop an annual plan, to include administration and evaluation of grants, in compliance with applicable rules; (4) provide technical information systems assistance or guidance to local governments for development, implementation, and modification of automated systems, including formation of consortiums for those systems; ~~and~~ (5) appoint committees and task forces, which may include persons other than council members, to assist the council in carrying out its duties; (6) select an executive director to serve the council and may employ other employees it deems necessary, all of whom are in the classified service of the state civil service; (7) may contract for professional and other similar services on terms it deems desirable; and (8) work with the information policy office to ensure that information systems developed by state agencies that impact local government will be reviewed by the council.

Sec. 57. [16B.485] [INTERFUND LOANS.]

The commissioner may, with the approval of the commissioner of finance, make loans from an internal service or enterprise fund to another internal service or enterprise fund, and the amount necessary is appropriated from the fund that makes the loan. The term of a loan made under this section must be not more than 24 months.

Sec. 58. Minnesota Statutes 1994, section 16B.88, subdivision 1, is amended to read:

Subdivision 1. [INFORMATION CENTER FOR VOLUNTEER PROGRAMS.] (a) ~~The office of citizenship and volunteer services is under the supervision and administration of an executive a director appointed by the commissioner and referred to in this section as "director."~~ The office shall: (1) operate as a state information, technical assistance, and promotion center for volunteer programs and needed services that could be delivered by volunteer programs; and (2) promote and facilitate citizen participation in local governance and public problem solving.

(b) In furtherance of the mission in paragraph (a), clause (2), the office shall:

(1) engage in education and other activities designed to enhance the capacity of citizens to solve problems affecting their communities;

(2) promote and support efforts by citizens, community-based organizations, non-profits, churches, and local governments to collaborate in solving community problems;

(3) encourage local governments to provide increased opportunities for citizen involvement in public decision making and public problem solving;

(4) refer innovative approaches to encourage greater public access to and involvement in state and local government decisions to appropriate state and local government officials;

(5) encourage units of state and local government to respond to citizen initiatives and ideas;

(6) promote processes for involving citizens in government decisions; and

(7) recognize and publicize models of effective public problem solving by citizens.

~~A person or public or private agency may request information on the availability of volunteer programs relating to specific services and may report to the director whenever a volunteer program is needed or desired.~~

Sec. 59. Minnesota Statutes 1994, section 16B.88, subdivision 2, is amended to read:

Subd. 2. [COOPERATION WITH OTHER GROUPS.] The director shall cooperate with national, state, and local volunteer groups in collecting information on federal, state, and private resources which may encourage and improve volunteer projects within the state. The office shall coordinate its research and other work on citizen engagement with the board of government innovation and cooperation, the Minnesota extension service, and Project Public Life, Humphrey Institute, University of Minnesota.

Sec. 60. Minnesota Statutes 1994, section 16B.88, subdivision 3, is amended to read:

Subd. 3. [MONEY.] The director may accept and disburse public or private funds and gifts made available for the promotion of volunteer the office's programs.

Sec. 61. Minnesota Statutes 1994, section 16B.88, subdivision 4, is amended to read:

Subd. 4. [RESEARCH AND INFORMATION.] The director shall conduct research to: (1) identify methods for increasing the capacity of citizens to influence decisions affecting their lives, identify methods citizens can use to solve problems in their communities, and promote innovative techniques for citizen and community-based organizations to collaborate in understanding and solving community problems; and (2) identify needs of volunteer programs and to assess community needs for volunteer services. The director may issue informational materials relating to volunteer programs in Minnesota and results of the director's research.

Sec. 62. [43A.211] [MINNESOTA QUALITY COLLEGE.]

Subdivision 1. [PURPOSE; GOALS.] The Minnesota quality college is a program in the department of employee relations to provide information on continuous quality improvement training resources to state officials and employees in executive agencies. It is managed by the board established by subdivision 2. The purpose of the program is to help agencies, officials, and employees achieve the mission and goals of their governmental unit, improve government's responsiveness to citizens, increase workplace innovation at the employee level, increase productivity, improve public leadership and employee involvement, and build pride in public service. Its goals are to encourage cost savings and cost sharing among its clients, to help clients ensure that money for quality improvement training is wisely spent, and to develop and maintain a curriculum that provides a base for the continuous improvement of quality skills in Minnesota's public workforce. The curriculum must be based on a philosophy of quality that has these components: customer focus, continuous improvement, and employee empowerment and leadership. The board shall insure that state agencies and employees have access to and are provided with information on quality resources, encourage sharing and interagency cooperation, and provide high-quality and ongoing training on how to apply the philosophy of quality in public service.

Subd. 2. [MANAGEMENT.] The commissioner shall convene a board to manage the college. The board must consist of the commissioner; a commissioner from another agency appointed by the governor; a private citizen experienced in the application of the quality philosophy, appointed by the governor; a representative of the exclusive representatives of employees in the executive branch, selected by the exclusive representatives; and two representatives of management-level executive agency employees, selected by the commissioner. The board shall take action based on a consensus of its members present. The board shall identify training needs and potential resources to provide different levels of training depending on the requirements and stage of development of each customer. Levels of training may include basic quality training, special management training, refresher courses, coaching, organizational culture change, and applying quality tools. The board shall attempt to design a model curriculum, specific components and resources to achieve the curriculum, and specific programs within that curriculum to meet the expressed needs of customers.

Subd. 3. [CUSTOMERS.] The primary customers of the college are Minnesota state agencies, officials, and employees. The board may extend services to local governmental units, federal agencies, educational institutions, and nonprofit organizations within Minnesota, but shall first ensure that the needs of their primary customers are adequately met. The curriculum must be organized to meet the needs of five separate groups of customers: elected officials, appointed officials, managers, quality professionals, and public employees.

Subd. 4. [SUPPLIERS.] The board may draw upon a range of training resources, including:

- (1) staff of the customer agency itself;
- (2) other agencies, including courses offered by the department or the organizational analysis services of the management analysis division of the department of administration;
- (3) Minnesota public and private higher education institutions;
- (4) private consultants;
- (5) professional organizations; and
- (6) local governmental units and federal agencies.

Sec. 63. Minnesota Statutes 1994, section 43A.27, subdivision 2, is amended to read:

Subd. 2. [ELECTIVE ELIGIBILITY.] The following persons, if not otherwise covered by section 43A.24, may elect coverage for themselves or their dependents at their own expense:

- (a) a state employee, including persons on layoff from a civil service position as provided in collective bargaining agreements or a plan established pursuant to section 43A.18;

(b) an employee of the board of regents of the University of Minnesota, including persons on layoff, as provided in collective bargaining agreements or by the board of regents;

(c) an officer or employee of the state agricultural society, state horticultural society, Sibley house association, Minnesota humanities commission, Minnesota area industry labor management councils, Minnesota international center, Minnesota academy of science, science museum of Minnesota, Minnesota safety council, state office of disabled American veterans, state office of the American Legion and its auxiliary, state office of veterans of foreign wars and its auxiliary, or state office of the Military Order of the Purple Heart;

(d) a civilian employee of the adjutant general who is paid from federal funds and who is not eligible for benefits from any federal civilian employee group life insurance or health benefits program; and

(e) an officer or employee of the state capitol credit union or the highway credit union.

Sec. 64. Minnesota Statutes 1994, section 43A.27, subdivision 3, is amended to read:

Subd. 3. [RETIRED EMPLOYEES.] A retired employee of the state who receives an annuity under a state retirement program or a retired employee of the state who is at least 50 years of age and has at least 15 years of state service may elect to purchase at personal expense individual and dependent hospital, medical, and dental coverages that are actuarially equivalent to those made available through collective bargaining agreements or plans established pursuant to section 43A.18 to employees in positions equivalent to that from which retired. A spouse of a deceased retired employee who received an annuity under a state retirement program may purchase the coverage listed in this subdivision if the spouse was a dependent under the retired employee's coverage at the time of the employee's death. Coverages must be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program. Until the retired employee reaches age 65, the retired employee and dependents must be pooled in the same group as active employees for purposes of establishing premiums and coverage for hospital, medical, and dental insurance. Coverage for retired employees and their dependents may not discriminate on the basis of evidence of insurability or preexisting conditions unless identical conditions are imposed on active employees in the group that the employee left. Appointing authorities shall provide notice to employees no later than the effective date of their retirement of the right to exercise the option provided in this subdivision. The retired employee must notify the commissioner or designee of the commissioner within 30 days after the effective date of the retirement of intent to exercise this option.

Sec. 65. Minnesota Statutes 1994, section 115C.02, is amended by adding a subdivision to read:

Subd. 6a. [FUND.] "Fund" means the petroleum tank release cleanup fund.

Sec. 66. Minnesota Statutes 1994, section 115C.08, subdivision 1, is amended to read:

Subdivision 1. [REVENUE SOURCES.] Revenue from the following sources must be deposited in the state treasury and credited to a petroleum tank release cleanup ~~account in the~~ environmental fund:

(1) the proceeds of the fee imposed by subdivision 3;

(2) money recovered by the state under sections 115C.04, 115C.05, and 116.491, including administrative expenses, civil penalties, and money paid under an agreement, stipulation, or settlement;

(3) interest attributable to investment of money in the ~~account~~ fund;

(4) money received by the board and agency in the form of gifts, grants other than federal grants, reimbursements, or appropriations from any source intended to be used for the purposes of the ~~account~~ fund;

(5) fees charged for the operation of the tank installer certification program established under section 116.491; and

(6) money obtained from the return of reimbursements, civil penalties, or other board action under this chapter.

Sec. 67. Minnesota Statutes 1994, section 115C.08, subdivision 2, is amended to read:

Subd. 2. [IMPOSITION OF FEE.] The board shall notify the commissioner of revenue if the unencumbered balance of the ~~account~~ fund falls below \$4,000,000, and within 60 days after receiving notice from the board, the commissioner of revenue shall impose the fee established in subdivision 3 on the use of a tank for four calendar months, with payment to be submitted with each monthly distributor tax return.

Sec. 68. Minnesota Statutes 1994, section 115C.08, subdivision 4, is amended to read:

Subd. 4. [EXPENDITURES.] (a) Money in the ~~account~~ fund may only be spent:

- (1) to administer the petroleum tank release cleanup program established in this chapter;
- (2) for agency administrative costs under sections 116.46 to 116.50, sections 115C.03 to 115C.06, and costs of corrective action taken by the agency under section 115C.03, including investigations;
- (3) for costs of recovering expenses of corrective actions under section 115C.04;
- (4) for training, certification, and rulemaking under sections 116.46 to 116.50;
- (5) for agency administrative costs of enforcing rules governing the construction, installation, operation, and closure of aboveground and underground petroleum storage tanks;
- (6) for reimbursement of the harmful substance compensation account under subdivision 5 and section 115B.26, subdivision 4; and
- (7) for administrative and staff costs as set by the board to administer the petroleum tank release program established in this chapter.

(b) Money in the ~~account~~ fund is appropriated to the board to make reimbursements or payments under this section.

Sec. 69. Minnesota Statutes 1994, section 116G.15, is amended to read:

116G.15 [MISSISSIPPI RIVER CRITICAL AREA.]

(a) The federal Mississippi National River and Recreation Area established pursuant to United States Code, title 16, section 460zz-2(k), is designated an area of critical concern in accordance with this chapter. The governor shall review the existing Mississippi river critical area plan and specify any additional standards and guidelines to affected communities in accordance with section 116G.06, subdivision 2, paragraph (b), clauses (3) and (4), needed to insure preservation of the area pending the completion of the federal plan.

The results of an environmental impact statement prepared under chapter 116D and completed after July 1, 1994, for a proposed project that is located in the Mississippi river critical area north of the United States Army Corps of Engineers Lock and Dam Number One must be submitted in a report to the chairs of the environment and natural resources policy and finance committees of the house of representatives and the senate prior to the issuance of any state or local permits and the authorization for an issuance of any bonds for the project. A report made under this paragraph shall be submitted by the responsible governmental unit that prepared the environmental impact statement, and must list alternatives to the project that are determined by the environmental impact statement to be economically and environmentally superior to the proposed project and identify any legislative actions that may assist in the implementation of environmentally superior alternatives. This paragraph does not apply to a proposed project to be carried out by the metropolitan council or a metropolitan agency as defined in section 473.121.

(b) If the results of an environmental impact statement required to be submitted by paragraph (a) indicate that there is an economically and environmentally superior alternative, then no member agency of the environmental quality board shall issue a permit for the facility that is the

subject of the environmental impact statement, nor shall any government bonds be issued for the facility, unless specifically authorized by the legislature.

Sec. 70. Minnesota Statutes 1994, section 197.05, is amended to read:

197.05 [FUND, HOW EXPENDED.]

The state soldiers' assistance fund shall be administered by the commissioner of veterans affairs and shall be used to locate and investigate the facts as to any citizen of Minnesota or resident alien residing in Minnesota who served in the military or naval forces of the United States and who is indigent or suffering from any disability whether acquired in the service or not; to assist the person and the person's dependents as hereinafter provided in establishing and proving any just claim the person may have against the United States government, or any other government or state for compensation, insurance, relief, or other benefits; to provide emergency hospitalization, treatment, maintenance, and relief for any person suffering from disability who was a bona fide resident of the state at the time the need arose and the person's dependents, as hereinafter provided; and to cooperate with other state, municipal, and county officials and civic or civilian agencies or organizations in carrying out the provisions of sections 197.01 to 197.07. The commissioner shall limit financial assistance to veterans and dependents to six months, unless recipients have been certified as ineligible for other benefit programs.

The fund is appropriated to be used in the manner determined by the commissioner of veterans affairs for these purposes.

Sec. 71. Minnesota Statutes 1994, section 240.155, subdivision 1, is amended to read:

Subdivision 1. [REIMBURSEMENT ACCOUNT CREDIT.] Money received by the commission as reimbursement for the costs of services provided by assistant veterinarians and stewards, and medical testing of horses must be deposited in the state treasury and credited to a racing ~~commission~~ reimbursement account, except as provided under subdivision 2. Receipts are appropriated to the commission to pay the costs of providing the services.

Sec. 72. Minnesota Statutes 1994, section 240.24, subdivision 3, is amended to read:

Subd. 3. [FEES.] The commission shall establish by rule a fee or schedule of fees to recover the costs of medical testing of horses running at racetracks licensed by the commission. Fees charged for the testing of horses shall cover the cost of the medical testing laboratory. Fee receipts shall be deposited in the state treasury and credited to the ~~general fund~~ racing reimbursement account.

Sec. 73. Minnesota Statutes 1994, section 240A.08, is amended to read:

240A.08 [APPROPRIATION.]

\$750,000 is appropriated annually from the general fund to the Minnesota amateur sports commission for the purpose of entering into long-term leases, use, or other agreements with the metropolitan sports facilities commission for the conduct of amateur sports activities at the basketball and hockey arena, consistent with the purposes set forth in this chapter, including (1) stimulating and promoting amateur sports, (2) promoting physical fitness by promoting participation in sports, (3) promoting the development of recreational amateur sport opportunities and activities, and (4) promoting local, regional, national, and international amateur sport competitions and events. The metropolitan sports facilities commission may allocate 50 dates a year for the conduct of amateur sports activities at the basketball and hockey arena by the amateur sports commission. At least 12 of the dates must be on a Friday, Saturday, or Sunday. If any amateur sports activities conducted by the amateur sports commission at the basketball and hockey arena are restricted to participants of one gender, an equal number of activities on comparable days of the week must be conducted for participants of the other gender, but not necessarily in the same year. The legislature reserves the right to repeal or amend this appropriation, and does not intend this appropriation to create public debt.

The books, records, documents, accounting procedures, and practices of the metropolitan sports facilities commission, the Minneapolis community development agency, and any corporation with which the Minnesota amateur sports commission may contract for use of the basketball and hockey arena are available for review by the Minnesota amateur sports commission, the legislative

auditor, and the chairs of the state government finance divisions of the senate and the house of representatives, subject to chapter 13 and section 473.598, subdivision 4.

Sec. 74. Minnesota Statutes 1994, section 240A.09, is amended to read:

240A.09 [PLAN DEVELOPMENT; CRITERIA.]

The Minnesota amateur sports commission shall develop a plan to promote the development of proposals for new statewide public ice facilities including proposals for ice centers and matching grants based on the criteria in this section.

(a) For ice center proposals, the commission will give priority to proposals that come from more than one local government unit and that, in the metropolitan area as defined in section 473.121, subdivision 2, involve construction of ~~more than three~~ at least two ice sheets in a single facility.

(b) The ~~Minnesota amateur sports~~ commission shall administer a site selection process for the ice centers. The commission shall invite proposals from cities or counties or consortia of cities. A proposal for an ice center must include matching contributions including in-kind contributions of land, access roadways and access roadway improvements, and necessary utility services, landscaping, and parking.

(c) Proposals for ice centers and matching grants must provide for meeting the demand for ice time for female groups by offering up to 50 percent of prime ice time, as needed, to female groups. For purposes of this section, prime ice time means the hours of 4:00 p.m. to 10:00 p.m. Monday to Friday and 9:00 a.m. to 8:00 p.m. on Saturdays and Sundays.

(d) The location for all proposed facilities must be in areas of maximum demonstrated interest and must maximize accessibility to an arterial highway.

(e) To the extent possible, all proposed facilities must be dispersed equitably ~~and~~, must be located to maximize potential for full utilization and profitable operation, and must accommodate noncompetitive family and community skating for all ages.

(f) The ~~Minnesota amateur sports~~ commission may also use the funds to upgrade current facilities, purchase girls' ice time, or conduct amateur women's hockey and other ice sport tournaments.

(g) To the extent possible, 50 percent of all grants must be awarded to communities in greater Minnesota.

(h) To the extent possible, technical assistance shall be provided to Minnesota communities by the commission on ice arena planning, design, and operation, including the marketing of ice time.

(i) The commission may use funds for rehabilitation and renovation grants. Priority must be given to grant applications for indoor air quality improvements, including zero emission ice resurfacing equipment.

(j) At least ten percent of the grant funds must be used for ice centers designed for sports other than hockey.

Sec. 75. Minnesota Statutes 1994, section 240A.10, is amended to read:

240A.10 [AGREEMENTS.]

Subdivision 1. [ICE ARENA FACILITIES.] The Minnesota amateur sports commission may enter into agreements with local units of government and provide financial assistance in the form of grants for the construction of ice arena facilities that in the determination of the commission, conform to its criteria.

Subd. 2. [EQUIPMENT; REVOLVING FUND.] The commission may enter into cooperative purchasing agreements under section 471.59 with local governments to purchase ice arena equipment and services through state contracts. The cooperative ice arena equipment purchasing revolving fund is a separate account in the state treasury. The commission may charge a fee to

cover the commission's administrative expenses to government units that have joint or cooperative purchasing agreements with the state under section 471.59. The fees collected must be deposited in the revolving fund established by this subdivision. Money in the fund is appropriated to the commission to administer the programs and services covered by this subdivision.

Sec. 76. Minnesota Statutes 1994, section 349.151, subdivision 4b, is amended to read:

Subd. 4b. [PULL-TAB SALES FROM DISPENSING DEVICES.] (a) The board may by rule authorize but not require the use of pull-tab dispensing devices.

(b) Rules adopted under paragraph (a):

(1) must limit the number of pull-tab dispensing devices on any permitted premises to three;

(2) must limit the use of pull-tab dispensing devices to a permitted premises which is (i) a licensed premises for on-sales of intoxicating liquor or 3.2 percent malt beverages or (ii) a licensed bingo hall that allows gambling only by persons 18 years or older; and

(3) must prohibit the use of pull-tab dispensing devices at any licensed premises where pull-tabs are sold other than through a pull-tab dispensing device by an employee of the organization who is also the lessor or an employee of the lessor.

(c) The director may charge a manufacturer a fee of up to \$5,000 per pull-tab dispensing device to cover the costs of services provided by an independent testing laboratory to perform testing and analysis of pull-tab dispensing devices. The director shall deposit in a separate account in the state treasury all money the director receives as reimbursement for the costs of services provided by independent testing laboratories that have entered into contracts with the state to perform testing and analysis of pull-tab dispensing devices. Money in the account is appropriated to the director to pay the costs of services under those contracts.

Sec. 77. Minnesota Statutes 1994, section 349A.02, subdivision 1, is amended to read:

Subdivision 1. [DIRECTOR.] A state lottery is established under the supervision and control of the director of the state lottery appointed by the governor with the advice and consent of the senate. ~~The governor shall appoint the director from a list of at least three persons recommended to the governor by the board.~~ The director must be qualified by experience and training in the operation of a lottery to supervise the lottery. The director serves in the unclassified service. The annual salary rate authorized for the director is equal to 80 percent of the salary rate prescribed for the governor as of the effective date of Laws 1993, chapter 146.

Sec. 78. Minnesota Statutes 1994, section 349A.03, is amended by adding a subdivision to read:

Subd. 4. [BOARD ABOLISHED.] The board is abolished on July 1, 1995. The terms of all members of the board serving on that date expire on that date.

Sec. 79. Minnesota Statutes 1994, section 349A.04, is amended to read:

349A.04 [LOTTERY GAME PROCEDURES.]

The director may adopt game procedures governing the following elements of the lottery:

(1) lottery games;

(2) ticket prices;

(3) number and size of prizes;

(4) methods of selecting winning tickets; and

(5) frequency and method of drawings.

The adoption of lottery game procedures is not subject to chapter 14. ~~Before adopting a lottery game procedure, the director shall submit the procedure to the board for its review and comment.~~

Sec. 80. Minnesota Statutes 1994, section 349A.05, is amended to read:

349A.05 [RULES.]

The director may adopt rules, including emergency rules, under chapter 14 governing the following elements of the lottery:

- (1) the number and types of lottery retailers' locations;
- (2) qualifications of lottery retailers and application procedures for lottery retailer contracts;
- (3) investigation of lottery retailer applicants;
- (4) appeal procedures for denial, suspension, or cancellation of lottery retailer contracts;
- (5) compensation of lottery retailers;
- (6) accounting for and deposit of lottery revenues by lottery retailers;
- (7) procedures for issuing lottery procurement contracts and for the investigation of bidders on those contracts;
- (8) payment of prizes;
- (9) procedures needed to ensure the integrity and security of the lottery; and
- (10) other rules the director considers necessary for the efficient operation and administration of the lottery.

~~Before adopting a rule the director shall submit the rule to the board for its review and comment.~~

Sec. 81. Minnesota Statutes 1994, section 349A.06, subdivision 2, is amended to read:

Subd. 2. [QUALIFICATIONS.] (a) The director may not contract with a retailer who:

- (1) is under the age of 18;
- (2) is in business solely as a seller of lottery tickets;
- (3) owes \$500 or more in delinquent taxes as defined in section 270.72;
- (4) has been convicted within the previous five years of a felony or gross misdemeanor, any crime involving fraud or misrepresentation, or a gambling-related offense;
- (5) is a member of the immediate family, residing in the same household, as the director, ~~board member~~, or any employee of the lottery;
- (6) in the director's judgment does not have the financial stability or responsibility to act as a lottery retailer, or whose contracting as a lottery retailer would adversely affect the public health, welfare, and safety, or endanger the security and integrity of the lottery; or
- (7) is a currency exchange, as defined in section 53A.01.

A contract entered into before August 1, 1990, which violates clause (7) may continue in effect until its expiration but may not be renewed.

(b) An organization, firm, partnership, or corporation that has a stockholder who owns more than five percent of the business or the stock of the corporation, an officer, or director, that does not meet the requirements of paragraph (a), clause (4), is not eligible to be a lottery retailer under this section.

(c) The restrictions under paragraph (a), clause (4), do not apply to an organization, partnership, or corporation if the director determines that the organization, partnership, or firm has terminated its relationship with the individual whose actions directly contributed to the disqualification under this subdivision.

Sec. 82. Minnesota Statutes 1994, section 349A.08, subdivision 5, is amended to read:

Subd. 5. [PAYMENT; UNCLAIMED PRIZES.] A prize in the state lottery must be claimed by the winner within one year of the date of the drawing at which the prize was awarded or the last day sales were authorized for a game where a prize was determined in a manner other than by means of a drawing. If a valid claim is not made for a prize payable directly by the lottery by the end of this period, ~~the unclaimed prize money must be added by the director to prize pools of subsequent lottery games~~ the prize money is considered unclaimed and the winner of the prize shall have no further claim to the prize. A prize won by a person who purchased the winning ticket in violation of section 349A.12, subdivision 1, or won by a person ineligible to be awarded a prize under subdivision 7 must be treated as an unclaimed prize under this section. The director shall transfer 70 percent of all unclaimed prize money at the end of each fiscal year from the lottery cash flow account as follows: of the 70 percent, 40 percent must be transferred to the Minnesota environment and natural resources trust fund and 60 percent must be transferred to the general fund. The remaining 30 percent of the unclaimed prize money must be added by the director to prize pools of subsequent lottery games.

Sec. 83. Minnesota Statutes 1994, section 349A.08, subdivision 7, is amended to read:

Subd. 7. [PAYMENTS PROHIBITED.] (a) No prize may be paid to ~~a member of the board~~, the director or an employee of the lottery, or a member of their families residing in the same household of the member, director, or employee. No prize may be paid to an officer or employee of a vendor which at the time the game or drawing was being conducted was involved with providing goods or services to the lottery under a lottery procurement contract.

(b) No prize may be paid for a stolen, altered, or fraudulent ticket.

Sec. 84. Minnesota Statutes 1994, section 349A.10, is amended by adding a subdivision to read:

Subd. 7. [TRANSFER OF CASH BALANCES.] (a) A lottery cash flow account is created in the special revenue fund in the state treasury. At the end of each week the director shall deposit in the lottery cash flow account from the lottery fund and the lottery prize fund all amounts that the director determines are not required for immediate use in the lottery fund or the lottery prize fund. The commissioner of finance shall credit to the lottery cash flow account interest on all money deposited in the lottery cash flow account under this subdivision.

(b) The director shall notify the commissioner of finance whenever the director determines that money transferred under paragraph (a) is required for the immediate use of the lottery fund or the lottery prize fund. Upon receiving the notification the commissioner shall transfer the amount identified in the notification. Amounts necessary to make immediate payment for expenses or prizes from the lottery fund or the prize fund are appropriated from the lottery cash flow account to the director.

(c) The director shall notify the commissioner of finance 30 days after each month as to the amount of the net proceeds that must be transferred under subdivision 5, and the director shall notify the commissioner of finance 20 days after each month as to the amount that must be transferred under section 297A.259, and as necessary the director shall notify the commissioner of other amounts required by law to be transferred.

Sec. 85. Minnesota Statutes 1994, section 349A.11, is amended to read:

349A.11 [CONFLICT OF INTEREST.]

(a) The director, ~~a board member~~, an employee of the lottery, a member of the immediate family of the director, ~~board member~~, or employee residing in the same household may not:

- (1) purchase a lottery ticket;
- (2) have any personal pecuniary interest in any vendor holding a lottery procurement contract, or in any lottery retailer; or
- (3) receive any gift, gratuity, or other thing of value, excluding food or beverage, from any

lottery vendor or lottery retailer, or person applying to be a retailer or vendor, in excess of \$100 in any calendar year.

(b) A violation of paragraph (a), clause (1), is a misdemeanor. A violation of paragraph (a), clause (2), is a gross misdemeanor. A violation of paragraph (a), clause (3), is a misdemeanor unless the gift, gratuity, or other item of value received has a value in excess of \$500, in which case a violation is a gross misdemeanor.

(c) The director or an unclassified employee of the lottery may not, within one year of terminating employment with the lottery, accept employment with, act as an agent or attorney for, or otherwise represent any person, corporation, or entity that had any lottery procurement contract or bid for a lottery procurement contract with the lottery within a period of two years prior to the termination of their employment. A violation of this paragraph is a misdemeanor.

Sec. 86. Minnesota Statutes 1994, section 349A.12, subdivision 4, is amended to read:

Subd. 4. [LOTTERY RETAILERS AND VENDORS.] A person who is a lottery retailer, or is applying to be a lottery retailer, a person applying for a contract with the director, or a person under contract with the director to supply goods or services to lottery may not pay, give, or make any economic opportunity, gift, loan, gratuity, special discount, favor, hospitality, or service, excluding food or beverage, having an aggregate value of over \$100 in any calendar year to the director, ~~board member~~, employee of the lottery, or to a member of the immediate family residing in the same household as that person.

Sec. 87. Minnesota Statutes 1994, section 352.15, subdivision 3, is amended to read:

Subd. 3. [DEDUCTING HEALTH INSURANCE PREMIUMS.] The board may direct, at its discretion, the deduction of a retiree's health or dental insurance premiums and transfer of the amounts to a health or dental insurance carrier covering state employees. The insurance carrier must certify that the retired employee has signed an authorization for the deduction and provide a computer readable roster of covered retirees and amounts. The health or dental insurance carrier must refund deductions withheld from a retiree's check in error directly to the retiree. The board shall require the insurance carrier to reimburse the fund for the administrative expense of withholding the premium amounts. The insurance carrier shall assume liability for any failure of the system to properly withhold the premium amounts.

Sec. 88. Minnesota Statutes 1994, section 462.358, subdivision 2b, is amended to read:

Subd. 2b. [DEDICATION.] The regulations may require that a reasonable portion of any proposed subdivision be dedicated to the public or preserved for public use as streets, roads, sewers, electric, gas, and water facilities, storm water drainage and holding areas or ponds and similar utilities and improvements.

In addition, the regulations may require that a reasonable portion of any proposed subdivision be dedicated to the public or preserved for conservation purposes or for public use as parks, recreational facilities as defined and outlined in section 471.191, playgrounds, trails, wetlands, or open space; provided that (a) the municipality may choose to accept an equivalent amount in cash from the applicant for part or all of the portion required to be dedicated to such public uses or purposes based on the fair market value of the land no later than at the time of final approval, (b) any cash payments received shall be placed in a special fund by the municipality used only for the purposes for which the money was obtained, (c) in establishing the reasonable portion to be dedicated, the regulations may consider the open space, park, recreational, or common areas and facilities which the applicant proposes to reserve for the subdivision, and (d) the municipality reasonably determines that it will need to acquire that portion of land for the purposes stated in this paragraph as a result of approval of the subdivision.

Sec. 89. Laws 1991, chapter 235, article 5, section 3, is amended to read:

Sec. 3. [REPEALER.]

Section 1, subdivision 2, is repealed effective July 1, ~~1995~~ 1999.

Sec. 90. [VOLUNTARY UNPAID LEAVE OF ABSENCE.]

Appointing authorities in state government shall encourage each employee to take an unpaid leave of absence for up to 160 hours during the period ending June 30, 1997. Each appointing authority approving such a leave shall allow the employee to continue accruing vacation and sick leave, be eligible for paid holidays and insurance benefits, accrue seniority, and accrue service credit in state retirement plans permitting service credits for authorized leaves of absence as if the employee had actually been employed during the time of the leave. If the leave of absence is for one full pay period or longer, any holiday pay shall be included in the first payroll warrant after return from the leave of absence. The appointing authority shall attempt to grant requests for unpaid leaves of absence consistent with the need to continue efficient operation of the agency. However, each appointing authority shall retain discretion to grant or refuse to grant requests for leaves of absence and to schedule and cancel leaves, subject to applicable provisions of collective bargaining agreements and compensation plans. Any cost savings resulting from this section cancel to the fund from which the money was saved. It is anticipated that this section will result in savings to the general fund of \$400,000 in each year of the biennium ending June 30, 1997.

Sec. 91. [SPENDING LIMITATION ON CONTRACTS.]

During the biennium ending June 30, 1997, the aggregate amount spent by all departments or agencies defined in Minnesota Statutes, section 15.91, subdivision 1, on professional or technical service contracts may not exceed 95 percent of the aggregate amount these departments or agencies spent on these contracts during the biennium from July 1, 1993, to June 30, 1995. For purposes of this section, professional or technical service contracts are as defined in Minnesota Statutes, section 16B.17, but do not include contracts for highway construction or maintenance, contracts between state agencies, contracts paid for from insurance trust funds, gift and deposit funds, capital projects funds, or federal funds, contracts with private collection agencies, contracts that are entered into in connection with the agency's distribution of grant funds, or contracts entered into under Minnesota Statutes, section 16B.35. The governor or a designated official must limit or disapprove proposed contracts as necessary to comply with this section.

Sec. 92. [AGENCY EXAMINATION.]

During the interim between the 1995 and 1996 regular sessions, the state government finance divisions of the senate and house of representatives shall conduct a thorough review of the operation and financing of the following state agencies: the departments of administration, finance, revenue, and human rights, the board of the arts, and the Minnesota amateur sports commission. The agencies shall make their books, records, documents, accounting procedures, and practices available for examination by the divisions and division staff. Agency personnel shall assist the divisions and division staff to develop a better understanding of how the agencies operate.

Sec. 93. [REVISOR INSTRUCTION.]

The revisor of statutes shall change the term "account," where it refers to the petroleum tank release cleanup account, to "fund" in the following sections of Minnesota Statutes: 115B.26, 115C.03, 115C.08, 115C.09, 115C.10, 115C.11, 115E.11, and 135A.045, and in the headnote of section 115C.08.

Sec. 94. [REPEALER.]

(a) Section 62 (43A.211) is repealed July 1, 1999.

(b) Minnesota Statutes 1994, section 115C.02, subdivision 1a, is repealed.

(c) Minnesota Statutes 1994, sections 349A.01, subdivision 2, and 349A.02, subdivision 8, are repealed.

Sec. 95. [EFFECTIVE DATES.]

Subdivision 1. [REVISOR.] Section 36 is effective July 1, 1997.

Subd. 2. [1995 APPROPRIATIONS.] Section 33 is effective the day following final enactment.

Subd. 3. [AMATEUR SPORTS COMMISSION.] Sections 74, 75, and 88 are effective the day following final enactment.

Subd. 4. [RETIRED EMPLOYEES.] Section 64 applies to people who retire on or after the effective date of that section.

Subd. 5. [PULL-TAB.] Section 76 is effective the day following final enactment.

Subd. 6. [UNCLAIMED PRIZES.] Section 82 is effective the day following final enactment and applies to unclaimed prize money not then committed to a prize pool.

ARTICLE 2 BUILDING CODE

Section 1. Minnesota Statutes 1994, section 16B.59, is amended to read:

16B.59 [STATE BUILDING CODE; POLICY AND PURPOSE.]

The state building code governs the construction, reconstruction, alteration, and repair of ~~state-owned~~ buildings and other structures to which the code is applicable. The commissioner shall administer and amend a state code of building construction which will provide basic and uniform performance standards, establish reasonable safeguards for health, safety, welfare, comfort, and security of the residents of this state and provide for the use of modern methods, devices, materials, and techniques which will in part tend to lower construction costs. The construction of buildings should be permitted at the least possible cost consistent with recognized standards of health and safety.

Sec. 2. Minnesota Statutes 1994, section 16B.60, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] For the purposes of sections 16B.59 to ~~16B.73~~ 16B.75, the terms defined in this section have the meanings given them.

Sec. 3. Minnesota Statutes 1994, section 16B.60, subdivision 4, is amended to read:

Subd. 4. [CODE.] "Code" means the state building code adopted by the commissioner in accordance with sections 16B.59 to ~~16B.73~~ 16B.75.

Sec. 4. Minnesota Statutes 1994, section 16B.61, subdivision 1, is amended to read:

Subdivision 1. [ADOPTION OF CODE.] Subject to sections 16B.59 to ~~16B.73~~ 16B.75, the commissioner shall by rule establish a code of standards for the construction, reconstruction, alteration, and repair of ~~state-owned~~ buildings, governing matters of structural materials, design and construction, fire protection, health, sanitation, and safety. The code must conform insofar as practicable to model building codes generally accepted and in use throughout the United States. In the preparation of the code, consideration must be given to the existing statewide specialty codes presently in use in the state. Model codes with necessary modifications and statewide specialty codes may be adopted by reference. The code must be based on the application of scientific principles, approved tests, and professional judgment. To the extent possible, the code must be adopted in terms of desired results instead of the means of achieving those results, avoiding wherever possible the incorporation of specifications of particular methods or materials. To that end the code must encourage the use of new methods and new materials. Except as otherwise provided in sections 16B.59 to ~~16B.73~~ 16B.75, the commissioner shall administer and enforce the provisions of those sections.

Sec. 5. Minnesota Statutes 1994, section 16B.61, subdivision 2, is amended to read:

Subd. 2. [ENFORCEMENT BY CERTAIN BODIES.] Under the direction and supervision of the commissioner, the provisions of the code relating to electrical installations shall be enforced by the state board of electricity, pursuant to the Minnesota electrical act, the provisions relating to plumbing shall be enforced by the commissioner of health, the provisions relating to ~~fire protection~~ the Minnesota uniform fire code shall be enforced by the state fire marshal, the provisions relating to high pressure steam piping and appurtenances ~~and elevators~~ shall be enforced by the department of labor and industry, ~~and the code as applied to public school buildings shall be enforced by the state board of education.~~ Fees for inspections conducted by the state board of electricity shall be paid in accordance with the rules of the state board of electricity.

Sec. 6. Minnesota Statutes 1994, section 16B.61, subdivision 5, is amended to read:

Subd. 5. [ACCESSIBILITY.] (a) [PUBLIC BUILDINGS.] The code must provide for making public buildings constructed or remodeled after July 1, 1963, accessible to and usable by physically handicapped persons, although this does not require the remodeling of public buildings solely to provide accessibility and usability to the physically handicapped when remodeling would not otherwise be undertaken.

(b) [LEASED SPACE.] No agency of the state may lease space for agency operations in a non-state-owned building unless the building satisfies the requirements of the state building code for accessibility by the physically handicapped, or is eligible to display the state symbol of accessibility. This limitation applies to leases of 30 days or more for space of at least 1,000 square feet.

(c) [MEETINGS OR CONFERENCES.] Meetings or conferences for the public or for state employees which are sponsored in whole or in part by a state agency must be held in buildings that meet the state building code requirements relating to accessibility for physically handicapped persons. This subdivision does not apply to any classes, seminars, or training programs offered by a state university, the University of Minnesota, or a state community college. Meetings or conferences intended for specific individuals none of whom need the accessibility features for handicapped persons specified in the state building code need not comply with this subdivision unless a handicapped person gives reasonable advance notice of an intent to attend the meeting or conference. When sign language interpreters will be provided, meetings or conference sites must be chosen which allow hearing impaired participants to see their signing clearly.

(d) [EXEMPTIONS.] The commissioner may grant an exemption from the requirements of paragraphs (b) and (c) in advance if an agency has demonstrated that reasonable efforts were made to secure facilities which complied with those requirements and if the selected facilities are the best available for access for handicapped persons. Exemptions shall be granted using criteria developed by the commissioner in consultation with the council on disability.

(e) [SYMBOL INDICATING ACCESS.] The wheelchair symbol adopted by Rehabilitation International's Eleventh World Congress is the state symbol indicating buildings, facilities, and grounds which are accessible to and usable by handicapped persons. In the interests of uniformity, this symbol ~~in its white on blue format~~ is the sole symbol for display in or on all public or private buildings, facilities, and grounds which qualify for its use. The secretary of state shall obtain the symbol and keep it on file. No building, facility, or grounds may display the symbol unless it is in compliance with the rules adopted by the commissioner under subdivision 1. Before any rules are proposed for adoption under this paragraph, the commissioner shall consult with the council on disability. Rules adopted under this paragraph must be enforced in the same way as other accessibility rules of the state building code.

(f) [MUNICIPAL ENFORCEMENT.] Municipalities which have not adopted the state building code may enforce the building code requirements for handicapped persons by either entering into a joint powers agreement for enforcement with another municipality which has adopted the state building code; or contracting for enforcement with an individual certified under section 16B.65, subdivision 3, to enforce the state building code.

(g) [EQUIPMENT ALLOWED.] The code must allow the use of vertical wheelchair lifts and inclined stairway wheelchair lifts in public buildings. An inclined stairway wheelchair lift must be equipped with light or sound signaling device for use during operation of the lift. The stairway or ramp shall be marked in a bright color that clearly indicates the outside edge of the lift when in operation. The code shall not require a guardrail between the lift and the stairway or ramp. Compliance with this provision by itself does not mean other handicap accessibility requirements have been met.

Sec. 7. Minnesota Statutes 1994, section 16B.63, subdivision 3, is amended to read:

Subd. 3. [POWERS AND DUTIES.] The state building official may, with the approval of the commissioner, employ personnel necessary to carry out the inspector's function under sections 16B.59 to ~~16B.73~~ 16B.75. The state building official shall distribute without charge one copy of the code to each municipality within the state. Additional copies shall be made available to

municipalities and interested parties for a fee prescribed by the commissioner. The state building official shall perform other duties in administering the code assigned by the commissioner.

Sec. 8. Minnesota Statutes 1994, section 16B.65, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENTS.] The governing body of each municipality shall, unless other means are already provided, appoint a ~~person~~ building official to administer the code ~~who shall be known as a building official~~. Two or more municipalities may combine in the appointment of a single building official for the purpose of administering the provisions of the code within their communities. In those municipalities for which no building officials have been appointed, the state building inspector, with the approval of the commissioner, may appoint building officials to serve until the municipalities have made an appointment. If unable to make an appointment, the state building inspector may use whichever state employees or state agencies are necessary to perform the duties of the building official. All costs incurred by virtue of an appointment by the state building inspector or services rendered by state employees must be borne by the involved municipality. Receipts arising from the appointment must be paid into the state treasury and credited to the general fund.

Sec. 9. Minnesota Statutes 1994, section 16B.65, subdivision 3, is amended to read:

Subd. 3. [CERTIFICATION.] The commissioner shall:

(1) prepare and conduct written and practical examinations to determine if a person is qualified pursuant to subdivision 2 to be a building official;

(2) accept documentation of successful completion of testing programs developed by nationally recognized testing agencies, as proof of qualification pursuant to subdivision 2; or

(3) determine qualifications by both clauses (1) and (2).

Upon a determination of qualification under clause (1), (2), or both of them, the commissioner shall issue a certificate to the building official stating that the official is certified. Each person applying for examination and certification pursuant to this section shall pay a nonrefundable fee of \$70. The commissioner or a designee may establish classes of certification that will recognize the varying complexities of code enforcement in the municipalities within the state. Except as provided by subdivision 2, no person may act as a building official for a municipality unless the commissioner determines that the official is qualified. The commissioner shall provide educational programs designed to train and assist building officials in carrying out their responsibilities.

The department of employee relations may, at the request of the commissioner, provide statewide testing services.

Sec. 10. Minnesota Statutes 1994, section 16B.65, subdivision 4, is amended to read:

Subd. 4. [DUTIES.] Building officials shall, in the municipality for which they are appointed, attend to all aspects of code administration for which they are certified, including the issuance of all building permits and the inspection of all manufactured home installations. The commissioner may direct a municipality with a building official to perform services for another municipality, and in that event the municipality being served shall pay the municipality rendering the services the reasonable costs of the services. The costs may be subject to approval by the commissioner.

Sec. 11. Minnesota Statutes 1994, section 16B.65, subdivision 7, is amended to read:

Subd. 7. [CONTINUING EDUCATION.] Subject to sections 16B.59 to ~~16B.73~~ 16B.75, the commissioner may by rule establish or approve continuing education programs for municipal building officials dealing with matters of building code administration, inspection, and enforcement.

Effective January 1, 1985, each person certified as a building official for the state must satisfactorily complete applicable educational programs established or approved by the commissioner every three calendar years to retain certification.

Each person certified as a ~~state~~ building official must submit in writing to the commissioner an

application for renewal of certification within 60 days of the last day of the third calendar year following the last certificate issued. Each application for renewal must be accompanied by proof of satisfactory completion of minimum continuing education requirements and the certification renewal fee established by the commissioner.

For persons certified prior to January 1, 1985, the first three-year period commences January 1, 1985.

Sec. 12. Minnesota Statutes 1994, section 16B.67, is amended to read:

16B.67 [APPEALS.]

A person aggrieved by the final decision of any municipality as to the application of the code, including any rules adopted under sections 471.465 to 471.469, may, within 180 days of the decision, appeal to the commissioner. Appellant shall submit a nonrefundable fee of \$70, payable to the commissioner, with the request for appeal. An appeal must be heard as a contested case under chapter 14. The commissioner shall submit written findings to the parties. The party not prevailing shall pay the costs of the contested case hearing, including fees charged by the office of administrative hearings and the expense of transcript preparation. Costs under this section do not include attorney fees. Any person aggrieved by a ruling of the commissioner may appeal in accordance with chapter 14. For the purpose of this section "any person aggrieved" includes the council on disability. No fee or costs shall be required when the council on disability is the appellant.

Sec. 13. Minnesota Statutes 1994, section 16B.70, is amended to read:

16B.70 [SURCHARGE.]

Subdivision 1. [COMPUTATION.] To defray the costs of administering sections 16B.59 to ~~16B.73~~ 16B.75, a surcharge is imposed on all permits issued by municipalities in connection with the construction of or addition or alteration to buildings and equipment or appurtenances after June 30, 1971, as follows:

If the fee for the permit issued is fixed in amount the surcharge is equivalent to one-half mill (.0005) of the fee or 50 cents, whichever amount is greater. For all other permits, the surcharge is as follows:

(1) if the valuation of the structure, addition, or alteration is \$1,000,000 or less, the surcharge is equivalent to one-half mill (.0005) of the valuation of the structure, addition, or alteration;

(2) if the valuation is greater than \$1,000,000, the surcharge is \$500 plus two-fifths mill (.0004) of the value between \$1,000,000 and \$2,000,000;

(3) if the valuation is greater than \$2,000,000, the surcharge is \$900 plus three-tenths mill (.0003) of the value between \$2,000,000 and \$3,000,000;

(4) if the valuation is greater than \$3,000,000, the surcharge is \$1,200 plus one-fifth mill (.0002) of the value between \$3,000,000 and \$4,000,000;

(5) if the valuation is greater than \$4,000,000, the surcharge is \$1,400 plus one-tenth mill (.0001) of the value between \$4,000,000 and \$5,000,000; and

(6) if the valuation exceeds \$5,000,000, the surcharge is \$1,500 plus one-twentieth mill (.00005) of the value that exceeds \$5,000,000.

Subd. 2. [COLLECTION AND REPORTS.] All permit surcharges must be collected by each municipality and a portion of them remitted to the state. Each municipality having a population greater than 20,000 people shall prepare and submit to the commissioner once a month a report of fees and surcharges on fees collected during the previous month but shall retain the greater of two percent or that amount collected up to \$25 to apply against the administrative expenses the municipality incurs in collecting the surcharges. All other municipalities shall submit the report and surcharges on fees once a quarter but shall retain the greater of four percent or that amount collected up to \$25 to apply against the administrative expenses the municipalities incur in

collecting the surcharges. The report, which must be in a form prescribed by the commissioner, must be submitted together with a remittance covering the surcharges collected by the 15th day following the month or quarter in which the surcharges are collected. All surcharges and other fees prescribed by sections 16B.59 to ~~16B.73~~ 16B.75, which are payable to the state, must be paid to the commissioner who shall deposit them in the state treasury for credit to ~~the general~~ a special revenue fund.

Sec. 14. [APPROPRIATION.]

\$1,000,000 in fiscal year 1996 and \$1,000,000 in fiscal year 1997 is appropriated from the special revenue fund for transfer by the commissioner of finance to the general fund.

ARTICLE 3

ZONING

Section 1. Minnesota Statutes 1994, section 366.10, is amended to read:

366.10 [ZONING REGULATIONS.]

The board of supervisors may submit to the legal voters of the town at an annual or special town meeting, the question whether the board shall adopt building land use and zoning regulations and restrictions in the town. The board in a town which has within its borders a hospital established in accordance with Laws 1955, chapter 227, may submit to the voters at an annual or special town meeting, the question whether the board shall adopt building land use and zoning regulations and restrictions in the town regulating the type of buildings that may be built or occupations carried on within a radius of one-half mile of the hospital.

Sec. 2. Minnesota Statutes 1994, section 366.12, is amended to read:

366.12 [REGULATIONS.]

If a majority of the voters voting on the question vote "Yes," the town board may regulate:

- (1) the location, height, bulk, number of stories, size of buildings and other structures,
- (2) the location of roads and schools,
- (3) the percentage of lot which may be occupied,
- (4) the sizes of yards and other open spaces,
- (5) the density and distribution of population,

(6) the uses of buildings and structures for trade, industry, residence, recreation, public activities, or other purposes, and

(7) the uses of lands for trade, industry, residence, recreation, agriculture, forestry, soil conservation, water supply conservation, or other purposes.

To carry out this section it shall issue building land use or zoning permits or approvals. It shall be unlawful to erect, establish, alter, enlarge, use, occupy, or maintain a building, structure, improvement, or premises without having a building land use or zoning permit or approval.

Before adopting a regulation under this section the board shall hold a public hearing on the matter with notice as provided in section 366.15.

This section is subject to section 366.13.

Sec. 3. Minnesota Statutes 1994, section 366.16, is amended to read:

366.16 [TOWN BUILDING ZONING COMMISSIONER.]

The town board may enforce the regulations by withholding building land use or zoning permits or approvals, building permits issued under sections 16B.59 to 16B.75, or other permits or approvals. For the purposes of sections 366.10 to 366.18, it may establish the position of town

building zoning commissioner and fix its compensation. If a building or structure is or is proposed to be erected, constructed, reconstructed, altered, or used or any land is or is proposed to be used in violation of sections 366.10 to 366.18 or a regulation or provision enacted or adopted by the board under sections 366.10 to 366.18, the board, the attorney of the county where the town is situated, the town attorney, the town building zoning commissioner, or any adjacent or neighboring property owner may institute any appropriate action to prevent, enjoin, abate, or remove the unlawful erection, construction, reconstruction, alteration, maintenance, or use.

Sec. 4. Minnesota Statutes 1994, section 394.33, subdivision 2, is amended to read:

Subd. 2. The board of supervisors of any town which has adopted or desires to adopt building and zoning regulations and restrictions pursuant to law shall have the authority granted the governing body of any municipality as provided in section 394.32.

Sec. 5. Minnesota Statutes 1994, section 394.361, subdivision 3, is amended to read:

Subd. 3. After an official map has been adopted and filed, the issuance of building land use or zoning permits or approvals by the county shall be subject to the provisions of this section. Whenever any street or highway is widened or improved or any new street is opened, or interests in lands for other public purposes are acquired by the county, it is not required in such proceedings to pay for any building or structure placed without a permit or approval or in violation of conditions of a permit or approval within the limits of the mapped street or highway or outside of any building line that may have been established upon the existing street or within any area thus identified for public purposes. The adoption of official maps does not give the county any right, title or interest in areas identified for public purposes thereon, but the adoption of a map does authorize the county to acquire such interests without paying compensation for buildings or structures erected in such areas without a permit or approval or in violation of the conditions of a permit or approval. The provisions of this subdivision shall not apply to buildings or structures in existence prior to the filing of the official map.

Sec. 6. Minnesota Statutes 1994, section 462.358, subdivision 2a, is amended to read:

Subd. 2a. [TERMS OF REGULATIONS.] The standards and requirements in the regulations may address without limitation: the size, location, grading, and improvement of lots, structures, public areas, streets, roads, trails, walkways, curbs and gutters, water supply, storm drainage, lighting, sewers, electricity, gas, and other utilities; the planning and design of sites; access to solar energy; and the protection and conservation of flood plains, shore lands, soils, water, vegetation, energy, air quality, and geologic and ecologic features. The regulations shall require that subdivisions be consistent with the municipality's official map if one exists and its zoning ordinance, and may require consistency with other official controls and the comprehensive plan. The regulations may prohibit certain classes or kinds of subdivisions in areas where prohibition is consistent with the comprehensive plan and the purposes of this section, particularly the preservation of agricultural lands. The regulations may prohibit, restrict or control development for the purpose of protecting and assuring access to direct sunlight for solar energy systems. The regulations may prohibit, restrict, or control surface, above surface, or subsurface development for the purpose of protecting subsurface areas for existing or potential mined underground space development pursuant to sections 469.135 to 469.141, and access thereto. The regulations may prohibit the issuance of building permits or approvals for any tracts, lots, or parcels for which required subdivision approval has not been obtained.

The regulations may permit the municipality to condition its approval on the construction and installation of sewers, streets, electric, gas, drainage, and water facilities, and similar utilities and improvements or, in lieu thereof, on the receipt by the municipality of a cash deposit, certified check, irrevocable letter of credit, or bond in an amount and with surety and conditions sufficient to assure the municipality that the utilities and improvements will be constructed or installed according to the specifications of the municipality. Sections 471.345 and 574.26 do not apply to improvements made by a subdivider or a subdivider's contractor.

The regulations may permit the municipality to condition its approval on compliance with other requirements reasonably related to the provisions of the regulations and to execute development contracts embodying the terms and conditions of approval. The municipality may enforce such agreements and conditions by appropriate legal and equitable remedies.

Sec. 7. Minnesota Statutes 1994, section 462.358, subdivision 9, is amended to read:

Subd. 9. [UNPLATTED PARCELS.] Subdivision regulations adopted by municipalities may apply to parcels which are taken from existing parcels of record by metes and bounds descriptions, and the governing body or building authority may deny the issuance of building permits or approvals, building permits issued under sections 16B.59 to 16B.75, or other permits or approvals to any parcels so divided, pending compliance with subdivision regulations.

Sec. 8. Minnesota Statutes 1994, section 462.359, subdivision 4, is amended to read:

Subd. 4. [APPEALS.] If a land use or zoning permit or approval for a building in such location is denied, the board of appeals and adjustments shall have the power, upon appeal filed with it by the owner of the land, to grant a permit or approval for building in such location in any case in which the board finds, upon the evidence and the arguments presented to it, (a) that the entire property of the appellant of which such area identified for public purposes forms a part cannot yield a reasonable return to the owner unless such a permit or approval is granted, and (b) that balancing the interest of the municipality in preserving the integrity of the official map and of the comprehensive municipal plan and the interest of the owner of the property in the use of the property and in the benefits of ownership, the grant of such permit or approval is required by considerations of justice and equity. In addition to the notice of hearing required by section 462.354, subdivision 2, a notice shall be published in the official newspaper once at least ten days before the day of the hearing. If the board of appeals and adjustments authorizes the issuance of a permit or approval the governing body or other board or commission having jurisdiction shall have six months from the date of the decision of the board to institute proceedings to acquire such land or interest therein, and if no such proceedings are started within that time, the officer responsible for issuing building permits or approvals shall issue the permit or approval if the application otherwise conforms to local ordinances. The board shall specify the exact location, ground area, height and other details as to the extent and character of the building for which the permit or approval is granted.

ARTICLE 4

INTERSTATE COMPACT

Section 1. Minnesota Statutes 1994, section 16B.75, is amended to read:

16B.75 [INTERSTATE COMPACT ON INDUSTRIALIZED/MODULAR BUILDINGS.]

The state of Minnesota ratifies and approves the following compact:

INTERSTATE COMPACT ON INDUSTRIALIZED/MODULAR BUILDINGS

ARTICLE I

FINDINGS AND DECLARATIONS OF POLICY

(1) The compacting states find that:

(a) Industrialized/modular buildings are constructed in factories in the various states and are a growing segment of the nation's affordable housing and commercial building stock.

(b) The regulation of industrialized/modular buildings varies from state to state and locality to locality, which creates confusion and burdens state and local building officials and the industrialized/modular building industry.

(c) Regulation by multiple jurisdictions imposes additional costs, which are ultimately borne by the owners and users of industrialized/modular buildings, restricts market access and discourages the development and incorporation of new technologies.

(2) It is the policy of each of the compacting states to:

(a) Provide the states which regulate the design and construction of industrialized/modular buildings with a program to coordinate and uniformly adopt and administer the states' rules and regulations for such buildings, all in a manner to assure interstate reciprocity.

(b) Provide to the United States Congress assurances that would preclude the need for a voluntary preemptive federal regulatory system for modular housing, as outlined in Section 572 of the Housing and Community Development Act of 1987, including development of model standards for modular housing construction, such that design and performance will insure quality, durability and safety; will be in accordance with life-cycle cost-effective energy conservation standards; all to promote the lowest total construction and operating costs over the life of such housing.

ARTICLE II DEFINITIONS

As used in this compact, unless the context clearly requires otherwise:

(1) "Commission" means the interstate industrialized/modular buildings commission.

(2) "Industrialized/modular building" means any building which is of closed construction, i.e. constructed in such a manner that concealed parts or processes of manufacture cannot be inspected at the site, without disassembly, damage or destruction, and which is made or assembled in manufacturing facilities, off the building site, for installation, or assembly and installation, on the building site. "Industrialized/modular building" includes, but is not limited to, modular housing which is factory-built single-family and multifamily housing (including closed wall panelized housing) and other modular, nonresidential buildings. "Industrialized/modular building" does not include any structure subject to the requirements of the National Manufactured Home Construction and Safety Standards Act of 1974.

(3) "Interim reciprocal agreement" means a formal reciprocity agreement between a noncompacting state wherein the noncompacting state agrees that labels evidencing compliance with the model rules and regulations for industrialized/modular buildings, as authorized in Article VIII, section (9), shall be accepted by the state and its subdivisions to permit installation and use of industrialized/modular buildings. Further, the noncompacting state agrees that by legislation or regulation, and appropriate enforcement by uniform administrative procedures, the noncompacting state requires all industrialized/modular building manufacturers within that state to comply with the model rules and regulations for industrialized/modular buildings.

(4) "State" means a state of the United States, territory or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.

(5) "Uniform administrative procedures" means the procedures adopted by the commission (after consideration of any recommendations from the rules development committee) which state and local officials, and other parties, in one state, will utilize to assure state and local officials, and other parties, in other states, of the substantial compliance of industrialized/modular building construction with the construction standard of requirements of such other states; to assess the adequacy of building systems; and to verify and assure the competency and performance of evaluation and inspection agencies.

(6) "Model rules and regulations for industrialized/modular buildings" means the construction standards adopted by the commission (after consideration of any recommendations from the rules development committee) which govern the design, manufacture, handling, storage, delivery and installation of industrialized/modular buildings and building components. The construction standards and any amendments thereof shall conform insofar as practicable to model building codes and referenced standards generally accepted and in use throughout the United States.

ARTICLE III CREATION OF COMMISSION

The compacting states hereby create the Interstate Industrialized/Modular Buildings Commission, hereinafter called commission. Said commission shall be a body corporate of each compacting state and an agency thereof. The commission shall have all the powers and duties set forth herein and such additional powers as may be conferred upon it by subsequent action of the respective legislatures of the compacting states.

ARTICLE IV

SELECTION OF COMMISSIONERS

The commission shall be selected as follows. As each state becomes a compacting state, one resident shall be appointed as commissioner. The commissioner shall be selected by the governor of the compacting state, being designated from the state agency charged with regulating industrialized/modular buildings or, if such state agency does not exist, being designated from among those building officials with the most appropriate responsibilities in the state. The commissioner may designate another official as an alternate to act on behalf of the commissioner at commission meetings which the commissioner is unable to attend.

Each state commissioner shall be appointed, suspended, or removed and shall serve subject to and in accordance with the laws of the state which said commissioner represents; and each vacancy occurring shall be filled in accordance with the laws of the state wherein the vacancy exists.

~~When For every three state commissioners that have been appointed in the manner described, those state commissioners shall select one additional commissioner who shall be a representative of manufacturers of industrial- residential- or commercial-use industrialized/modular buildings. When For every six state commissioners that have been appointed in the manner described, the state commissioners shall select a second one additional commissioner who shall be a representative of consumers of industrialized/modular buildings. With each addition of three state commissioners, the state commissioners shall appoint one additional representative commissioner, alternating between a representative of manufacturers of industrialized/modular buildings and consumers of industrialized/modular buildings. The ratio between state commissioners and representative commissioners shall be three to one.~~ In the event states withdraw from the compact or, for any other reason, the number of state commissioners is reduced, the state commissioners shall remove the last added representative commissioner as necessary to maintain a the ratio of state commissioners to representative commissioners of three to one described herein.

Upon a majority vote of the state commissioners, the state commissioners may remove, fill a vacancy created by, or replace any representative commissioner, provided that any replacement is made from the same representative group and a ~~three to one ratio~~ the ratio described herein is maintained. Unless provided otherwise, the representative commissioners have the same authority and responsibility as the state commissioners.

In addition, the commission may have as a member one commissioner representing the United States government if federal law authorizes such representation. Such commissioner shall not vote on matters before the commission. Such ~~commission~~ commissioner shall be appointed by the President of the United States, or in such other manner as may be provided by Congress.

ARTICLE V

VOTING

Each commissioner (except the commissioner representing the United States government) shall be entitled to one vote on the commission. A majority of the commissioners shall constitute a quorum for the transaction of business. Any business transacted at any meeting of the commission must be by affirmative vote of a majority of the quorum present and voting.

ARTICLE VI

ORGANIZATION AND MANAGEMENT

The commission shall elect annually, from among its members, a chairman, a vice chairman and a treasurer. The commission shall also select a secretariat, which shall provide an individual who shall serve as secretary of the commission. The commission shall fix and determine the duties and compensation of the secretariat. The commissioners shall serve without compensation, but shall be reimbursed for their actual and necessary expenses from the funds of the commission.

The commission shall adopt a seal.

The commission shall adopt bylaws, rules, and regulations for the conduct of its business, and shall have the power to amend and rescind these bylaws, rules, and regulations.

The commission shall establish and maintain an office at the same location as the office maintained by the secretariat for the transaction of its business and may meet at any time, but in any event must meet at least once a year. The chairman may call additional meetings and upon the request of a majority of the commissioners of three or more of the compacting states shall call an additional meeting.

The commission annually shall make the governor and legislature of each compacting state a report covering its activities for the preceding year. Any donation or grant accepted by the commission or services borrowed shall be reported in the annual report of the commission and shall include the nature, amount and conditions, if any, of the donation, gift, grant or services borrowed and the identity of the donor or lender. The commission may make additional reports as it may deem desirable.

ARTICLE VII COMMITTEES

The commission will establish such committees as it deems necessary, including, but not limited to, the following:

(1) An executive committee which functions when the full commission is not meeting, as provided in the bylaws of the commission. The executive committee will ensure that proper procedures are followed in implementing the commission's programs and in carrying out the activities of the compact. The executive committee shall be elected by vote of the commission. It shall be comprised of at least three and no more than nine commissioners, selected from ~~those commissioners who are representatives of the governor of their respective state~~ the state commissioners and one member of the industry commissioners and one member of the consumer commissioners.

(2) A rules development committee appointed by the commission. The committee shall be consensus-based and consist of not less than seven nor more than 21 members. Committee members will include state building regulatory officials; manufacturers of industrialized/modular buildings; private, third-party inspection agencies; and consumers. This committee may recommend procedures which state and local officials, and other parties, in one state, may utilize to assure state and local officials, and other parties, in other states, of the substantial compliance of industrialized/modular building construction with the construction standard requirements of such other states; to assess the adequacy of building systems; and to verify and assure the competency and performance of evaluation and inspection agencies. This committee may also recommend construction standards for the design, manufacture, handling, storage, delivery and installation of industrialized/modular buildings and building components. The committee will submit its recommendations to the commission, for the commission's consideration in adopting and amending the uniform administrative procedures and the model rules and regulations for industrialized/modular buildings. The committee may also review the regulatory programs of the compacting states to determine whether those programs are consistent with the uniform administrative procedures or the model rules and regulations for industrialized/modular buildings and may make recommendations concerning the states' programs to the commission. In carrying out its functions, the rules committee may conduct public hearings and otherwise solicit public input and comment.

(3) Any other advisory, coordinating or technical committees, membership on which may include private persons, public officials, associations or organizations. Such committees may consider any matter of concern to the commission.

(4) Such additional committees as the commission's bylaws may provide.

ARTICLE VIII POWER AND AUTHORITY

In addition to the powers conferred elsewhere in this compact, the commission shall have power to:

(1) Collect, analyze and disseminate information relating to industrialized/modular buildings.

(2) Undertake studies of existing laws, codes, rules and regulations, and administrative practices of the states relating to industrialized/modular buildings.

(3) Assist and support committees and organizations which promulgate, maintain and update model codes or recommendations for uniform administrative procedures or model rules and regulations for industrialized/modular buildings.

(4) Adopt and amend uniform administrative procedures and model rules and regulations for industrialized/modular buildings.

(5) Make recommendations to compacting states for the purpose of bringing such states' laws, codes, rules and regulations and administrative practices into conformance with the uniform administrative procedures or the model rules and regulations for industrialized/modular buildings, provided that such recommendations shall be made to the appropriate state agency with due consideration for the desirability of uniformity while also giving appropriate consideration to special circumstances which may justify variations necessary to meet unique local conditions.

(6) Assist and support the compacting states with monitoring of plan review programs and inspection programs, which will assure that the compacting states have the benefit of uniform industrialized/modular building plan review and inspection programs.

(7) Assist and support organizations which train state and local government and other program personnel in the use of uniform industrialized/modular building plan review and inspection programs.

(8) Encourage and promote coordination of state regulatory action relating to manufacturers, public or private inspection programs.

(9) Create and sell labels to be affixed to industrialized/modular building units, constructed in or regulated by compacting states, where such labels will evidence compliance with the model rules and regulations for industrialized/modular buildings, enforced in accordance with the uniform administrative procedures. The commission may use receipts from the sale of labels to help defray the operating expenses of the commission.

(10) Assist and support compacting states' investigations into and resolutions of consumer complaints which relate to industrialized/modular buildings constructed in one compacting state and sited in another compacting state.

(11) Borrow, accept or contract for the services of personnel from any state or the United States or any subdivision or agency thereof, from any interstate agency, or from any institution, association, person, firm or corporation.

(12) Accept for any of its purposes and functions under this compact any and all donations, and grants of money, equipment, supplies, materials and services (conditional or otherwise) from any state or the United States or any subdivision or agency thereof, from any interstate agency, or from any institution, person, firm or corporation, and may receive, utilize and dispose of the same.

(13) Establish and maintain such facilities as may be necessary for the transacting of its business. The commission may acquire, hold, and convey real and personal property and any interest therein.

(14) Enter into contracts and agreements, including but not limited to, interim reciprocal agreements with noncompacting states.

ARTICLE IX

FINANCE

The commission shall submit to the governor or designated officer or officers of each compacting state a budget of its estimated expenditures for such period as may be required by the laws of that state for presentation to the legislature thereof.

Each of the commission's budgets of estimated expenditures shall contain specific recommendations of the amounts to be appropriated by each of the compacting states. The total

amount of appropriations requested under any such budget shall be apportioned among the compacting states as follows: one-half in equal shares; one-fourth among the compacting states in accordance with the ratio of their populations to the total population of the compacting states, based on the last decadal federal census; and one-fourth among the compacting states in accordance with the ratio of industrialized/modular building units manufactured in each state to the total of all units manufactured in all of the compacting states.

The commission shall not pledge the credit of any compacting state. The commission may meet any of its obligations in whole or in part with funds available to it by donations, grants, or sale of labels: provided that the commission takes specific action setting aside such funds prior to incurring any obligation to be met in whole or in part in such manner. Except where the commission makes use of funds available to it by donations, grants or sale of labels, the commission shall not incur any obligation prior to the allotment of funds by the compacting states adequate to meet the same.

The commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the commission shall be subject to the audit and accounting procedures established under its bylaws. All receipts and disbursements of funds handled by the commission shall be audited yearly by a certified or licensed public accountant and the report of the audit shall be included in and become part of the annual report of the commission.

The accounts of the commission shall be open at any reasonable time for inspection by duly constituted officers of the compacting states and any person authorized by the commission.

Nothing contained in this article shall be construed to prevent commission compliance relating to audit or inspection of accounts by or on behalf of any government contributing to the support of the commission.

ARTICLE X

ENTRY INTO FORCE AND WITHDRAWAL

This compact shall enter into force when enacted into law by any three states. Thereafter, this compact shall become effective as to any other state upon its enactment thereof. The commission shall arrange for notification of all compacting states whenever there is a new enactment of the compact.

Any compacting state may withdraw from this compact by enacting a statute repealing the same. No withdrawal shall affect any liability already incurred by or chargeable to a compacting state prior to the time of such withdrawal.

ARTICLE XI

RECIPROCITY

If the commission determines that the standards for industrialized/modular buildings prescribed by statute, rule or regulation of compacting state are at least equal to the commission's model rules and regulations for industrialized/modular buildings, and that such state standards are enforced by the compacting state in accordance with the uniform administrative procedures, industrialized/modular buildings approved by such a compacting state shall be deemed to have been approved by all the compacting states for placement in those states in accordance with procedures prescribed by the commission.

ARTICLE XII

EFFECT ON OTHER LAWS AND JURISDICTION

Nothing in this compact shall be construed to:

- (1) Withdraw or limit the jurisdiction of any state or local court or administrative officer or body with respect to any person, corporation or other entity or subject matter, except to the extent that such jurisdiction pursuant to this compact, is expressly conferred upon another agency or body.
- (2) Supersede or limit the jurisdiction of any court of the United States.

ARTICLE XIII
CONSTRUCTION AND SEVERABILITY

This compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this compact shall be severable and if any phrase, clause, sentence or provision of this compact is declared to be contrary to the constitution of any state or of the United States or the applicability thereof to any government, agency, person or circumstances is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this compact shall be held contrary to the constitution of any state participating therein, the compact shall remain in full force and effect as to the remaining party states and in full force and effect as to the state affected as to all severable matters.

ARTICLE 5
DEBT COLLECTION

Section 1. Minnesota Statutes 1994, section 8.16, is amended by adding a subdivision to read:

Subd. 1a. [SUBPOENAS.] The attorney general may in any county of the state subpoena and require the production of any records relating to the location of a debtor or the assets of a debtor, as that term is defined in section 16D.02, subdivision 4. Subpoenas may be issued only for records that are relevant to an investigation related to debt collection and exclude the power to subpoena personal appearance of witnesses unless the attorney general is so authorized by other statute or court rule.

Sec. 2. Minnesota Statutes 1994, section 16A.72, is amended to read:

16A.72 [INCOME CREDITED TO GENERAL FUND; EXCEPTIONS.]

All income, including fees or receipts of any nature, shall be credited to the general fund, except:

- (1) federal aid;
- (2) contributions, or reimbursements received for any account of any division or department for which an appropriation is made by law;
- (3) income to the University of Minnesota;
- (4) income to revolving funds now established in institutions under the control of the commissioners of corrections or human services;
- (5) investment earnings resulting from the master lease program, except that the amount credited to another fund or account may not exceed the amount of the additional expense incurred by that fund or account through participation in the master lease program;
- (6) receipts from the operation of patients' and inmates' stores and vending machines, which shall be deposited in the social welfare fund in each institution for the benefit of the patients and inmates;
- (7) money received in payment for services of inmate labor employed in the industries carried on in the state correctional facilities which receipts shall be credited to the current expense fund of those facilities;
- (8) as provided in sections 16B.57 and 85.22;
- (9) income to the Minnesota historical society; or
- (10) the percent of income collected by a private collection agency and retained by the collection agency as its collection fee; or
- (11) as otherwise provided by law.

Sec. 3. Minnesota Statutes 1994, section 16D.02, subdivision 6, is amended to read:

Subd. 6. [REFERRING AGENCY.] "Referring agency" means a state agency, ~~the University of Minnesota~~, or a court that has entered into a debt qualification plan with the commissioner to refer debts to the commissioner for collection.

Sec. 4. Minnesota Statutes 1994, section 16D.02, is amended by adding a subdivision to read:

Subd. 8. [ENTERPRISE.] "Enterprise" means the Minnesota collection enterprise, a separate unit established to carry out the provisions of this chapter, pursuant to the commissioner's authority to contract with the commissioner of revenue for collection services under section 16D.04, subdivision 1.

Sec. 5. Minnesota Statutes 1994, section 16D.04, subdivision 1, is amended to read:

Subdivision 1. [DUTIES.] The commissioner shall provide services to the state and its agencies to collect debts owed the state. The commissioner is not a collection agency as defined by section 332.31, subdivision 3, and is not licensed, bonded, or regulated by the commissioner of commerce under sections 332.31 to 332.35 or 332.38 to 332.45. The commissioner is subject to section 332.37, except clause (9) or (10). The commissioner may contract with the commissioner of revenue for collection services, and may delegate to the commissioner of revenue any of the commissioner's duties and powers under this chapter. Debts referred to the commissioner of revenue for collection under this section or section 256.9792 may in turn be referred by the commissioner of revenue to the enterprise. An audited financial statement may not be required as a condition of debt placement with a private agency if the private agency: (1) has errors and omissions coverage under a professional liability policy in an amount of at least \$1,000,000; or (2) has a fidelity bond to cover actions of its employees, in an amount of at least \$100,000. In cases of debts referred under section 256.9792, the provisions of this chapter and section 256.9792 apply to the extent they are not in conflict. If they are in conflict, the provisions of section 256.9792 control. For purposes of this chapter, the referring agency for such debts remains the department of human services.

Sec. 6. Minnesota Statutes 1994, section 16D.04, subdivision 3, is amended to read:

Subd. 3. [SERVICES.] The commissioner shall provide collection services for a state agency, and may provide for collection services for ~~the University of Minnesota~~ or a court, in accordance with the terms and conditions of a signed debt qualification plan.

Sec. 7. Minnesota Statutes 1994, section 16D.06, is amended to read:

16D.06 [DEBTOR INFORMATION.]

Subdivision 1. [ACCESS TO GOVERNMENT DATA NOT PUBLIC.] Notwithstanding chapter 13 or any other state law classifying or restricting access to government data, upon request from the commissioner or the attorney general, state agencies, political subdivisions, and statewide systems shall disseminate not public data to the commissioner or the attorney general for the sole purpose of collecting debt. Not public data disseminated under this subdivision is limited to financial data of the debtor or data related to the location of the debtor or the assets of the debtor.

Subd. 2. [DISCLOSURE OF DATA.] Data received, collected, created, or maintained by the commissioner or the attorney general to collect debts are classified as private data on individuals under section 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9. The commissioner or the attorney general may disclose not public data:

- (1) under section 13.05;
- (2) under court order;
- (3) under a statute specifically authorizing access to the not public data;
- (4) to provide notices required or permitted by statute;
- (5) to an agent of the commissioner, including a law enforcement person, attorney, or

investigator acting for the commissioner in the investigation or prosecution of a criminal or civil proceeding relating to collection of a debt;

(6) to report names of debtors, amount of debt, date of debt, and the agency to whom debt is owed to credit bureaus and private collection agencies under contract with the commissioner; and

(7) when necessary to locate the debtor, locate the assets of the debtor, or to enforce or implement the collection of a debt; and

(8) to the commissioner of revenue for tax administration purposes.

The commissioner and the attorney general may not disclose data that is not public to a private collection agency or other entity with whom the commissioner has contracted under section 16D.04, subdivision 4, unless disclosure is otherwise authorized by law.

Sec. 8. Minnesota Statutes 1994, section 16D.08, subdivision 2, is amended to read:

Subd. 2. [POWERS.] In addition to the collection remedies available to private collection agencies in this state, the commissioner, with legal assistance from the attorney general, may utilize any statutory authority granted to a referring agency for purposes of collecting debt owed to that referring agency. The commissioner may also use the tax collection remedies of the commissioner of revenue in sections 270.06, clauses (7) and (17), excluding the power to subpoena witnesses; 270.66; 270.69, excluding subdivisions 7 and 13; 270.70, excluding subdivision 14; 270.7001 to 270.72; and 290.92, subdivision 23, except that a continuous wage levy under section 290.92, subdivision 23, is only effective for 70 days, unless no competing wage garnishments, executions, or levies are served within the 70-day period, in which case a wage levy is continuous until a competing garnishment, execution, or levy is served in the second or a succeeding 70-day period, in which case a continuous wage levy is effective for the remainder of that period. A debtor who qualifies for cancellation of the collection penalty under section 16D.11, subdivision 3, clause (1), can apply to the commissioner for reduction or release of a continuous wage levy, if the debtor establishes that the debtor needs all or a portion of the wages being levied upon to pay for essential living expenses, such as food, clothing, shelter, medical care, or expenses necessary for maintaining employment. The commissioner's determination not to reduce or release a continuous wage levy is appealable to district court. The word "tax" or "taxes" when used in the tax collection statutes listed in this subdivision also means debts referred under this chapter. For debts other than state taxes or child support, before any of the tax collection remedies listed in this subdivision can be used, except for the remedies in section 270.06, clauses (7) and (17), if the referring agency has not already obtained a judgment or filed a lien, the commissioner must first obtain a judgment against the debtor.

Sec. 9. [16D.11] [COLLECTION PENALTY.]

Subdivision 1. [IMPOSITION.] As determined by the commissioner, a penalty shall be added to the debts referred to the commissioner or private collection agency for collection. The penalty is collectible by the commissioner or private agency from the debtor at the same time and in the same manner as the referred debt. The referring agency shall advise the debtor of the penalty under this section and the debtor's right to cancellation of the penalty under subdivision 3 at the time the agency sends notice to the debtor under section 16D.07. If the commissioner or private agency collects an amount less than the total due, the payment is applied proportionally to the penalty and the underlying debt. Penalties collected by the commissioner under this subdivision or retained under subdivision 6 shall be deposited in the general fund as nondedicated receipts. Penalties collected by private agencies are appropriated to the referring agency to pay the collection fees charged by the private agency. Penalty collections in excess of collection agency fees must be deposited in the general fund as nondedicated receipts.

Subd. 2. [COMPUTATION.] Beginning July 1, 1995, at the time a debt is referred, the amount of the penalty is equal to 15 percent of the debt, or 25 percent of the debt remaining unpaid if the commissioner or private collection agency has to take enforced collection action by serving a summons and complaint on or entering judgment against the debtor, or by utilizing any of the remedies authorized under section 16D.08, subdivision 2, except for the remedies in sections 270.06, clause (7), and 270.66 or when referred by the commissioner for additional collection activity by a private collection agency. If, after referral of a debt to a private collection agency, the

debtor requests cancellation of the penalty under subdivision 3, the debt must be returned to the commissioner for resolution of the request.

Subd. 3. [CANCELLATION.] The penalty imposed under subdivision 1 shall be canceled and subtracted from the amount due if:

(1) the debtor's household income as defined in section 290A.03, subdivision 5, excluding the exemption subtractions in subdivision 3, paragraph (3) of that section, for the 12 months preceding the date of referral is less than twice the annual federal poverty guideline under United States Code, title 42, section 9902, subsection (2);

(2) within 60 days after the first contact with the debtor by the enterprise or collection agency, the debtor establishes reasonable cause for the failure to pay the debt prior to referral of the debt to the enterprise;

(3) a good faith dispute as to the legitimacy or the amount of the debt is made, and payment is remitted or a payment agreement is entered into within 30 days after resolution of the dispute;

(4) good faith litigation occurs and the debtor's position is substantially justified, and if the debtor does not totally prevail, the debt is paid or a payment agreement is entered into within 30 days after the judgment becomes final and nonappealable; or

(5) penalties have been added by the referring agency and are included in the amount of the referred debt.

Subd. 4. [APPEAL.] Decisions of the commissioner denying an application to cancel the penalty under subdivision 3 are subject to the contested case procedure under chapter 14.

Subd. 5. [REFUND.] If a penalty is collected and then canceled, the amount of the penalty shall be refunded to the debtor within 30 days. The amount necessary to pay the refunds is annually appropriated to the commissioner.

Subd. 6. [CHARGE TO REFERRING AGENCY.] If the penalty is canceled under subdivision 3, an amount equal to the penalty is retained by the commissioner from the debt collected, and is accounted for and subject to the same provisions of this chapter as if the penalty had been collected from the debtor.

Subd. 7. [ADJUSTMENT OF RATE.] By June 1 of each year, the commissioner shall determine the rate of the penalty for debts referred to the enterprise during the next fiscal year. The rate is a percentage of the debts in an amount that most nearly equals the costs of the enterprise necessary to process and collect referred debts under this chapter. In no event shall the rate of the penalty when a debt is first referred exceed three-fifths of the maximum penalty, and in no event shall the rate of the maximum penalty exceed 25 percent of the debt. Determination of the rate of the penalty under this section is not rulemaking under chapter 14, and is not subject to the fee setting requirements of section 16A.1285.

Sec. 10. [16D.12] [PAYMENT OF COLLECTION AGENCY FEES.]

Unless otherwise expressly prohibited by law, a state agency may pay for the services of a state or private collection agency from the money collected. The portion of the money collected which must be paid to the collection agency as its collection fee is appropriated from the fund to which the collected money is due.

Sec. 11. [16D.13] [INTEREST.]

Subdivision 1. [AUTHORITY.] Unless otherwise provided by contract out of which the debt arises or by state or federal law, a state agency shall charge simple interest on debts owed to the state at the rate provided in subdivision 2 if notice has been given in accordance with this subdivision. Interest charged under this section begins to accrue on the 30th calendar day following the state agency's first written demand for payment that includes notification to the debtor that interest will begin to accrue on the debt in accordance with this section.

Subd. 2. [COMPUTATION.] Notwithstanding chapter 334, the rate of interest is the rate determined by the state court administrator under section 549.09, subdivision 1, paragraph (c).

Subd. 3. [EXCLUSION.] A state agency may not charge interest under this section on overpayments of assistance benefits under sections 256.031 to 256.0361, 256.72 to 256.87, chapters 256D and 256I, or the federal food stamp program. Notwithstanding this prohibition, any debts that have been reduced to judgment under these programs are subject to the interest charges provided under section 549.09.

Sec. 12. [16D.14] [VENUE.]

Subdivision 1. [AUTHORIZATION.] The commissioner or the attorney general may bring an action to recover debts owed to the state in Ramsey county district court or Ramsey county conciliation court at the discretion of the state. In order to bring a cause of action under this section in any county other than the county where the debtor resides or where the cause of action arose, the commissioner or the attorney general must notify the debtor as provided in subdivisions 2 to 4, unless that venue is authorized by other law.

Subd. 2. [CONCILIATION COURT; CLAIMS FOR \$2,500 OR LESS.] (a) Before bringing a conciliation court action for a claim for \$2,500 or less under this section in any county other than where the debtor resides or where the cause of action arose, the commissioner or the attorney general shall send a form by first class mail to the debtor's last known address notifying the debtor of the intent to bring an action in Ramsey county. The commissioner or attorney general must enclose a form for the debtor to use to request that the action not be brought in Ramsey county and a self-addressed, postage paid envelope. The form must advise the debtor of the right to request that the action not be brought in Ramsey county and that the debtor has 30 days from the date of the form to make this request.

(b) If the debtor timely returns the form requesting the action not be brought in Ramsey county, the commissioner or attorney general may only file the action in the county of the debtor's residence, the county where the cause of action arose, or as provided by other law. The commissioner or attorney general shall notify the debtor of the action taken. If the debtor does not timely return the form, venue is as chosen by the commissioner or attorney general as authorized under this section.

(c) If a judgment is obtained in Ramsey county conciliation court when the form was sent by first class mail under this subdivision and the debtor reasonably demonstrates that the debtor did not reside at the address where the form was sent or that the debtor did not receive the form, the commissioner or the attorney general shall vacate the judgment without prejudice and return any funds collected as a result of enforcement of the judgment. Evidence of the debtor's correct address include, but are not limited to, a driver's license, homestead declaration, school registration, utility bills, or a lease or rental agreement.

Subd. 3. [CONCILIATION COURT CLAIMS EXCEEDING \$2,500.] (a) In order to bring a conciliation court claim that exceeds \$2,500 under this section in a county other than where the debtor resides or where the cause of action arose, the commissioner or the attorney general shall serve with the conciliation court claim a change of venue form for the debtor to use to request that venue be changed and a self-addressed, postage paid return envelope. This form must advise the debtor that the form must be returned within 30 days of the date of service or venue will remain in Ramsey county.

(b) If the debtor timely returns the change of venue form requesting a change of venue, the commissioner or attorney general shall change the venue of the action to the county of the debtor's residence, the county where the cause of action arose, as provided by other law, or dismiss the action. The commissioner or attorney general must notify the debtor of the action taken. If the debtor does not timely return the form, venue is as chosen by the commissioner or attorney general as authorized under this section. The commissioner or the attorney general shall file the signed return receipt card or the proof of service with the court.

Subd. 4. [DISTRICT COURT.] (a) In order to bring a district court action under this section in any county other than where the debtor resides or where the cause of action arose, the commissioner or attorney general shall serve the change of venue form with the summons and complaint or petition commencing the collection action. Two copies of the form must be served along with a self-addressed, postage paid return envelope. The form must advise the debtor that the form must be returned within 20 days of the date of service or venue will remain in Ramsey

county. If the debtor timely returns the change of venue form, the time to answer the summons and complaint or petition runs from the date of debtor's request for change of venue.

(b) If the debtor timely returns the change of venue form requesting that the action not be brought in Ramsey county, the commissioner or attorney general shall change the venue of the action to the county of the debtor's residence, the county where the cause of action arose, as provided by other law, or dismiss the action. The commissioner or attorney general shall notify the debtor of the action taken. If the debtor is served the form to change venue along with the district court summons and complaint or petition, in accordance with court rules, but does not return the form within the statutory timelines, venue is as chosen by the commissioner or attorney general as authorized under this section. The commissioner or attorney general shall file the proof of service along with the summons and complaint or petition commencing the lawsuit.

Subd. 5. [FEES.] No court filing fees, docketing fees, or release of judgment fees may be assessed against the state for collection actions filed under this chapter.

Sec. 13. [16D.15] [COMPROMISE OF DEBT.]

Unless expressly prohibited by other federal or state law, a state agency may compromise debts owed to the state, whether reduced to judgment or not, where the state agency determines that it is in the best interests of the state to do so.

Sec. 14. [16D.16] [SETOFFS.]

Subdivision 1. [AUTHORIZATION.] The commissioner or a state agency may automatically deduct the amount of a debt owed to the state from any state payment due to the debtor, except tax refunds, earned income tax credit, child care tax credit, prejudgment debts of \$5,000 or less, funds exempt under section 550.37, or funds owed an individual who receives assistance under the provisions of chapter 256 are not subject to setoff under this chapter. If a debtor has entered into a written payment plan with respect to payment of a specified debt, the right of setoff may not be used to satisfy that debt. Notwithstanding section 181.79, the state may deduct from the wages due or earned by a state employee to collect a debt, subject to the limitations in section 571.922.

Subd. 2. [NOTICE AND HEARING.] Before setoff, the commissioner or state agency shall mail written notice by certified mail to the debtor, addressed to the debtor's last known address, that the commissioner or state agency intends to set off a debt owed to the state by the debtor against future payments due the debtor from the state. For debts owed to the state that have not been reduced to judgment, if no opportunity to be heard or administrative appeal process has yet been made available to the debtor to contest the validity or accuracy of the debt, before setoff for a prejudgment debt, the notice to the debtor must advise that the debtor has a right to make a written request for a contested case hearing on the validity of the debt or the right to setoff. The debtor has 30 days from the date of that notice to make a written request for a contested case hearing to contest the validity of the debt or the right to setoff. The debtor's request must state the debtor's reasons for contesting the debt or the right to setoff. If the commissioner or state agency desires to pursue the right to setoff following receipt of the debtor's request for a hearing, the commissioner or state agency shall schedule a contested case hearing within 30 days of the receipt of the request for the hearing. If the commissioner or state agency decides not to pursue the right to setoff, the debtor must be notified of that decision.

Sec. 15. Minnesota Statutes 1994, section 491A.01, subdivision 8, is amended to read:

Subd. 8. [JURISDICTION; ~~MULTIPLE DEFENDANTS~~ VENUE.] The conciliation court also has jurisdiction to determine a civil action commenced against ~~two~~ one or more defendants in the county in which one or more of the defendants resides or where the cause of action, or some part of it, arose. Counterclaims may be commenced in the county where the original action was commenced.

Sec. 16. Minnesota Statutes 1994, section 491A.02, subdivision 4, is amended to read:

Subd. 4. [REPRESENTATION.] (a) A corporation, partnership, limited liability company, sole proprietorship, or association may be represented in conciliation court by an officer, manager, or partner or an agent in the case of a condominium, cooperative, or townhouse association, or may

appoint a natural person who is an employee or commercial property manager to appear on its behalf or settle a claim in conciliation court. The state or a political subdivision of the state may be represented in conciliation court by an employee of the pertinent governmental unit without a written authorization. This Representation under this subdivision does not constitute the practice of law for purposes of section 481.02, subdivision 8. In the case of an officer, employee, commercial property manager, or agent of a condominium, cooperative, or townhouse association, an authorized power of attorney, corporate authorization resolution, corporate bylaw, or other evidence of authority acceptable to the court must be filed with the claim or presented at the hearing. This subdivision also applies to appearances in district court by a corporation or limited liability company with five or fewer shareholders or members and to any condominium, cooperative, or townhouse association, if the action was removed from conciliation court.

(b) "Commercial property manager" means a corporation, partnership, or limited liability company or its employees who are hired by the owner of commercial real estate to perform a broad range of administrative duties at the property including tenant relations matters, leasing, repairs, maintenance, the negotiation and resolution of tenant disputes, and related matters. In order to appear in conciliation court, a property manager's employees must possess a real estate license under section 82.20 and be authorized by the owner of the property to settle all disputes with tenants and others within the jurisdictional limits of conciliation court.

(c) A commercial property manager who is appointed to settle a claim in conciliation court may not charge or collect a separate fee for services rendered under paragraph (a).

Sec. 17. [PILOT PROGRAM.]

The commissioner of finance shall initiate a pilot program to compare effectiveness and efficiencies of the Minnesota collection enterprise and private collection agencies. The commissioner shall issue a request for proposals and place at least \$35,000,000 of state debt with private collection agencies licensed by the commissioner of commerce under Minnesota Statutes, chapter 332 no later than January 1, 1996. For purposes of conducting this pilot, at least one-half of the private collection agencies selected must not be currently under contract with the commissioner. In placing debt with private collection agencies, the commissioner must consider the following factors in comparison to the enterprise: age and size of the debt, type of debt, and direct and indirect costs of collecting the debt. The commissioner shall report back to the legislature by February 1, 1997.

Sec. 18. [EFFECTIVE DATE.]

Sections 1, 3 to 7, 13, 16, and 17 are effective the day following final enactment. Section 8 is effective for debts previously referred or referred on or after the day following final enactment. Section 9 is effective for debts referred on or after July 1, 1995."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative and administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; amending Minnesota Statutes 1994, sections 3.85, subdivision 12; 3.9741, subdivision 2; 3C.02, by adding a subdivision; 7.09, subdivision 1; 8.16, by adding a subdivision; 15.061; 15.415; 15.50, subdivision 2; 15.91, subdivision 2; 16A.11, by adding a subdivision; 16A.127, subdivision 8; 16A.129, subdivision 3; 16A.28, subdivisions 5 and 6; 16A.40; 16A.57; 16A.72; 16B.06, by adding a subdivision; 16B.17; 16B.19, subdivisions 2 and 10; 16B.42, subdivision 3; 16B.59; 16B.60, subdivisions 1 and 4; 16B.61, subdivisions 1, 2, and 5; 16B.63, subdivision 3; 16B.65, subdivisions 1, 3, 4, and 7; 16B.67; 16B.70; 16B.75; 16B.88, subdivisions 1, 2, 3, and 4; 16D.02, subdivision 6, and by adding a subdivision; 16D.04, subdivisions 1 and 3; 16D.06; 16D.08, subdivision 2; 43A.27, subdivisions 2 and 3; 115C.02, by adding a subdivision; 115C.08, subdivisions 1, 2, and 4; 116G.15; 197.05; 240.155, subdivision 1; 240.24, subdivision 3; 240A.08; 240A.09; 240A.10; 349.151, subdivision 4b; 349A.02, subdivision 1; 349A.03, by adding a subdivision; 349A.04; 349A.05; 349A.06, subdivision 2; 349A.08, subdivisions 5 and 7; 349A.10, by adding a subdivision; 349A.11; 349A.12, subdivision 4; 352.15, subdivision 3; 366.10; 366.12; 366.16; 394.33, subdivision 2; 394.361, subdivision 3; 462.358, subdivisions 2a, 2b, and 9; 462.359, subdivision 4; 491A.01, subdivision 8; and 491A.02,

subdivision 4; Laws 1991, chapter 235, article 5, section 3; proposing coding for new law in Minnesota Statutes, chapters 16A; 16B; 16D; and 43A; repealing Minnesota Statutes 1994, sections 115C.02, subdivision 1a; 349A.01, subdivision 2; and 349A.02, subdivision 8."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Richard J. Cohen, Gene Merriam, Phil J. Riveness, Dennis R. Frederickson, James P. Metzen

House Conferees: (Signed) Tom Rukavina, Richard H. Jefferson, Bob Johnson, Phyllis Kahn, Jim Rostberg

SUSPENSION OF RULES

Mr. Cohen moved that Joint Rule 2.06 be suspended as to the Conference Committee Report on S.F. No. 1678. The motion prevailed.

Mr. Cohen moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1678 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Mr. Stumpf moved that the recommendations and Conference Committee Report on S.F. No. 1678 be rejected and that the bill be re-referred to the Conference Committee as formerly constituted for further consideration.

CALL OF THE SENATE

Mr. Cohen imposed a call of the Senate for the balance of the proceedings on S.F. No. 1678. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the motion of Mr. Stumpf.

The roll was called, and there were yeas 38 and nays 27, as follows:

Those who voted in the affirmative were:

Belanger	Janezich	Langseth	Novak	Sams
Berg	Johnson, D.E.	Larson	Olson	Scheevel
Bertram	Johnston	Lesewski	Ourada	Stevens
Betzold	Kiscaden	Lessard	Pariseau	Stumpf
Day	Kleis	Limmer	Price	Terwilliger
Dille	Knutson	Moe, R.D.	Reichgott Junge	Vickerman
Finn	Kramer	Murphy	Robertson	
Hanson	Laidig	Neuville	Runbeck	

Those who voted in the negative were:

Anderson	Frederickson	Kroening	Pappas	Solon
Berglin	Hottinger	Marty	Piper	Spear
Chandler	Johnson, D.J.	Merriam	Pogemiller	Wiener
Chmielewski	Johnson, J.B.	Metzen	Ranum	
Cohen	Kelly	Morse	Riveness	
Flynn	Krentz	Oliver	Samuelson	

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. 512: A bill for an act relating to human services; licensing; administrative hearings; vulnerable adults reporting act; imposing criminal penalties; appropriating money; amending Minnesota Statutes 1994, sections 13.46, subdivision 4; 13.82, subdivision 10, and by adding subdivisions; 13.88; 13.99, subdivision 113; 144.4172, subdivision 8; 144.651, subdivisions 14 and 21; 144A.103, subdivision 1; 144A.612; 144B.13; 148B.68, subdivision 1; 214.10, subdivision 2a; 245A.04, subdivisions 3 and 3b; 253B.02, subdivision 4a; 256.045, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, and by adding a subdivision; 256E.03, subdivision 2; 256E.081, subdivision 4; 268.09, subdivision 1; 325F.692, subdivision 2; 525.703, subdivision 3; 609.224, subdivision 2; 609.268, subdivisions 1 and 2; 609.72, by adding a subdivision; 609.7495, subdivision 1; 626.556, subdivision 12; 626.557, subdivisions 1, 3, 3a, 4, 5, 6, 7, 8, 9, 10, 14, 16, 17, 18, and by adding subdivisions; and 631.40, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 144; 609; and 626; repealing Minnesota Statutes 1994, section 626.557, subdivisions 2, 10a, 11, 11a, 12, 13, 15, and 19.

Senate File No. 512 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1995

Ms. Reichgott Junge, for Mr. Spear, moved that the Senate do not concur in the amendments by the House to S.F. No. 512, 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 adopted the recommendation and report of the Conference Committee on House File No. 1132, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1132 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1995

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1132

A bill for an act relating to alcoholic beverages; providing restrictions on brewers who have retail on-sale licenses; imposing licensing and permitting requirements; requiring a license for charging for possession of alcoholic beverages; requiring a permit to allow consumption and display of all alcoholic beverages; authorizing additional licenses in Minneapolis; authorizing Clay and St. Louis counties to issue on-sale licenses; requiring a study of application of primary source law; defining home brewing equipment; listing items that may be sold in exclusive liquor stores; repealing requirement for permit for transportation of alcoholic beverages; amending Minnesota Statutes 1994, sections 340A.101, subdivision 10, and by adding a subdivision; 340A.301, subdivisions 6 and 7; 340A.401; 340A.404, subdivision 2; 340A.408, subdivision 2; 340A.412, by adding a subdivision; and 340A.414, subdivision 1; repealing Minnesota Statutes 1994, sections 340A.301, subdivision 10; and 340A.32.

May 10, 1995

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H.F. No. 1132, 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. 1132 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 340A.101, subdivision 10, is amended to read:

Subd. 10. [EXCLUSIVE LIQUOR STORE.] "Exclusive liquor store" is an establishment used exclusively for the sale of ~~intoxicating liquor except for the incidental sale of ice, tobacco, 3.2 percent malt liquor, beverages for mixing with intoxicating liquor, soft drinks, liqueur filled candies, cork extraction devices, and books and videos on the use of alcoholic beverages in the preparation of food, and the establishment may offer recorded or live entertainment.~~ "Exclusive liquor store" also includes an on sale or combination on sale and off sale intoxicating liquor establishment which sells food for on-premise consumption when authorized by the municipality issuing the license those items authorized in section 340A.412, subdivision 14.

Sec. 2. Minnesota Statutes 1994, section 340A.101, is amended by adding a subdivision to read:

Subd. 12a. [HOME BREWING EQUIPMENT.] "Home brewing equipment" means portable equipment designed for use in home manufacturing of malt liquor in quantities of ten gallons or less and supplies and ingredients for home manufacture of malt liquor.

Sec. 3. Minnesota Statutes 1994, section 340A.101, subdivision 25, is amended to read:

Subd. 25. [RESTAURANT.] "Restaurant" is an establishment, other than a hotel, under the control of a single proprietor or manager, where meals are regularly prepared on the premises and served at tables to the general public, and having a minimum seating capacity for guests in the following minimum numbers: as prescribed by the appropriate license issuing authority.

- ~~(a) First class cities~~ 50
- ~~(b) Second and third class cities and statutory cities of over 10,000 population~~ 30
- ~~(c) Unincorporated or unorganized territory other than in Cook, Itasca, Lake, Lake of the Woods, and St. Louis counties~~ 100
- ~~(d) Unincorporated or unorganized territory in Cook, Itasca, Lake, Lake of the Woods, and St. Louis counties~~ 50

~~In the case of classes (b) and (c) above, the governing body of a city or county may prescribe a higher minimum number. In fourth class cities and statutory cities under 10,000 population, minimum seating requirements are those prescribed by the governing body of the city.~~

Sec. 4. Minnesota Statutes 1994, 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)) \$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 clauses (d) and (i)	\$ 2,500
(d) Brewers who also hold <u>a one or more retail on-sale license licenses</u> and who manufacture fewer than 3,500 barrels of malt liquor in a year, except as provided in subdivision 10 <u>at any one licensed premises, the entire production of which is solely for consumption on tap on the licensed premises. A brewer licensed under this clause must obtain a separate license for each licensed premises where the brewer brews malt liquor. A brewer licensed under this clause may not be licensed as an imported under this chapter</u>	\$ 500
(e) Wholesalers (except as provided in clauses (f), (g), and (h))	\$15,000
Duplicates	\$ 3,000
(f) Wholesalers of wines of not more than 25 percent alcohol by volume	\$ 2,000
(g) Wholesalers of intoxicating malt liquor	\$ 600
Duplicates	\$ 25
(h) Wholesalers of 3.2 percent malt liquor	\$ 10
(i) Brewers who manufacture fewer than 2,000 barrels of malt liquor in a year	\$ 150

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. 5. Minnesota Statutes 1994, section 340A.301, subdivision 7, is amended to read:

Subd. 7. [INTEREST IN OTHER BUSINESS.] (a) Except as provided in this subdivision, a holder of a license as a manufacturer, brewer, importer, or wholesaler may not have any ownership, in whole or in part, in a business holding a retail intoxicating liquor or 3.2 percent malt liquor license. The commissioner may not issue a license under this section to a manufacturer, brewer, importer, or wholesaler if a retailer of intoxicating liquor has a direct or indirect interest in the manufacturer, brewer, importer, or wholesaler. A manufacturer or wholesaler of intoxicating liquor may use or have property rented for retail intoxicating liquor sales only if the manufacturer or wholesaler has owned the property continuously since November 1, 1933. A retailer of intoxicating liquor may not use or have property rented for the manufacture or wholesaling of intoxicating liquor.

(b) ~~A licensed brewer of malt liquor described in~~ licensed under subdivision 6, clause (d) may be issued an on-sale intoxicating liquor or 3.2 percent malt liquor license by a municipality for a restaurant operated in ~~or immediately adjacent to~~ the place of manufacture. Malt liquor brewed by such a licensee may not be removed from the licensed premises unless the malt liquor is entered in a tasting competition where none of the malt liquor so removed is sold. A brewer licensed under subdivision 6, clause (d), may hold or have an interest in other retail on-sale licenses, but may not have an ownership interest in whole or in part, or be an officer, director, agent, or employee of, any other manufacturer, brewer, importer, or wholesaler, or be an affiliate thereof whether the affiliation is corporate or by management, direction, or control. Notwithstanding this prohibition, a brewer licensed under subdivision 6, clause (d), may be an affiliate or subsidiary company of a brewer licensed in Minnesota or elsewhere if that brewer's only manufacture of malt liquor is:

(i) manufacture licensed under subdivision 6, clause (d);

(ii) manufacture in another state for consumption exclusively in a restaurant located in the place of manufacture; or

(iii) manufacture in another state for consumption primarily in a restaurant located in or immediately adjacent to the place of manufacture if the brewer was licensed under subdivision 6, clause (d), on January 1, 1995.

(c) Except as provided in subdivision 7a, no brewer as defined in subdivision 7a or importer may have any interest, in whole or in part, directly or indirectly, in the license, business, assets, or corporate stock of a licensed malt liquor wholesaler.

Sec. 6. [340A.33] [BREW ON PREMISES STORE.]

Notwithstanding anything in this chapter, the owner of a brew on premises store shall not be considered a brewer, manufacturer, wholesaler, or retailer of intoxicating liquor if the owner complies with this section and with Code of Federal Regulations, title 27, part 25, subpart L, sections 25.205 and 25.206. For purposes of this section, a brew on premises store is a facility that provides the ingredients and equipment for a customer to use to brew malt liquor at the store. Alcoholic beverages may not be sold or otherwise provided to customers of a brew on premises store, unless the owner of the brew on premises store holds the appropriate liquor license. Customers using the brew on premises store must be of the minimum age required to purchase intoxicating liquor. Malt liquor brewed by a customer in the store must not be sold and must be used by the customer solely for personal or family use.

Sec. 7. Minnesota Statutes 1994, section 340A.401, is amended to read:

340A.401 [LICENSE REQUIRED.]

Except as provided in this chapter, no person may directly or indirectly, on any pretense or by any device, sell, barter, keep for sale, charge for possession, or otherwise dispose of alcoholic beverages as part of a commercial transaction without having obtained a license.

Sec. 8. Minnesota Statutes 1994, 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.

(d) The city of Minneapolis may issue an on-sale intoxicating liquor license to the American Association of University Women, Minneapolis branch, for use on the premises owned by the American Association of University Women, Minneapolis branch, at 2115 Stevens Avenue South in Minneapolis, notwithstanding limitations of law, or local ordinances, or charter provisions relating to zoning or school or church distances.

(e) The city of Minneapolis may issue an on-sale wine license and an on-sale 3.2 percent malt liquor license to a restaurant located at 5000 Penn Avenue South, notwithstanding any law or local ordinance or charter provision.

Sec. 9. Minnesota Statutes 1994, 340A.404, is amended by adding a subdivision to read:

Subd. 12. [CATERER'S PERMIT.] The commissioner may issue a caterer's permit to a restaurant that holds an on-sale intoxicating liquor license issued by any municipality. The holder of a caterer's permit may sell intoxicating liquor as an incidental part of a food service that serves prepared meals at a place other than the premises for which the holder's on-sale intoxicating liquor license is issued.

(a) A caterer's permit is auxiliary to the primary on-sale license held by the licensee.

(b) The restrictions and regulations which apply to the sale of intoxicating liquor on the licensed premises also apply to the sale under the authority of a caterer's permit, and any act that is prohibited on the licensed premises is also prohibited when the licensee is operating other than on the licensed premises under a caterer's permit.

(c) Any act, which if done on the licensed premises would be grounds for cancellation or suspension of the on-sale licensee, is grounds for cancellation of both the on-sale license and the caterer's permit if done when the permittee is operating away from the licensed premises under the authority of the caterer's permit.

(d) The permittee shall notify prior to any catered event:

(1) the police chief of the city where the event will take place, if the event will take place within the corporate limits of a city; or

(2) the county sheriff of the county where the event will take place, if the event will be outside the corporate limits of any city.

(e) If the primary license ceases to be valid for any reason, the caterer's permit ceases to be valid.

(f) Permits issued under this subdivision are subject to all laws and ordinances governing the sale of intoxicating liquor except those laws and ordinances which by their nature are not applicable.

(g) The annual state fee for a caterer's permit is \$200.

Sec. 10. Minnesota Statutes 1994, section 340A.412, is amended by adding a subdivision to read:

Subd. 14. [EXCLUSIVE LIQUOR STORES.] (a) Except as otherwise provided in this subdivision, an exclusive liquor store may sell only the following items:

(1) alcoholic beverages;

(2) tobacco products;

(3) ice;

(4) beverages for mixing with intoxicating liquor;

(5) soft drinks;

(6) liqueur-filled candies;

(7) food products that contain more than one-half of one percent alcohol by volume;

(8) cork extraction devices;

(9) books and videos on the use of alcoholic beverages;

(10) magazines and other publications published primarily for information and education on alcoholic beverages; and

(11) home brewing equipment.

(b) An exclusive liquor store that has an on-sale, or combination on-sale and off-sale license may sell food for on-premise consumption when authorized by the municipality issuing the license.

(c) An exclusive liquor store may offer live or recorded entertainment.

Sec. 11. Minnesota Statutes 1994, section 340A.414, subdivision 1, is amended to read:

Subdivision 1. [PERMIT REQUIRED.] No business establishment or club which does not hold an on-sale intoxicating liquor license may directly or indirectly allow the consumption and display of intoxicating liquor alcoholic beverages or knowingly serve any liquid for the purpose of mixing with intoxicating liquor without first having obtained a permit from the commissioner.

Sec. 12. [CLAY COUNTY; ON-SALE LICENSE.]

Notwithstanding any state or local law or charter provision, the Clay county board may issue one on-sale intoxicating liquor license to a premises located in Elkton township. The license is not subject to the requirements of Minnesota Statutes, section 340A.101, subdivision 25. The license is subject to all other provisions of Minnesota Statutes, chapter 340A.

Sec. 13. [ST. LOUIS COUNTY; ON-SALE LICENSE.]

Notwithstanding any state or local law or charter provision to the contrary, the St. Louis county board may issue one on-sale intoxicating malt liquor license to an establishment located in township 65, range 18, section 33. The county board shall set the fee for the license. The license is subject to all provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section.

Sec. 14. [INTERNATIONAL FALLS; TEMPORARY LICENSE.]

Notwithstanding any law to the contrary, the city of International Falls may issue to a nonprofit organization or corporation a temporary on-sale license for the sale and serving of intoxicating liquor in a sports arena owned by independent school district No. 361. The license authorized under this section is valid for not more than seven consecutive days during the months of June and July 1995. The license is in addition to the number of temporary on-sale licenses authorized by law. The city shall determine the fee for the license. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license authorized by this section.

Sec. 15. [STEARNS COUNTY; ON-SALE LICENSE.]

Notwithstanding Minnesota Statutes, section 340A.412, subdivision 4, paragraph (a), clause (9), or any local law or charter provision, the Stearns county board may issue one combination off-sale and on-sale intoxicating liquor license to a premises located in Farming township. The license is subject to all provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section.

Sec. 16. [PRIMARY SOURCE STUDY.]

The house research department and office of senate counsel and research shall study issues relating to the extension of Minnesota Statutes, section 340A.311, paragraph (c), to include distilled spirits. The study shall include findings but shall not include recommendations on changes in law or rules. The house research department and office of senate counsel and research shall jointly report their findings to the chairs of the legislative committees and divisions with jurisdiction over alcoholic beverage law and policy by March 1, 1996.

Sec. 17. [REPEALER.]

Minnesota Statutes 1994, section 340A.301, subdivision 10; and 340A.32, are repealed.

Sec. 18. [EFFECTIVE DATE.]

Sections 1 to 7, 9 to 11, and 16 to 17 are effective the day following final enactment. Section 8 is effective on approval by the Minneapolis city council and compliance with Minnesota Statutes, section 645.021. Section 12 is effective on approval by the Clay county board and compliance with Minnesota Statutes, section 645.021. Section 13 is effective on approval by the St. Louis county board and compliance with Minnesota Statutes, section 645.021. Section 14 is effective on approval by the International Falls city council and compliance with Minnesota Statutes, section 645.021. Section 15 is effective on approval by the Stearns county board and compliance with Minnesota Statutes, section 645.021."

Delete the title and insert:

"A bill for an act relating to alcoholic beverages; providing restrictions on brewers who have retail on-sale licenses; imposing licensing and permitting requirements; requiring a license for charging for possession of alcoholic beverages; requiring a permit to allow consumption and display of all alcoholic beverages; authorizing additional licenses in Minneapolis; authorizing Clay, Stearns, and St. Louis counties and the city of International Falls to issue on-sale licenses; requiring a study of application of primary source law; defining home brewing equipment; listing items that may be sold in exclusive liquor stores; repealing requirement for permit for transportation of alcoholic beverages; amending Minnesota Statutes 1994, sections 340A.101, subdivisions 10, 25, and by adding a subdivision; 340A.301, subdivisions 6 and 7; 340A.401; 340A.404, subdivision 2, and by adding a subdivision; 340A.412, by adding a subdivision; and 340A.414, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 340A; repealing Minnesota Statutes 1994, sections 340A.301, subdivision 10; and 340A.32."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Loren Jennings, John J. Sarna, Mark Holsten

Senate Conferees: (Signed) Sam G. Solon, Ellen R. Anderson, Dick Day

Mr. Solon moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1132 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. 1132 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 1, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Kroening	Novak	Runbeck
Belanger	Hottinger	Laidig	Oliver	Sams
Berg	Janezich	Langseth	Olson	Samuelson
Berglin	Johnson, D.E.	Larson	Ourada	Scheevel
Bertram	Johnson, D.J.	Lesewski	Pappas	Solon
Betzold	Johnson, J.B.	Lessard	Pariseau	Spear
Chandler	Johnston	Limmer	Piper	Stevens
Chmielewski	Kelly	Marty	Pogemiller	Stumpf
Cohen	Kiscaden	Merriam	Price	Terwilliger
Day	Kleis	Metzen	Ranum	Vickerman
Dille	Knutson	Moe, R.D.	Reichgott Junge	Wiener
Flynn	Kramer	Morse	Riveness	
Frederickson	Krentz	Murphy	Robertson	

Mr. Finn voted in the negative.

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. 1055, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1055 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 12, 1995

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1055

A bill for an act relating to waters; eliminating the position of board of water and soil resources secretary; increasing board members' compensation; duties of advisory committees; rule approval procedure; guidelines for management plans; exemptions from review; appeals from rules, permit decisions, and orders; informal dispute resolution; assessment basis; amending Minnesota Statutes 1994, sections 103D.011, subdivision 21; 103D.101, subdivision 4; 103D.205, subdivisions 1 and 4; 103D.221, subdivision 2; 103D.255, subdivision 1; 103D.261, subdivision 1; 103D.271, subdivisions 2 and 4; 103D.305, subdivision 1; 103D.311, subdivision 4; 103D.315, subdivisions 1, 8, and 11; 103D.321, subdivision 2; 103D.331; 103D.335, subdivisions 5, 6, and 13; 103D.341, subdivision 2; 103D.351; 103D.401, subdivisions 1 and 2; 103D.405, subdivision 1; 103D.515, subdivision 4; 103D.531; 103D.535, subdivisions 1, 4, and 5; 103D.537; 103D.611, subdivisions 1, 4, and 5; 103D.621, subdivision 4; 103D.625, subdivisions 3 and 4; 103D.631, subdivision 2; 103D.635, subdivisions 1 and 3; 103D.705, subdivision 1; 103D.711, subdivision 2; 103D.715, subdivision 3; 103D.721, subdivision 2; 103D.741, subdivision 1; 103D.745, subdivisions 2 and 3; 103D.811, subdivisions 1 and 3; 103D.901, subdivisions 2, 4, and 5; 103D.905, subdivisions 3 and 5; 103D.921, subdivisions 1 and 3; and 103D.925; proposing coding for new law in Minnesota Statutes, chapter 103D.

May 5, 1995

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H.F. No. 1055, 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. 1055 be further amended as follows:

Page 1, delete section 1

Page 8, after line 7, insert:

"Sec. 18. Minnesota Statutes 1994, section 103D.335, subdivision 11, is amended to read:

Subd. 11. [ACQUISITION OF PROPERTY.] The managers may acquire by gift, purchase, taking under the procedures of this chapter, or by the right of eminent domain, necessary real and personal property. The watershed district may acquire property outside the watershed district where necessary for a water supply system."

Page 8, after line 12, insert:

"Sec. 20. Minnesota Statutes 1994, section 103D.335, is amended by adding a subdivision to read:

Subd. 25. [WATER RESOURCE MANAGEMENT ACTIVITIES.] The managers may conduct studies and monitoring of water resources within the watershed district and implement water resource management programs."

Page 13, line 28, after "initiating" insert "a declaratory judgment action or"

Page 19, after line 14, insert:

"Sec. 45. Minnesota Statutes 1994, section 103D.715, subdivision 4, is amended to read:

Subd. 4. [BENEFITS AND DAMAGES TO STATE LAND.] For all watershed district projects, benefits and damages to property owned by the state or a state agency, held and used for the purposes described in sections 103E.025 and 103E.315, subdivision 1, must be determined as using the procedure provided in sections 103E.025 and 103E.315, subdivision 1, as they are

applicable. If a state permit is required from the commissioner to construct the project, state land may not be taken, damaged, or benefited until the permit is issued."

Page 19, after line 23, insert:

"Sec. 47. Minnesota Statutes 1994, section 103D.721, subdivision 3, is amended to read:

Subd. 3. [STATE PROPERTY.] For all watershed district projects, benefits and damages to property owned by the state or a state agency that is held and used for the purposes described in sections 103E.025 and 103E.315, subdivision 1, shall be determined as using the procedure provided in sections 103E.025 and 103E.315, subdivision 1, as they are applicable. If a state permit is required from the commissioner to construct the project, state land may not be taken, damaged, or benefited until the permit is issued."

Page 24, after line 33, insert:

"Sec. 61. Minnesota Statutes 1994, section 117.011, is amended to read:

117.011 [RIGHT OF EMINENT DOMAIN.]

All bodies, public or private, who have the right of eminent domain, when exercising the right, shall do so in the manner prescribed by this chapter, even though a different procedure may be provided by charter provisions, ordinance or statute, but nothing herein shall apply to the taking of property under laws relating to drainage or to town roads when those laws themselves expressly provide for the taking and specifically prescribe the procedure. The taking of property for a project undertaken by a watershed district under chapter 103D or for a project undertaken by a drainage authority under chapter 103E may be carried out under the procedure provided by those chapters."

Renumber the sections in sequence and correct internal references

Amend the title as follows:

Page 1, line 8, after the second semicolon, insert "benefits or damages to state-owned land; property acquisition procedures; water resource studies and programs; eminent domain procedure;"

Page 1, line 9, delete everything after "sections"

Page 1, line 15, after "6," insert "11,"

Page 1, line 16, delete "and 13" and insert "13, and by adding a subdivision"

Page 1, line 24, delete "subdivision 3" and insert "subdivisions 3 and 4" and delete "subdivision 2" and insert "subdivisions 2 and 3"

Page 1, line 28, delete "and" and after "103D.925;" insert "and 117.011;"

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Marvin Dauner, Edgar Olson, Tim Finseth

Senate Conferees: (Signed) Leonard R. Price, Roger D. Moe, Steve Dille

Mr. Price moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1055 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. 1055 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 58 and nays 3, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Laidig	Oliver	Sams
Belanger	Hottinger	Langseth	Olson	Samuelson
Berg	Johnson, D.E.	Larson	Ourada	Scheevel
Berglin	Johnson, D.J.	Lesewski	Pappas	Solon
Bertram	Johnson, J.B.	Lessard	Pariseau	Spear
Chandler	Johnston	Limmer	Piper	Stevens
Chmielewski	Kelly	Marty	Pogemiller	Stumpf
Cohen	Kiscaden	Metzen	Price	Terwilliger
Day	Kleis	Moe, R.D.	Ranum	Vickerman
Dille	Knutson	Murphy	Riveness	Wiener
Finn	Kramer	Neuville	Robertson	
Flynn	Krentz	Novak	Runbeck	

Mr. Betzold, Ms. Hanson and Mr. Merriam 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. 1134 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1134

A bill for an act relating to financial institutions; regulating notices, electronic financial terminals, mergers with subsidiaries, the powers and duties of the commissioner of commerce, reporting and records requirements, lending powers, the powers and duties of institutions, detached facilities, and interstate banking; making technical changes; regulating mortgage prepayments; allowing written waivers of the right to prepay without penalty under certain circumstances; clarifying definition of franchise; permitting a delinquency and collection charge; amending Minnesota Statutes 1994, sections 46.04, subdivision 1, and by adding a subdivision; 46.041, subdivision 4; 46.046, subdivision 1; 46.048, subdivision 1, and by adding subdivisions; 47.10, subdivision 3; 47.11; 47.20, subdivisions 5 and 10; 47.28, subdivision 1; 47.52; 47.56; 47.58, subdivision 2; 47.61, subdivision 3; 47.62, subdivisions 2, 3, and by adding subdivisions; 47.67; 47.69, subdivisions 3 and 5; 47.78; 48.16; 48.194; 48.24, subdivision 5; 48.475, subdivision 3; 48.48, subdivisions 1 and 2; 48.49; 48.61, subdivision 7, and by adding a subdivision; 48.65; 48.90, subdivision 1; 48.91; 48.92, subdivisions 1, 2, 6, 7, 8, 9, and by adding a subdivision; 48.93, subdivisions 1, 3, and 4; 48.96; 48.99, subdivision 1; 49.01, subdivision 3; 51A.02, subdivisions 6, 26, and 40; 51A.19, subdivision 9; 51A.50; 51A.58; 52.04, subdivision 2a; 52.05, subdivision 2; 53.015, subdivision 4; 53.04, subdivisions 3a, 3c, 4a, and 5a; 53.09, subdivisions 1, 2, and by adding a subdivision; 56.11; 56.12; 56.125, subdivisions 1, 2, and 3; 56.131, subdivisions 1, 2, 4, and 6; 56.132; 56.14; 56.155, subdivision 1; 56.17; 59A.06, subdivision 2; 61A.09, subdivision 3; 62B.04, subdivision 1; 62B.08, subdivision 2; 80C.01, subdivision 4; 300.20, subdivision 1; 327B.04, subdivision 1; 327B.09, subdivision 1; 332.23, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 45; 47; 48; 51A; 52; and 334; repealing Minnesota Statutes 1994, sections 46.03; 47.80; 47.81; 47.82; 47.83; 47.84; 47.85; 48.1585; 48.512, subdivision 6; 48.611; 48.95; 48.97; 48.98; 48.991; and 51A.385.

May 12, 1995

The Honorable Allan H. Spear
President of the Senate

The Honorable Irv Anderson
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1134, 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. 1134 be further amended as follows:

Page 24, line 27 of the Jennings amendment, adopted by the House on May 1, 1995, after the period, insert "If the borrower is married, an assignment, order, security agreement, or other lien is not valid without the spouse's written consent, if the spouse's consent would be necessary under applicable law to make the property offered as security available to satisfy the debt in the event of default."

Pages 48 to 50 of the Jennings amendment, delete sections 29 and 30

Page 52, lines 7 and 8 of the Jennings amendment, delete "31 to 35" and insert "29 to 33"

Page 52, line 12 of the Jennings amendment, delete everything after the period

Page 52 of the Jennings amendment, delete line 13

Page 89 of the Jennings amendment, delete section 22

Page 90, line 16 of the Jennings amendment, delete "section 51A.385, is" and insert "sections 51A.385; and 325F.91, subdivision 2, are"

Amend the title of the Jennings amendment as follows:

Page 1, line 3, delete the semicolon and insert a comma

Page 1, line 7, before "interstate" insert "and" and delete the third comma

Page 1, line 8, delete "and pawnbrokers"

Page 1, line 33, delete everything after the first semicolon

Page 1, line 34, delete everything before "327B.04,"

Page 1, line 37, delete "325G;"

Page 1, line 40, delete "and" and before the period, insert "; and 325F.91, subdivision 2"

Page 1, line 14 of the Jennings, Davids, et al. amendment, adopted by the House on May 1, 1995, delete "customer" and insert "customer"

Page 3, line 33 of the Jennings, Davids, et al. amendment, delete "by" and insert "by"

Page 6, line 2 of the Jennings, Davids, et al. amendment, delete "association" and insert "association"

Page 7, line 7 of the Jennings, Davids, et al. amendment, before the first "section" insert "Minnesota Statutes,"

Renumber the sections in sequence and correct internal references

Amend the title accordingly

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Sam G. Solon, Deanna Wiener, William V. Belanger, Jr.

House Conferees: (Signed) Loren Jennings, Jeff Bertram, Ron Abrams

Mr. Solon moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1134 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. 1134 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:

Anderson	Frederickson	Kroening	Neuville	Robertson
Belanger	Hanson	Laidig	Novak	Runbeck
Berg	Hottinger	Langseth	Oliver	Sams
Berglin	Johnson, D.E.	Larson	Olson	Samuelson
Bertram	Johnson, D.J.	Lesewski	Ourada	Scheevel
Betzold	Johnson, J.B.	Lessard	Pappas	Solon
Chandler	Johnston	Limmer	Pariseau	Spear
Chmielewski	Kelly	Marty	Piper	Stevens
Cohen	Kiscaden	Merriam	Pogemiller	Stumpf
Day	Kleis	Metzen	Price	Terwilliger
Dille	Knutson	Moe, R.D.	Ranum	Vickerman
Finn	Kramer	Morse	Reichgott Junge	Wiener
Flynn	Krentz	Murphy	Riveness	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Chandler moved that S.F. No. 579 be taken from the table. The motion prevailed.

S.F. No. 579: A bill for an act relating to commerce; regulating charitable organizations; regulating filing statement; appropriating money; amending Minnesota Statutes 1994, sections 309.501, subdivision 1; 309.52, subdivisions 2 and 7; 309.53, subdivisions 1, 2, 3, and 8; 309.531, subdivisions 1 and 4; 309.54, subdivision 1; 309.556, subdivision 1; 501B.36; 501B.37, subdivision 2, and by adding a subdivision; and 501B.38; repealing Minnesota Statutes 1994, sections 309.53, subdivision 1a.

Mr. Chandler moved that the Senate do not concur in the amendments by the House to S.F. No. 579, 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. Johnson, D.E. moved that the names of Messrs. Dille and Bertram be added as co-authors to Senate Resolution No. 69. 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. 979: Ms. Johnston, Mr. Vickerman and Ms. Anderson.

H.F. No. 1478: Messrs. Sams, Hottinger, Metzen, Dille and Betzold.

S.F. No. 538: Messrs. Murphy, Riveness and Ms. Johnston.

S.F. No. 1246: Messrs. Riveness, Metzen, Mses. Ranum, Runbeck and Mr. Janezich.

S.F. No. 1393: Messrs. Pogemiller, Metzen and Day.

H.F. No. 787: Messrs. Stumpf, Dille, Bertram, Stevens and Finn.

S.F. No. 512: Messrs. Spear, Betzold and Ms. Kiscaden.

S.F. No. 579: Messrs. Chandler, Hottinger and Belanger.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

CONFIRMATION

Mr. Solon moved that the report from the Committee on Commerce and Consumer Protection, reported March 9, 1995, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Solon moved that the foregoing report be now adopted. The motion prevailed.

Mr. Solon moved that in accordance with the report from the Committee on Commerce and Consumer Protection, reported March 9, 1995, the Senate, having given its advice, do now consent to and confirm the appointment of:

DEPARTMENT OF COMMERCE COMMISSIONER

James E. Ulland, 1600 W. 22nd St., Minneapolis, Hennepin County, effective January 17, 1995, for a term expiring on the first Monday in January, 1999.

The motion prevailed. So the appointment was confirmed.

CONFIRMATION

Mr. Berg moved that the reports from the Committee on Gaming Regulation, reported March 22, 1995, 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 March 22, 1995, the Senate, having given its advice, do now consent to and confirm the appointment of:

GAMBLING CONTROL BOARD

Patricia M. Fischer, 350 Main St., Pine River, Cass County, effective February 20, 1995, for a term expiring on June 30, 1998.

Allan E. Fonfara, 1117 Kingsley Cir. S., Mendota Heights, Dakota County, effective July 12, 1994, for a term expiring on June 30, 1998.

Peggy Moon, 1315 Ives Ln. N., Plymouth, Hennepin County, effective December 14, 1994, for a term expiring on June 30, 1997.

Howard Register, 6601 Buckley Cir., Inver Grove Heights, Dakota County, effective December 11, 1994, for a term expiring on June 30, 1995.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Mr. Johnson, D.J. moved that the report from the Committee on Taxes and Tax Laws, reported March 16, 1995, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Johnson, D.J. moved that the foregoing report be now adopted. The motion prevailed.

Mr. Johnson, D.J. moved that in accordance with the report from the Committee on Taxes and Tax Laws, reported March 16, 1995, the Senate, having given its advice, do now consent to and confirm the appointment of:

TAX COURT

Diane L. Kroupa, 330 Zircon Ln., Plymouth, Hennepin County, effective March 10, 1995, for a term expiring on the first Monday in January, 2000.

The motion prevailed. So the appointment was confirmed.

CONFIRMATION

Mr. Chmielewski moved that the report from the Committee on Transportation and Public Transit, reported April 7, 1995, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Chmielewski moved that the foregoing report be now adopted. The motion prevailed.

Mr. Chmielewski moved that in accordance with the report from the Committee on Transportation and Public Transit, reported April 7, 1995, the Senate, having given its advice, do now consent to and confirm the appointment of:

DEPARTMENT OF TRANSPORTATION COMMISSIONER

James N. Denn, 8617 Riverview Ln., Brooklyn Park, Hennepin County, effective January 17, 1995, for a term expiring on the first Monday in January, 1999.

The motion prevailed. So the appointment was confirmed.

CONFIRMATION

Mr. Metzen moved that the reports from the Committee on Governmental Operations and Veterans, reported April 10, 1995, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Metzen moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Metzen moved that in accordance with the reports from the Committee on Governmental Operations and Veterans, reported April 10, 1995, the Senate, having given its advice, do now consent to and confirm the appointment of:

DEPARTMENT OF ADMINISTRATION COMMISSIONER

Elaine Hansen, 906 Ridgewood Rd., Duluth, St. Louis County, effective January 17, 1995, for a term expiring on the first Monday in January, 1999.

DEPARTMENT OF EMPLOYEE RELATIONS COMMISSIONER

Bruce Johnson, 2125 E. 3rd St., Duluth, St. Louis County, effective January 17, 1995, for a term expiring on the first Monday in January, 1999.

DEPARTMENT OF VETERANS AFFAIRS COMMISSIONER

Bernard R. Melter, 107 Village Ave., Cannon Falls, Goodhue County, effective January 17, 1995, for a term expiring on the first Monday in January, 1999.

MINNESOTA VETERANS HOMES BOARD OF DIRECTORS

James H. Main, 1575 Crest Dr., Chaska, Carver County, effective February 6, 1995, for a term expiring on the first Monday in January, 1999.

Wayne M. Sletten, 626 - 13th Ave., Two Harbors, Lake County, effective February 6, 1995, for a term expiring on the first Monday in January, 1999.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Mr. Spear moved that the report from the Committee on Crime Prevention, reported April 20, 1995, 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 Crime Prevention, reported April 20, 1995, the Senate, having given its advice, do now consent to and confirm the appointment of:

**DEPARTMENT OF CORRECTIONS
COMMISSIONER**

Frank W. Wood, 2164 - 15th Ave. E., North St. Paul, Ramsey County, effective January 17, 1995, for a term expiring on the first Monday in January, 1999.

The motion prevailed. So the appointment was confirmed.

CONFIRMATION

Ms. Flynn moved that the reports from the Committee on Judiciary, reported April 20, 1995, pertaining to appointments, be taken from the table. The motion prevailed.

Ms. Flynn moved that the foregoing reports be now adopted. The motion prevailed.

Ms. Flynn moved that in accordance with the reports from the Committee on Judiciary, reported April 20, 1995, the Senate, having given its advice, do now consent to and confirm the appointment of:

BOARD ON JUDICIAL STANDARDS

Robert W. Johnson, 2006 - 1st Ave. N., Anoka, Anoka County, effective April 20, 1994, for a term expiring on the first Monday in January, 1998.

Verna Kelly, 900 - 13th Ave. S.W., Willmar, Kandiyohi County, effective April 20, 1994, for a term expiring on the first Monday in January, 1998.

**DEPARTMENT OF HUMAN RIGHTS
COMMISSIONER**

David L. Beaulieu, 250 E. 6th St., St. Paul, Ramsey County, effective January 17, 1995, for a term expiring on the first Monday in January, 1999.

HARMFUL SUBSTANCE COMPENSATION BOARD

Bob Deem, 2011 - 49th St. S.E., St. Cloud, Sherburne County, effective March 10, 1995, for a term expiring on the first Monday in January, 2001.

Debra L. McBride, 876 Westwind Dr., Little Canada, Ramsey County, effective March 10, 1995, for a term expiring on the first Monday in January, 2001.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Ms. Piper moved that the report from the Committee on Family Services, reported April 26, 1995, pertaining to appointments, be taken from the table. The motion prevailed.

Ms. Piper moved that the foregoing report be now adopted. The motion prevailed.

Ms. Piper moved that in accordance with the report from the Committee on Family Services, reported April 26, 1995, the Senate, having given its advice, do now consent to and confirm the appointment of:

**DEPARTMENT OF HUMAN SERVICES
COMMISSIONER**

Maria R. Gomez, 8400 Indian Blvd. S., Cottage Grove, Washington County, effective January 17, 1995, for a term expiring on the first Monday in January, 1999.

The motion prevailed. So the appointment was confirmed.

CONFIRMATION

Mr. Merriam moved that the report from the Committee on Finance, reported April 28, 1995, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Merriam moved that the foregoing report be now adopted. The motion prevailed.

Mr. Merriam moved that in accordance with the report from the Committee on Finance, reported April 28, 1995, the Senate, having given its advice, do now consent to and confirm the appointment of:

**DEPARTMENT OF FINANCE
COMMISSIONER**

Laura M. King, 5911 Girard Ave. S., Minneapolis, Hennepin County, effective January 17, 1995, for a term expiring on the first Monday in January, 1999.

The motion prevailed. So the appointment was confirmed.

CONFIRMATION

Mr. Vickerman moved that the reports from the Committee on Metropolitan and Local Government, reported April 28, 1995, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Vickerman moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Vickerman moved that in accordance with the reports from the Committee on Metropolitan and Local Government, reported April 28, 1995, the Senate, having given its advice, do now consent to and confirm the appointment of:

**METROPOLITAN COUNCIL
CHAIR**

Curtis Johnson, 1802 Eagle Ridge Dr., Mendota Heights, Dakota County, effective January 27, 1995, for a term expiring on the first Monday in January, 1999.

METROPOLITAN COUNCIL

Charles W. Arnason, P.O. Box 274, 500 - 3rd St., Marine on St. Croix, Washington County, effective February 22, 1995, for a term expiring on the first Monday in January, 1999.

Terrence F. Flower, 13875 Mississippi Tr., Hastings, Dakota County, effective February 22, 1995, for a term expiring on the first Monday in January, 1999.

David Hartley, 14633 Bowers Dr., Ramsey, Ramsey County, effective February 22, 1995, for a term expiring on the first Monday in January, 1999.

Martha Head, 1616 W. 22nd St., Minneapolis, Hennepin County, effective February 22, 1995, for a term expiring on the first Monday in January, 1999.

Kevin Howe, 1763 Lansford Ln., Mendota Heights, Dakota County, effective February 22, 1995, for a term expiring on the first Monday in January, 1999.

Carol A. Kummer, 4818 - 30th Ave. S., Minneapolis, Hennepin County, effective February 22, 1995, for a term expiring on the first Monday in January, 1999.

Patrick Leung, 1598 - 23rd Ave. N.W., New Brighton, Ramsey County, effective February 22, 1995, for a term expiring on the first Monday in January, 1999.

Esther Newcome, 2374 Joy Ave., White Bear Lake, Ramsey County, effective February 22, 1995, for a term expiring on the first Monday in January, 1999.

Neil Peterson, 9640 Xylon Ave., Bloomington, Hennepin County, effective January 2, 1995, for a term expiring on the first Monday in January, 1999.

Roger Scherer, 12001 Bass Lake Rd., Plymouth, Hennepin County, effective February 22, 1995, for a term expiring on the first Monday in January, 1999.

Bill Schreiber, 10001 Zane Ave. N., Brooklyn Park, Hennepin County, effective February 22, 1995, for a term expiring on the first Monday in January, 1999.

Julius Smith, 3200 Highpoint Dr., Chaska, Carver County, effective February 22, 1995, for a term expiring on the first Monday in January, 1999.

Mary Smith, 515 N. Ferndale, Wayzata, Hennepin County, effective February 22, 1995, for a term expiring on the first Monday in January, 1999.

Stephen B. Wellington, Jr., 2257 Gordon Ave., St. Paul, Ramsey County, effective February 22, 1995, for a term expiring on the first Monday in January, 1999.

Barbara Butts Williams, 2222 Victory Memorial Pkwy., Minneapolis, Hennepin County, effective February 22, 1995, for a term expiring on the first Monday in January, 1999.

Diane Z. Wolfson, 1117 Goodrich Ave., St. Paul, Ramsey County, effective February 22, 1995, for a term expiring on the first Monday in January, 1999.

Mr. Merriam requested that the name of Mr. Roger Scherer be divided out.

The question was taken on the remainder of the appointments. The motion prevailed. So the appointments were confirmed.

CALL OF THE SENATE

Ms. Robertson imposed a call of the Senate for the balance of the proceedings on the confirmation of Mr. Roger Scherer to the Metropolitan Council. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the motion of Mr. Vickerman to confirm the appointment of Mr. Roger Scherer to the Metropolitan Council.

The roll was called, and there were yeas 41 and nays 15, as follows:

Those who voted in the affirmative were:

Belanger	Frederickson	Laidig	Ourada	Stevens
Berg	Janezich	Larson	Pariseau	Stumpf
Bertram	Johnson, D.E.	Lesewski	Pogemiller	Terwilliger
Betzold	Johnson, D.J.	Lessard	Reichgott Junge	Vickerman
Chandler	Kiscaden	Limmer	Robertson	Wiener
Chmielewski	Kleis	Murphy	Runbeck	
Day	Knutson	Neuville	Samuelson	
Dille	Kramer	Oliver	Scheevel	
Finn	Krentz	Olson	Solon	

Those who voted in the negative were:

Anderson	Hanson	Marty	Novak	Price
Berglin	Johnson, J.B.	Merriam	Pappas	Ranum
Cohen	Kelly	Moe, R.D.	Piper	Spear

The motion prevailed. So the appointment was confirmed.

CONFIRMATION

Mr. Novak moved that the reports from the Committee on Jobs, Energy and Community Development, reported May 15, 1995, 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 Jobs, Energy and Community Development, reported May 15, 1995, the Senate, having given its advice, do now consent to and confirm the appointment of:

DEPARTMENT OF ECONOMIC SECURITY COMMISSIONER

R. Jane Brown, 6897 Blackduck Dr., Lino Lakes, Anoka County, effective January 17, 1995, for a term expiring on the first Monday in January, 1999.

DEPARTMENT OF PUBLIC SERVICE COMMISSIONER

Krista L. Sanda, 2952 W. River Pkwy., Minneapolis, Hennepin County, effective January 17, 1995, for a term expiring on the first Monday in January, 1999.

DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT COMMISSIONER

E. Peter Gillette, Jr., 192 Bank St. S.E., Minneapolis, Hennepin County, effective January 17, 1995, for a term expiring on the first Monday in January, 1999.

MINNESOTA HOUSING FINANCE AGENCY COMMISSIONER

Katherine G. Hadley, 2083 James Ave., St. Paul, Ramsey County, effective January 17, 1995, for a term expiring on the first Monday in January, 1999.

PUBLIC UTILITIES COMMISSION

Joel Jacobs, 2608 - 116th Ln. N.W., Coon Rapids, Anoka County, effective March 5, 1995, for a term expiring on the first Monday in January, 2001.

Mr. Marty requested that the appointment of Mr. Joel Jacobs to the Public Utilities Commission be divided out.

The question was taken on the confirmation of the remainder of the appointments. The motion prevailed. So the appointments were confirmed.

The question was taken on the confirmation of Mr. Joel Jacobs to the Public Utilities Commission. The motion prevailed. So the appointment was confirmed.

MEMBERS EXCUSED

Mr. Riveness was excused from the Session of today from 9:00 to 10:00 a.m. Messrs. Kelly and Spear were excused from the Session of today from 9:00 to 10:30 a.m. Messrs. Beckman and Mondale were excused from the Session of today at 2:00 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Wednesday, May 17, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SIXTY-SECOND DAY

St. Paul, Minnesota, Wednesday, May 17, 1995

The Senate met at 9:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Betzold imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. LeeAnne Watkins.

The roll was called, and the following Senators answered to their names:

Anderson	Frederickson	Kroening	Neuville	Runbeck
Beckman	Hanson	Laidig	Novak	Sams
Belanger	Hottinger	Langseth	Oliver	Samuelson
Berg	Janezich	Larson	Olson	Scheevel
Berglin	Johnson, D.E.	Lesewski	Ourada	Solon
Bertram	Johnson, D.J.	Lessard	Pappas	Spear
Betzold	Johnson, J.B.	Limmer	Pariseau	Stevens
Chandler	Johnston	Marty	Piper	Stumpf
Chmielewski	Kelly	Merriam	Pogemiller	Terwilliger
Cohen	Kiscaden	Metzen	Price	Vickerman
Day	Kleis	Moe, R.D.	Ranum	Wiener
Dille	Knutson	Mondale	Reichgott Junge	
Finn	Kramer	Morse	Riveness	
Flynn	Krentz	Murphy	Robertson	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committee indicated.

April 12, 1995

The Honorable Allan H. Spear
President of the Senate

Dear Sir:

The following appointments are hereby respectfully submitted to the Senate for confirmation as required by law:

BOARD OF THE MINNESOTA CENTER FOR ARTS EDUCATION

Sylvia L. Strobel, 670 Laurel Ave., St. Paul, Ramsey County, effective April 17, 1995, for a term expiring on the first Monday in January, 1999.

Jean Greener, 1018 W. Minnehaha Pkwy., Minneapolis, Hennepin County, effective April 17, 1995, for a term expiring on the first Monday in January, 1999.

Sheila Livingston, 401 S. 1st St., Golden Valley, Hennepin County, effective April 17, 1995, for a term expiring on the first Monday in January, 1999.

Lorraine E. Kruse, 213 S. Summit Ave., Sauk Rapids, Benton County, effective April 17, 1995, for a term expiring on the first Monday in January, 1999.

(Referred to the Committee on Education.)

Warmest regards,
Arne H. Carlson, Governor

May 15, 1995

The Honorable Allan H. Spear
President of the Senate

Dear President Spear:

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. 1404, 870 and 1543.

Warmest regards,
Arne H. Carlson, Governor

May 15, 1995

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1995 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 1995	Date Filed 1995
1404		163	9:58 a.m. May 15	May 15
	1442	164	10:10 a.m. May 15	May 15
	1037	165	10:06 a.m. May 15	May 15
870		166	10:00 a.m. May 15	May 15
1543		167	10:04 a.m. May 15	May 15

Sincerely,
Joan Anderson Growe
Secretary of State

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. 1279: A bill for an act relating to privacy; providing for the classification of and access to government data; clarifying data provisions; providing for survival of actions under the data practices act; computer matching; eliminating report requirements; imposing penalties;

providing for the classification and release of booking photographs; conforming provisions dealing with financial assistance data; limiting the release of copies of videotapes of child abuse victims; requiring a court order in certain cases; amending Minnesota Statutes 1994, sections 13.03, subdivision 6; 13.06, subdivision 6; 13.072, subdivision 1, and by adding a subdivision; 13.08, subdivision 1; 13.10, subdivision 5; 13.31, subdivision 1; 13.32, subdivision 2; 13.43, subdivisions 2, 5, and by adding a subdivision; 13.46, subdivisions 1 and 2; 13.49; 13.50, subdivision 2; 13.551; 13.79; 13.793; 13.82, subdivisions 3a, 5, 6, 10, and by adding a subdivision; 13.83, subdivision 2; 13.89, subdivision 1; 13.90; 13.99, subdivisions 1, 12, 20, 21a, 42a, 54, 55, 64, 78, 79, 112, and by adding subdivisions; 41B.211; 144.0721, subdivision 2; 144.225, by adding a subdivision; 144.335, subdivisions 2 and 3a; 144.3351; 144.651, subdivisions 21 and 26; 253B.03, subdivisions 3 and 4; 260.161, by adding a subdivision; 268.12, subdivision 12; 270B.02, subdivision 3; 270B.03, subdivision 1; 270B.12, subdivision 2; 270B.14, subdivisions 1 and 11; 336.9-407; 336.9-411; 383B.225, subdivision 6; 388.24, subdivision 4; and 401.065, subdivision 3a; Laws 1993, chapter 192, section 110; proposing coding for new law in Minnesota Statutes, chapters 13; 13B; 270B; and 611A; repealing Minnesota Statutes 1994, sections 13.38, subdivision 4; 13.69, subdivision 2; 13.71, subdivisions 9, 10, 11, 12, 13, 14, 15, 16, and 17; 13B.04; and Laws 1990, chapter 566, section 9, as amended.

There has been appointed as such committee on the part of the House:

McGuire, Skoglund and Macklin.

Senate File No. 1279 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1995

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. 1204: A bill for an act relating to insurance; no-fault auto; regulating rental vehicle coverages; determining when a vehicle is rented; modifying the right to compensation for loss of use of a damaged rented motor vehicle; providing for limits of liability for motor vehicle lessors; amending Minnesota Statutes 1994, section 65B.49, subdivision 5a.

There has been appointed as such committee on the part of the House:

Simoneau, Pugh and Davids.

Senate File No. 1204 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1995

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 1040.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1995

FIRST READING OF HOUSE BILLS

The following bill was read the first time and referred to the committee indicated.

H.F. No. 1040: A bill for an act relating to retirement; providing various benefit increases and related modifications; requiring collateralization and investment authority statement; amending Minnesota Statutes 1994, sections 3A.02, subdivision 5; 124.916, subdivision 3; 136.90; 352.01,

subdivision 13; 352B.01, subdivision 2; 352B.02, subdivision 1a; 352B.08, subdivision 2; 352B.10, subdivision 1; 353.65, subdivision 7; 353.651, subdivision 4; 354.445; 354.66, subdivision 4; 354A.094, subdivision 4; 354A.12, subdivisions 1, 2, and by adding a subdivision; 354A.27, subdivision 1, and by adding subdivisions; 354A.31, subdivision 4, and by adding subdivisions; 354B.05, subdivisions 2 and 3; 354B.07, subdivisions 1 and 2; 354B.08, subdivision 2; 356.219, subdivision 2; 356.30, subdivision 1; 356.611; 356A.06, by adding subdivisions; 422A.05, by adding a subdivision; 422A.09, subdivision 2; and 422A.101, subdivision 1a; Laws 1994, chapter 499, section 2; proposing coding for new law in Minnesota Statutes, chapters 125; and 356; repealing Minnesota Statutes 1994, sections 3A.10, subdivision 2; 352.021, subdivision 5; and 354A.27, subdivisions 2, 3, and 4; Laws 1971, chapter 127, section 1, as amended.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 806.

REPORTS OF COMMITTEES

SUSPENSION OF RULES

Mr. Moe, R.D. moved that Joint Rule 2.03 be suspended as it relates to S.F. No. 1704. The motion prevailed.

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.

Messrs. Pogemiller and Stumpf from the Committee on Education, to which were referred the following appointments as reported in the Journal for January 9, 1995:

BOARD OF THE MINNESOTA CENTER FOR ARTS EDUCATION

James Bowlus
Gary Chin-Fong Liew
Gale R. Mitchell
Ellen Palmer

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

Jack Amundson
Christopher A. Nelson

Report 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.

Messrs. Pogemiller and Stumpf from the Committee on Education, to which were referred the following appointments as reported in the Journal for January 12, 1995:

BOARD OF THE MINNESOTA CENTER FOR ARTS EDUCATION

Terry Anderson
Ellen Doll
John C. Kim
Patricia Surrat

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

Earl Herring
John Hoyt
James R. Miller
Mollie N. Thibodeau

STATE BOARD OF EDUCATION

Thomas Lindquist
Georgina Y. Stephens

Report 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.

Messrs. Pogemiller and Stumpf from the Committee on Education, to which were referred the following appointments as reported in the Journal for January 17, 1995:

HIGHER EDUCATION BOARD

Steve McElroy
Fannie Marshall Primm
Rachel M. Scherer

Report 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.

Messrs. Pogemiller and Stumpf from the Committee on Education, to which were referred the following appointments as reported in the Journal for January 23, 1995:

HIGHER EDUCATION BOARD

Irene Bertram
Marty Seifert

Report 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.

Messrs. Pogemiller and Stumpf from the Committee on Education, to which were referred the following appointments as reported in the Journal for February 21, 1995:

STATE BOARD OF EDUCATION

Jeanne Kling
Thomas Peacock
Nedra M. Wicks

Report 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.

Messrs. Pogemiller and Stumpf from the Committee on Education, to which was referred the following appointment as reported in the Journal for March 2, 1995:

DEPARTMENT OF EDUCATION
COMMISSIONER

Linda Powell

Report 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.

Messrs. Pogemiller and Stumpf from the Committee on Education, to which were referred the following appointments as reported in the Journal for March 23, 1995:

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

Kathryn Balstad Brewer
Tom Martinson

Report 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. Vickerman from the Committee on Metropolitan and Local Government, to which was referred

S.F. No. 1704: A bill for an act relating to metropolitan government; providing for the financing, organization, and ownership of certain athletic organizations; providing conditions for the use of certain facilities; permitting the issuance of bonds; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 473I.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 9, after "finds" insert "and determines"

Page 2, line 32, before "provide" insert "will"

Page 4, line 1, after "be" insert "deemed"

Page 4, line 3, delete "of limitation" and insert "as limitations"

Page 4, line 35, after "agency," insert "city or council, each of"

Page 5, line 18, after "bonds" insert "or notes"

Page 5, line 27, delete "this section" and insert "sections 473I.01 to 473I.07"

Page 5, line 28, after "bonds" insert "or notes"

Page 5, line 29, before "chapter" insert "this section and"

Page 5, line 31, after "bonds" insert "or notes"

Page 5, line 32, after "475" insert ", provided that this section shall control over chapter 475 to the extent of any inconsistent provisions. The term of the bonds and the term of any refunding bonds shall not exceed 30 years"

Page 5, line 33, after "bonds" insert "or notes"

Page 5, line 36, delete "the" and insert "any revenues of an"

Page 6, line 1, after "bonds" insert "or notes"

Page 6, line 3, delete "and" and insert "or"

Page 6, line 5, delete "and" and insert "or"

Page 6, line 6, delete "not be an obligation or debt of the council or commission" and insert "be a special, limited obligation of the council, payable solely from the revenues pledged thereto"

Page 6, line 9, delete "net debt" and insert "statutory" and after "limitation" insert "of indebtedness" and after "required" insert "to authorize the issuance of the bonds or notes"

Page 6, line 10, after "amount" insert "of the bonds or notes"

Page 6, line 15, after "for" insert "the" and delete "payments" and insert "payment" and delete "and" and insert "or"

Page 6, line 27, after "maximum" insert "principal"

Page 6, line 30, after "bonds" insert "or notes"

Page 6, line 31, delete "subdivision 1, paragraph (a)" and insert "this section"

Page 7, line 1, after "proceeds" insert "of the bonds or the transfer made under section 473I.03, subdivision 2,"

Page 7, line 7, before "operations" insert "ownership and"

Page 7, line 8, delete everything after "team" and insert "plus the amount of the admissions tax or surcharge pledged and available under subdivision 4, if any, reduced by the estimated amount of the appropriation under section"

Page 7, line 9, after "473I.08" insert ", over the term of the bonds"

Page 7, line 11, before the period, insert "or notes" and after the period, insert "The determination of the commissioner shall remain in effect and shall not be changed so long as any bonds or notes are outstanding."

Page 7, line 12, after "then" insert "before July 1, 1995, and July 1 of each year thereafter"

Page 7, line 16, delete everything after "legislature"

Page 7, line 17, delete everything before the period and delete "subsequent" and insert "annual"

Page 7, line 18, after "made" insert "pursuant to section 473I.07"

Page 7, line 20, delete "subdivision 1," and insert "this section"

Page 7, line 21, delete "paragraph (a)"

Page 7, line 22, after "or" insert "may"

Page 7, line 23, delete "transfer" and insert "transfers"

Page 8, line 6, delete "may" and insert "shall"

Page 9, line 4, delete "or events" and after "team" insert "or other events sponsored by the NHL team"

Page 9, line 6, after the period, insert "If the commission so recommends, the council may impose an admissions tax or surcharge or both, in the amounts or at the rate as the council may determine."

Page 9, line 9, delete "The" and insert "Subject to section 473I.06, the"

Page 9, line 24, after "reserve" insert ", if any," and after "The" insert "commission may, or the"

Page 10, line 11, before "The" insert "The University of Minnesota shall construct an addition to or expansion of its existing indoor ice athletic facility, upon further authorization by law for its financing."

Page 10, line 12, delete "its" and insert "the university's existing indoor"

Page 10, line 13, after "facility" insert "or any addition to or expansion of its indoor ice athletic facility, if any is authorized by law,"

Page 10, line 30, delete "direct" and insert "transfer"

Page 10, line 31, delete "payment"

Page 11, line 6, delete "applies" and insert "sections 1 to 7 apply"

And when so amended the bill be re-referred to the Committee on Finance without recommendation.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Joint Rule 2.03 suspended. Amendments adopted. Report adopted.

MOTIONS AND RESOLUTIONS

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Morse moved that the following members be excused for a Conference Committee on S.F. No. 106 at 9:00 a.m.:

Messrs. Morse, Finn, Laidig, Lessard and Ms. Olson. 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. 1864 at 9:00 a.m.:

Messrs. Johnson, D.J.; Hottinger; Belanger; Mses. Flynn and Reichgott Junge. The motion prevailed.

Messrs. Laidig; Moe, R.D. and Johnson, D.E. introduced--

Senate Resolution No. 72: A Senate resolution proclaiming June 8, 1995, as Margaret J. Scott Day.

Referred to the Committee on Rules and Administration.

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. 217: A bill for an act relating to family law; providing for enforcement of child support obligations; expanding enforcement remedies for child support; authorizing programs; providing for resolution of custody and visitation disputes; creating a central child support payment center; modifying child support data collection and publication; imposing penalties; adding provisions relating to recognition of parentage; adding provisions for administrative proceedings; modifying children's supervised visitation facilities; appropriating money; amending Minnesota Statutes 1994, sections 13.46, subdivision 2; 168A.05, subdivisions 2, 3, 7, and by adding a subdivision; 168A.16; 168A.20, by adding a subdivision; 168A.21; 168A.29, subdivision 1; 214.101, subdivisions 1 and 4; 256.87, subdivision 5; 256.978, subdivision 1; 256F.09, subdivisions 1, 2, 3, and by adding subdivisions; 257.34, subdivision 1, and by adding a subdivision; 257.55, subdivision 1; 257.57, subdivision 2; 257.60; 257.67, subdivision 1; 257.75, subdivision 3, and by adding a subdivision; 517.08, subdivisions 1b and 1c; 518.171, subdivision 2a; 518.24; 518.551, subdivisions 5, 12, and by adding subdivisions; 518.5511, subdivisions 1, 2, 3, 4, 5, 7, and 9; 518.575; 518.611, subdivisions 1, 2, 5, and 8a; 518.613, subdivisions 1, 2, and by adding a subdivision; 518.614, subdivision 1; 518.64, subdivisions 2, 4, and by adding a subdivision; 518C.310; 548.15; and 609.375, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 171; 256; 257; and 518; repealing Minnesota Statutes 1994, sections

214.101, subdivisions 2 and 3; 256F.09, subdivision 4; 518.561; 518.611, subdivision 8; and 518.64, subdivision 6.

Senate File No. 217 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1995

Mr. Cohen moved that the Senate do not concur in the amendments by the House to S.F. No. 217, 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, 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.

Ms. Flynn introduced--

S.F. No. 1705: A bill for an act relating to legislative enactments; correcting miscellaneous noncontroversial oversights, inconsistencies, ambiguities, unintended results, and technical errors; amending Minnesota Statutes 1994, section 323.02, subdivision 9, as amended.

Referred to the Committee on Rules and Administration.

Ms. Pappas, Mr. Murphy, Ms. Krentz, Mr. Ourada and Ms. Hanson introduced--

S.F. No. 1706: A bill for an act relating to transportation; expanding definition of bus to include special transportation service vehicles; amending Minnesota Statutes 1994, section 168.011, subdivision 9.

Referred to the Committee on Transportation and Public Transit.

Mr. Merriam introduced--

S.F. No. 1707: A bill for an act relating to juveniles; authorizing law enforcement to release certain information on juvenile offenders to owners of buildings; amending Minnesota Statutes 1994, section 260.161, subdivision 3.

Referred to the Committee on Crime Prevention.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1211 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1211: A bill for an act relating to public contractors' performance bonds; exempting certain manufacturers from requirements for posting bonds; amending Minnesota Statutes 1994, section 574.26, 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 44 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Limmer	Ourada	Sams
Beckman	Hanson	Marty	Pariseau	Scheevel
Berg	Johnson, J.B.	Merriam	Piper	Solon
Bertram	Kelly	Metzen	Pogemiller	Spear
Betzold	Kleis	Moe, R.D.	Price	Stevens
Chandler	Knutson	Murphy	Ranum	Stumpf
Chmielewski	Kramer	Neuville	Riveness	Vickerman
Cohen	Kroening	Novak	Robertson	Wiener
Dille	Larson	Oliver	Runbeck	

Ms. Johnston voted in the negative.

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 381 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 381

A bill for an act relating to the military; providing greater flexibility in appointment of members of the armory building commission; authorizing the state armory building commission to use funds for construction; clarifying which municipalities may provide sites for armories; changing provisions for disposal of unused armory sites; clarifying authority for levying taxes for armory construction; clarifying the authority for conveyance of armories to the state; amending Minnesota Statutes 1994, sections 193.142, subdivisions 1, 2, and 3; 193.143; 193.144, subdivisions 1, 2, and 6; 193.145, subdivisions 2, 4, and 5; and 193.148.

May 16, 1995

The Honorable Allan H. Spear
President of the Senate

The Honorable Irv Anderson
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 381, 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. 381 be further amended as follows:

Page 10, after line 33, insert:

"Sec. 12. Minnesota Statutes 1994, section 198.003, subdivision 1, is amended to read:

Subdivision 1. [POLICY; RULES; REPORT.] ~~It is the duty of the board and The board has the power to:~~

(1) shall determine policy and, subject to chapter 14, adopt, amend, and repeal rules for the governance of the homes; and ~~to adopt emergency~~ rules necessary to implement this chapter. With respect to residents' administrative appeal time periods that are not established by statute, the board may create by rule reasonable time periods within which a resident must appeal an administrative determination to the next administrative level. If the determination is not appealed within the time set by rule, the determination becomes final;

~~(2) report quarterly to the governor on the management, operations, and quality of care provided at the homes; and~~

~~(3) The board shall take other action as provided by law.~~

~~Emergency rules adopted under this section are not effective after December 31, 1989.~~

Sec. 13. Minnesota Statutes 1994, section 198.003, subdivision 3, is amended to read:

Subd. 3. [USE OF FACILITIES CAMPUS.] The board may allow veterans organizations or public or private social service, educational, or rehabilitation agencies or organizations and their clients to use surplus facilities space on a home's campus, staff, and other resources of the board and may require the participating agencies or organizations to pay for that use.

Sec. 14. Minnesota Statutes 1994, section 198.003, subdivision 4, is amended to read:

Subd. 4. [VETERANS HOMES RESOURCES ACCOUNT.] Money received by the board under subdivision 3 must be deposited in the state treasury and credited to a veterans homes resources account in the special revenue fund. Money in the account is appropriated to the board to operate, maintain, and ~~repair facilities make repairs at the campus used under subdivision 3, and to pay including payment of~~ associated legal fees and expenses.

Sec. 15. Minnesota Statutes 1994, section 198.065, is amended to read:

198.065 [CHIROPRACTIC CARE AVAILABILITY.]

In addition to the other services now provided to residents of the Minnesota veterans homes, the board shall provide chiropractic services. The services ~~shall~~ may be provided, ~~as appropriations permit,~~ without charge to residents by a licensed chiropractor who is either employed by the board for the purpose or who has contracted with the board to provide the services."

Delete the title and insert:

"A bill for an act relating to veterans; the military; eliminating certain duties of the board of directors of the Minnesota veterans homes; providing greater flexibility in appointment of members of the armory building commission; authorizing the state armory building commission to use funds for construction; clarifying which municipalities may provide sites for armories; changing provisions for disposal of unused armory sites; clarifying authority for levying taxes for armory construction; clarifying the authority for conveyance of armories to the state; clarifying authority for use of funds from surplus facilities of the veterans homes board; amending Minnesota Statutes 1994, sections 193.142, subdivisions 1, 2, and 3; 193.143; 193.144, subdivisions 1, 2, and 6; 193.145, subdivisions 2, 4, and 5; 193.148; 198.003, subdivisions 1, 3, and 4; and 198.065."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Don Betzold, James P. Metzen, Dave Kleis

House Conferees: (Signed) Betty McCollum, Tom Osthoff, Jim Rostberg

Mr. Betzold moved that the foregoing recommendations and Conference Committee Report on S.F. No. 381 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. 381 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:

Anderson	Dille	Kroening	Oliver	Sams
Beckman	Frederickson	Lesewski	Ourada	Samuelson
Berg	Hanson	Limmer	Pariseau	Scheevel
Berglin	Johnson, J.B.	Marty	Piper	Solon
Bertram	Johnston	Merriam	Pogemiller	Spear
Betzold	Kelly	Metzen	Price	Stevens
Chandler	Kiscaden	Moe, R.D.	Ranum	Stumpf
Chmielewski	Kleis	Murphy	Riveness	Vickerman
Cohen	Knutson	Neuvile	Robertson	Wiener
Day	Kramer	Novak	Runbeck	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 734 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 734

A bill for an act relating to telecommunications; regulating the 911 system; imposing requirements on private switch telephone service; imposing a civil penalty; amending Minnesota Statutes 1994, sections 403.02, by adding subdivisions; and 403.04.

May 16, 1995

The Honorable Allan H. Spear
President of the Senate

The Honorable Irv Anderson
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 734, 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. 734 be further amended as follows:

Page 3, after line 11, insert:

"(c) Unless a later time for compliance is permitted by this section, private shared tenant services using wired facilities and local exchange resellers operating wired facilities in areas where enhanced 911 service is available must by December 31, 1998, ensure that 911 calls transmit an appropriate station number identification to the enhanced 911 service system serving the area where the private shared tenant services facility or resale facility is located."

Page 4, line 19, after the first "the" insert "negligent"

Page 4, after line 25, insert:

"Subd. 13. [EXEMPTIONS.] Patient and resident care rooms and common areas in health care facilities served by a private switch telephone system are exempt from subdivisions 4 to 8."

Subd. 14. [SCHOOL DISTRICTS.] Until January 1, 1998, school districts are exempt from subdivisions 4 to 8."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Kevin M. Chandler, Steven G. Novak, Ellen R. Anderson

House Conferees: (Signed) Mike Delmont, Thomas Huntley, Dan McElroy

Mr. Chandler moved that the foregoing recommendations and Conference Committee Report on S.F. No. 734 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. 734 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 45 and nays 6, as follows:

Those who voted in the affirmative were:

Anderson	Cohen	Kleis	Murphy	Sams
Beckman	Day	Knutson	Novak	Samuelson
Belanger	Dille	Kramer	Oliver	Scheevel
Berg	Frederickson	Kroening	Ourada	Solon
Berglin	Hanson	Limmer	Piper	Spear
Bertram	Johnson, D.E.	Marty	Pogemiller	Stevens
Betzold	Johnson, J.B.	Merriam	Price	Stumpf
Chandler	Johnston	Metzen	Ranum	Vickerman
Chmielewski	Kelly	Moe, R.D.	Riveness	Wiener

Those who voted in the negative were:

Kiscaden	Neuville	Pariseau	Robertson	Runbeck
Lesewski				

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 255 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 255

A bill for an act relating to elevators; regulating persons who may do elevator work; appropriating money; amending Minnesota Statutes 1994, sections 183.355, subdivision 3; 183.357, subdivisions 1, 2, and 4; and 183.358; proposing coding for new law in Minnesota Statutes, chapter 183.

May 15, 1995

The Honorable Allan H. Spear
President of the Senate

The Honorable Irv Anderson
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 255, 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. 255 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [183.3521] [ELEVATOR MECHANICS; REGISTRATION.]

The wiring, installation, alteration, modernization, removal, and repair of the mechanical and electrical apparatus of an elevator that is used to move persons must be performed by a person registered by the commissioner as an elevator mechanic or by a person acting under the direct on-site supervision of a registered elevator mechanic. A registered mechanic may supervise not more than five persons performing work otherwise required to be performed by a registered mechanic.

To be registered by the commissioner, a person must have successfully completed the national elevator industry education program or a program found by the commissioner to be equivalent and

must possess an elevator constructor or master elevator constructor license issued by the state board of electricity. Nothing in this section will supersede or replace sections 326.241 to 326.248.

Sec. 2. Minnesota Statutes 1994, section 183.355, subdivision 3, is amended to read:

Subd. 3. [MINIMUM REQUIREMENTS.] No person, firm, or corporation may construct, install, remove, or repair an elevator that does not meet the minimum requirements of ~~this chapter, adopted~~ sections 183.351 to 183.358, rules, or national codes adopted by rule.

Sec. 3. Minnesota Statutes 1994, section 183.357, subdivision 1, is amended to read:

Subdivision 1. [PERMITS.] No person, firm, or corporation may construct, perform alterations, remove, or install an elevator without ~~first filing an application for~~ obtaining a permit with the department of labor and industry or a municipality authorized by subdivision 3 to inspect elevators. Projects under actual construction before July 1, 1989, are not required to obtain a permit from the department. Upon successfully completing inspection and the payment of the appropriate fee, the owner must be granted an operating permit for the elevator.

Sec. 4. Minnesota Statutes 1994, section 183.357, subdivision 2, is amended to read:

Subd. 2. [CONTRACTOR LICENSES.] The commissioner ~~may~~ shall by rule establish criteria for the qualifications of elevator contractors and issue licenses based upon proof of the applicant's qualifications.

Sec. 5. Minnesota Statutes 1994, section 183.357, subdivision 4, is amended to read:

Subd. 4. [DEPOSIT OF FEES.] Fees received under this section must be deposited in the state treasury and credited to the special revenue fund and are appropriated to the commissioner for the purposes of sections 183.351 to 183.358.

Sec. 6. Minnesota Statutes 1994, section 183.358, is amended to read:

183.358 [RULES.]

The commissioner ~~may~~ shall adopt rules for the following purposes:

(1) to set a fee under section ~~46A.128~~ 16A.1285 for processing a construction or installation permit or elevator contractor license application;

(2) to set a fee under section ~~46A.128~~ 16A.1285 to cover the cost of elevator inspections;

(3) to establish minimum qualifications for elevator inspectors that must include possession of a current journeyman elevator electrician's license issued by the state board of electricity and proof of successful completion of the national elevator ~~construction mechanic examination~~ industry education program or equivalent experience;

(4) to establish criteria for the qualifications of elevator contractors;

(5) to establish elevator standards under sections 16B.61, subdivisions 1 and 2, and 16B.64; and

(6) to establish procedures for appeals of decisions of the commissioner under chapter 14 and procedures allowing the commissioner, before issuing a decision, to seek advice from the elevator trade, building owners or managers, and others knowledgeable in the installation, construction, and repair of elevators.

Sec. 7. [183.3581] [APPLICATION.]

Nothing in sections 1 to 3 shall be construed to require registration or licensure of a person, or issuance of a permit, to demolish an elevator or to do minor repair work as that term is defined in Minnesota Rules, part 3800.3500, subpart 10.

For the purpose of this section "demolish" means the removal of an elevator from a building after the elevator car and counter balances have been landed by an elevator contractor using the personnel specified under section 1.

Sec. 8. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1995. Section 6 is effective the day following final enactment."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Paula E. Hanson, Steve L. Murphy, Steve Dille

House Conferees: (Signed) Phil Carruthers, Bob Johnson, Jim Rostberg

Ms. Hanson moved that the recommendations and Conference Committee Report on S.F. No. 255 be rejected and that the bill be re-referred to the Conference Committee as formerly constituted for further consideration. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Hottinger moved that the following members be excused for a Conference Committee on S.F. No. 440 from 9:00 to 10:00 a.m.:

Messrs. Hottinger, Larson and Janezich. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 188 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 188

A bill for an act relating to appropriations; permitting use of appropriation to relocate athletic fields and facilities at Brainerd Technical College; authorizing additional design and construction of space at certain community college campuses; requiring plans to provide for joint use of space with certain technical colleges and state universities; authorizing additional construction using nonstate resources; amending Laws 1992, chapter 558, section 2, subdivision 3; and Laws 1994, chapter 643, section 11, subdivisions 6, 8, 10, and 11.

May 5, 1995

The Honorable Allan H. Spear
President of the Senate

The Honorable Irv Anderson
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 188, 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. 188 be further amended as follows:

Page 2, delete sections 3 and 4 and insert:

"Sec. 3. Laws 1994, chapter 643, section 11, subdivision 10, is amended to read:

Subd. 10. North Hennepin Community College 6,000,000

This appropriation is to plan predesign, design, remodel, and construct space for classrooms, labs classroom, student services, learning resource center, the campus center, and administrative, and related space, and to predesign and design through design development the reuse of vacated space

including addition to and remodeling of the learning resource center, labs, and portions of the campus center. This appropriation may be used to predesign and design this reuse and addition even if its construction would require an additional appropriation."

Page 3, after line 38, insert:

"Sec. 5. [REPORT ON BRAINERD AND WILLMAR ADOLESCENT PROGRAMS.]

The commissioner of human services shall submit a report to the chairs of the house of representatives ways and means committee and the senate finance committee by February 1, 1996, providing information on the cost and feasibility of remodeling the facilities at Brainerd and Willmar to accommodate up to 20 additional beds in each facility for the current program for adolescents."

Renumber the sections in sequence and correct internal references

Amend the title as follows:

Page 1, line 11, delete "8,"

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Don Samuelson, LeRoy A. Stumpf, Gary W. Laidig

House Conferees: (Signed) Kris Hasskamp, Anthony G. "Tony" Kinkel

Mr. Samuelson moved that the foregoing recommendations and Conference Committee Report on S.F. No. 188 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. 188 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 1, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Langseth	Oliver	Samuelson
Beckman	Hanson	Larson	Ourada	Scheevel
Berg	Janezich	Lessard	Pariseau	Solon
Bertram	Johnson, D.E.	Limmer	Piper	Spear
Betzold	Johnson, J.B.	Marty	Pogemiller	Stevens
Chandler	Kelly	Merriam	Price	Stumpf
Chmielewski	Kiscaden	Metzen	Ranum	Vickerman
Cohen	Kleis	Moe, R.D.	Riveness	Wiener
Day	Knutson	Neuville	Robertson	
Dille	Kramer	Novak	Sams	

Ms. Johnston 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 until 12:00 noon. The motion prevailed.

The hour of 12:00 noon having arrived, the President called the Senate to order.

CALL OF THE SENATE

Mr. Betzold 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 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. 2, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1995

CONFERENCE COMMITTEE REPORT ON H.F. NO. 2

A bill for an act relating to the environment; automobile emissions; providing that a vehicle need not be inspected until the year of its registration is five years more than its model year; changing the inspection fee; providing a contingent expiration date for the inspection program; amending Minnesota Statutes 1994, sections 116.61, subdivision 1, and by adding a subdivision; 116.64, subdivision 1.

May 16, 1995

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H.F. No. 2, 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. 2 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 116.61, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (a) ~~Beginning no later than July 1, 1991~~ Except as described in subdivision 1a, each motor vehicle registered to an owner residing in the metropolitan area and each motor vehicle customarily domiciled in the metropolitan area but exempt from registration under section 168.012 or 473.448 must be inspected annually for air pollution emissions as provided in sections 116.60 to 116.65.

(b) The inspections must take place at a public or fleet inspection station. The inspections must take place within 90 days prior to the registration deadline for the vehicle or, for vehicles that are exempt from license fees under section 168.012 or 473.448, at a time set by the agency.

(c) The registration on a motor vehicle subject to paragraph (a) may not be renewed unless the vehicle has been inspected for air pollution emissions as provided in sections 116.60 to 116.65 and received a certificate of compliance or a certificate of waiver.

Sec. 2. Minnesota Statutes 1994, section 116.61, is amended by adding a subdivision to read:

Subd. 1a. [EXCEPTION FOR NEW VEHICLES.] A vehicle need not be inspected until the year in which it is being registered is five years more than its model year.

Sec. 3. Minnesota Statutes 1994, section 116.62, is amended by adding a subdivision to read:

Subd. 5a. [TEMPORARY REGISTRATION.] The commissioner, in consultation with the commissioner of public safety, shall adopt a procedure for granting temporary registrations to persons whose vehicle registrations have expired or will shortly expire. Upon request of the vehicle owner, the commissioner shall issue a letter of temporary registration, valid for one day, that allows the owner to drive to an inspection station to have the vehicle inspected.

Sec. 4. Minnesota Statutes 1994, section 116.62, is amended by adding a subdivision to read:

Subd. 9. [ADVERTISING BY CONTRACTOR.] Any advertisement or promotional material relating to the motor vehicle inspection program that is paid for by the contractor selected under subdivision 3 must clearly display a disclaimer stating that the advertisement or promotional material was not paid for by the state.

Sec. 5. Minnesota Statutes 1994, section 116.64, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT.] Beginning ~~January 1, 1991~~ August 1, 1995, an annual fee established in accordance with the rules of the agency, not to exceed ~~\$10~~ \$8, is imposed for the cost of the inspection of a motor vehicle at a public inspection station and such reinspections as the rules of the agency allow, the cost of the contract entered under section 116.62, subdivision 3, and the administrative costs of the agency and the department.

Sec. 6. [REPORT ON NEED FOR VEHICLE EMISSION INSPECTION PROGRAM.]

(a) The commissioner of the pollution control agency, in consultation with the United States Environmental Protection Agency, shall take all reasonable steps to enable the state, by July 1, 1998, to comply with the federal Clean Air Act without having to continue the motor vehicle emission inspection program.

(b) By December 15, 1997, the commissioner shall submit to the chairs of the environment and natural resources committees of the legislature a report that includes:

(1) a description of the commissioner's efforts under paragraph (a) and the results of those efforts;

(2) an analysis of the state's attainment status under the federal Clean Air Act as it relates to the need for a motor vehicle emission inspection program; and

(3) recommendations regarding continuation of the motor vehicle emission inspection program after July 1, 1998.

Sec. 7. [APPLICATION.]

Sections 1 and 2 apply to vehicles whose registrations expire on or after July 31, 1995.

Sec. 8. [EFFECTIVE DATE.]

Section 4 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to the environment; automobile emissions; providing that a vehicle need not be inspected until the year of its registration is five years more than its model year; changing the inspection fee; providing for advertising restrictions and temporary registrations;

requiring a report; amending Minnesota Statutes 1994, sections 116.61, subdivision 1, and by adding a subdivision; 116.62, by adding subdivisions; and 116.64, subdivision 1."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Alice M. Johnson, Doug Peterson, Carol Molnau

Senate Conferees: (Signed) James P. Metzen, LeRoy A. Stumpf, Pat Pariseau

Mr. Metzen moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2 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. 2 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 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Krentz	Morse	Riveness
Beckman	Hanson	Kroening	Murphy	Robertson
Belanger	Hottinger	Laidig	Neuville	Runbeck
Berg	Janezich	Langseth	Oliver	Sams
Berglin	Johnson, D.E.	Larson	Olson	Samuelson
Bertram	Johnson, D.J.	Lesewski	Ourada	Scheevel
Betzold	Johnson, J.B.	Lessard	Pappas	Solon
Chandler	Johnston	Limmer	Pariseau	Spear
Chmielewski	Kelly	Marty	Piper	Stevens
Cohen	Kiscaden	Merriam	Pogemiller	Stumpf
Day	Kleis	Metzen	Price	Terwilliger
Dille	Knutson	Moe, R.D.	Ranum	Vickerman
Finn	Kramer	Mondale	Reichgott Junge	Wiener

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. 1019: A bill for an act relating to metropolitan government; establishing the metropolitan livable communities fund and providing for fund distribution; reducing the levy authority of the metropolitan mosquito control commission; providing for certain revenue sharing; regulating employee layoffs by the metropolitan mosquito control district; authorizing an economic vitality and housing initiative; amending Minnesota Statutes 1994, sections 116J.552, subdivision 2; 116J.555, subdivision 2; 116J.556; 473.167, subdivisions 2, 3, and by adding a subdivision; 473.711, subdivision 2; and 473F.08, subdivisions 3a, 5, 7a, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 1994, sections 473.704, subdivision 15; 504.33; 504.34; and 504.35.

Senate File No. 1019 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1995

Mr. Mondale moved that the Senate do not concur in the amendments by the House to S.F. No. 1019, 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 to be appointed on the part of the House.

CALL OF THE SENATE

Mr. Riveness imposed a call of the Senate for the balance of the proceedings on S.F. No. 1019. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the motion of Mr. Mondale.

The roll was called, and there were yeas 47 and nays 14, as follows:

Those who voted in the affirmative were:

Belanger	Janezich	Limmer	Pariseau	Samuelson
Berglin	Johnson, D.E.	Metzen	Piper	Solon
Chmielewski	Kiscaden	Moe, R.D.	Pogemiller	Spear
Cohen	Knutson	Mondale	Price	Stevens
Day	Kramer	Morse	Ranum	Stumpf
Dille	Krentz	Murphy	Reichgott Junge	Terwilliger
Finn	Kroening	Neuville	Riveness	Wiener
Frederickson	Larson	Oliver	Robertson	
Hanson	Lesewski	Olson	Runbeck	
Hottinger	Lessard	Ourada	Sams	

Those who voted in the negative were:

Anderson	Bertram	Johnson, J.B.	Langseth	Scheevel
Beckman	Betzold	Johnston	Marty	Vickerman
Berg	Chandler	Kleis	Merriam	

The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1110 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1110

A bill for an act relating to human services; appropriating money for the department of human services and health, for the veterans nursing homes board, for the health-related boards, for the council on disability, for the ombudsman for mental health and mental retardation, and for the ombudsman for families; modifying day training and habilitation services; creating the consumer support program; modifying child care programs; defining and including essential persons in determining AFDC eligibility; modifying the Minnesota Supplemental Aid program by making it consistent with the federal SSI program; modifying group residential housing; limiting the admission of certain high-functioning persons to nursing facilities; modifying hospital inflation and requiring inflation adjustments to reflect prior overpayments; modifying medical assistance disproportionate share payments; establishing hospital peer groups; establishing long-term hospital rates; modifying treatment of certain trusts; modifying treatment of assets and income for institutionalized persons; reducing the pharmacy dispensing fee; establishing pharmacy copayments in medical assistance and general assistance medical care; establishing a service allowance for certain persons denied admission to a nursing facility; increasing reimbursement rates for certain home care services provided in Anoka county; modifying certain intergovernmental transfers; clarifying the county nursing home payment adjustment; requiring a discount in general assistance medical care prepaid contracts; eliminating payment for gender reassignment services under general assistance medical care; providing a two percent rate increase for certain providers; authorizing certain demonstration projects; modifying certain parental fees; modifying medical assistance eligibility criteria for certain disabled children; modifying requirements for personal care assistants and personal care assistant organizations; modifying coverage for personal care services and reducing maximum hours of service; expanding certain

services under medical assistance managed care for disabled children; authorizing certain studies; authorizing exceptions to the nursing home moratorium and modifying reimbursements for legislatively-approved exceptions; modifying requirements for hospital-attached nursing facility status; modifying nursing facility reimbursement and inflationary adjustments; establishing a contractual alternative payment system for nursing facilities; modifying reimbursement for intermediate care facilities for persons with mental retardation or related conditions; establishing transition mental health services; modifying chemical dependency treatment programs; providing Faribault and Cambridge regional human services center downsizing agreements; decreasing certain license and permit fees; modifying the licensing and inspecting of hotel, restaurant, and other food and lodging establishments; amending Minnesota Statutes 1994, sections 62A.045; 62A.046; 62A.048; 62A.27; 144.0721, by adding subdivisions; 144.122; 144.226, subdivision 1; 144A.071, subdivision 4a; 144A.33, subdivision 3; 144A.43, subdivision 3; 144A.47; 147.01, subdivision 6; 157.03; 198.003, subdivisions 3 and 4; 245.4882, subdivision 5; 245.4886, by adding a subdivision; 246.18, subdivision 4, and by adding a subdivision; 246.23, subdivision 2; 252.27, subdivision 2a; 252.292, subdivision 4; 252.46, subdivision 6, and by adding a subdivision; 254A.17, subdivision 3; 254B.05, subdivision 4; 256.025, subdivisions 1 and 2; 256.026; 256.73, subdivision 3a; 256.736, subdivisions 3 and 13; 256.74, subdivision 1; 256.9365; 256.9657, subdivision 3; 256.9685, subdivision 1b, and by adding subdivisions; 256.969, subdivisions 1, 9, 24, and by adding subdivisions; 256B.055, subdivision 12; 256B.056, by adding a subdivision; 256B.0575; 256B.0625, subdivisions 8, 8a, 13, 19a, and by adding subdivisions; 256B.0627, subdivisions 1, 2, 4, and 5; 256B.0641, subdivision 1; 256B.0911, subdivisions 4 and 7; 256B.0913, by adding subdivisions; 256B.0915, subdivision 2, and by adding a subdivision; 256B.092, subdivision 4; 256B.15, subdivisions 1a, 2, and by adding a subdivision; 256B.19, subdivisions 1c and 1d; 256B.431, subdivisions 2b, 2j, 17, 23, and by adding subdivisions; 256B.49, subdivision 1, and by adding subdivisions; 256B.501, subdivisions 3, 3c, and by adding a subdivision; 256B.69, subdivisions 4, 5, 6, 9, and by adding subdivisions; 256D.03, subdivisions 3b, 4, and by adding a subdivision; 256D.051, subdivision 6; 256D.36, subdivision 1; 256D.385; 256D.405, subdivision 3; 256D.425, subdivision 1, and by adding a subdivision; 256D.435, subdivisions 1, 3, 4, 5, 6, and by adding a subdivision; 256D.44, subdivisions 1, 2, 3, 4, 5, and 6; 256D.45, subdivision 1; 256D.48, subdivision 1; 256H.03, subdivision 4; 256H.05, subdivision 6; 256I.04, subdivision 3; 256I.05, subdivision 1a; 393.07, subdivision 10; 501B.89, subdivision 1, and by adding a subdivision; and Laws 1993, First Special Session chapter 1, article 8, section 51, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 157; 256; and 256B; proposing coding for new law as Minnesota Statutes, chapter 144D; repealing Minnesota Statutes 1994, sections 38.161; 38.162; 144.0723, subdivision 5; 157.01; 157.02; 157.031; 157.04; 157.045; 157.05; 157.08; 157.12; 157.13; 157.14; 252.47; 256.851; 256B.501, subdivisions 3d, 3e, and 3f; 256D.35, subdivisions 14 and 19; 256D.36, subdivision 1a; 256D.37; 256D.425, subdivision 3; 256D.435, subdivisions 2, 7, 8, 9, and 10; 256D.44, subdivision 7; 256E.06, subdivisions 12 and 13; 256I.04, subdivision 1b; and Minnesota Rules, part 9500.1452, subpart 2, item B.

May 16, 1995

The Honorable Allan H. Spear
President of the Senate

The Honorable Irv Anderson
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1110, 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. 1110 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS

Section 1. [HEALTH AND HUMAN SERVICES APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or any other fund named, to the agencies and for the purposes specified in the following sections of this article, to be available for the fiscal years indicated for each purpose. The figures "1996" and "1997" where used in this article, mean that the appropriation or appropriations listed under them are available for the fiscal year ending June 30, 1996, or June 30, 1997, respectively. Where a dollar amount appears in parentheses, it means a reduction of an appropriation.

SUMMARY BY FUND

APPROPRIATIONS	1996	1997	BIENNIAL TOTAL
General	\$2,402,943,000	\$2,598,629,000	\$5,001,572,000
Local Government			
Trust Fund	50,499,000	-0-	50,499,000
State Government			
Special Revenue	24,853,000	24,830,000	49,683,000
Metropolitan Landfill			
Contingency Action Fund	193,000	193,000	386,000
Trunk Highway	1,513,000	1,513,000	3,026,000
Special Revenue	8,000	8,000	16,000
TOTAL	2,480,009,000	2,625,173,000	5,105,182,000

APPROPRIATIONS
Available for the Year
Ending June 30

1996 1997

Sec. 2. COMMISSIONER OF
HUMAN SERVICES

Subdivision 1. Total
Appropriation

2,395,537,000 2,540,250,000

Summary by Fund

General

2,345,038,000 2,540,250,000

Local Government

Trust Fund

50,499,000 -0-

Subd. 2. Finance and Management

General

20,126,000 21,396,000

[RECEIPTS FOR SYSTEMS PROJECTS.]

Appropriations and federal receipts for information system projects for MAXIS, electronic benefit system, social services information system, child support enforcement, and Minnesota medicaid information system (MMIS II) must be deposited in the state system account authorized in Minnesota Statutes, section 256.014. Money appropriated for computer projects approved by the information policy office, funded by the legislature, and approved by the commissioner of finance may be transferred from one project to another and from development to operations as the commissioner of human services considers necessary. Any

unexpended balance in the appropriation for these projects does not cancel but is available for ongoing development and operations.

[COMMUNICATION COSTS.] The commissioner shall continue to operate the department of human services communication systems account established in Laws 1993, First Special Session chapter 1, article 1, section 2, subdivision 2, to manage shared communication costs necessary for the operation of the programs the commissioner supervises. The commissioner may distribute the costs of operating and maintaining communication systems to participants in a manner that reflects actual system usage. Costs may include acquisition, licensing, insurance, maintenance, repair, staff time, and other direct costs as determined by the commissioner. The commissioner may accept on behalf of the state any gift, bequest, devise, or personal property of any kind or money tendered to the state for any lawful purpose pertaining to the communication activities of the department. Any money so received must be deposited in the department of human services communication systems account. Money collected by the commissioner for the use of communication systems must be deposited in the state communication systems account and is appropriated to the commissioner for purposes of this section.

[ISSUANCE OPERATIONS CENTER.] Payments to the commissioner from other governmental units and private enterprises for (1) services performed by the issuance operations center or (2) reports generated by the payment and eligibility systems must be deposited in the state systems account authorized in Minnesota Statutes, section 256.014. These payments are appropriated to the commissioner for the operation of the issuance center or system, in accordance with Minnesota Statutes, section 256.014.

[SOCIAL SERVICES INFORMATION PROJECT.] If the commissioner proceeds with the development and implementation of the social services information system (SSIS), the commissioner shall report annually by February 1 on the status of the project to the chairs of the house health and human services committee and of the senate health care and family services committees. This report must include an explanation of the linkages between the SSIS and the MAXIS and MMIS computer systems. The SSIS project must not result in an increase in the permanent staff of the department of human services.

[PRINTING COSTS.] In order to reduce printing costs, the commissioner shall solicit bids for printing from inmate work programs operated by the department of corrections.

Subd. 3. Life Skills
Self-Sufficiency

114,755,000	120,918,000
-------------	-------------

Summary by Fund

General	64,256,000	120,918,000
Local Government Trust	50,499,000	-0-

The amounts that may be spent from this appropriation for each purpose are as follows:

(a) Semi-Independent Living Services (SILS) Grants

4,766,000	4,819,000
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(b) Chemical Dependency Consolidated Treatment

41,230,000	45,080,000
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(c) Deaf and Hard of Hearing Services Grants

501,000	501,000
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(d) Community Social Services Grants

51,476,000	52,902,000
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Summary by Fund

General	977,000	52,902,000
Local Government Trust	50,499,000	-0-

[CSSA APPROPRIATION.] The increased appropriation available in fiscal year 1996 and thereafter must be used to increase each county's aid proportionately over the aid received in calendar year 1994.

(e) Consumer Support

125,000	1,832,000
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(f) Developmental Disabilities Family Support Grants

1,599,000	1,074,000
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(g) Aging Ombudsman

166,000	166,000
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(h) Aging Grants

4,103,000	4,103,000
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(i) American Indian Chemical Dependency Grants and Chemical Dependency Special Grants

2,265,000	2,265,000
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(j) Chemical Dependency
Consolidated Treatment - Nonentitled

2,100,000	2,100,000
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(k) Administration and Other Grants

6,424,000	6,076,000
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[CROSS-CULTURAL TRAINING.] Of this appropriation, \$50,000 each year is for cross-cultural training for deaf and hard of hearing children and their families and is available only upon the receipt of \$25,000 each year in nonstate matching funds.

[INDIAN ELDERS.] The Minnesota board on aging shall provide staff out of the available appropriation to support the Indian elders coordinator position.

[USE OF MENTAL HEALTH COLLABORATIVE FUNDS.] Once a children's mental health collaborative has been formed, the commissioner may provide and a collaborative may receive funding for two years for planning and implementation purposes. This does not preclude existing collaboratives from getting additional start-up funds.

[CHEMICAL DEPENDENCY RATE FREEZE.] Beginning January 1, 1996, rates for chemical dependency treatment services provided according to Minnesota Statutes, chapter 254B, shall be the same as those rates negotiated according to Minnesota Statutes, section 254B.03, subdivision 1, paragraph (b), and effective January 1, 1995. Rates for vendors under Minnesota Statutes, chapter 254B, who are enrolled after January 1, 1995, shall not be higher than the statewide average rate for vendors licensed at the same level of care. Counties and providers shall not negotiate an increase in rates between January 1, 1995, and December 31, 1997.

[SILS TRANSFER.] (a) For the purpose of transferring certain persons from the semi-independent living services (SILS) program to the home and community-based waived services program for persons with mental retardation or related conditions, the amount of funds transferred between the SILS account or the state community social services account and the state medical assistance account shall be based on each county's participation in transferring persons to the waived services program. No person for whom these funds are transferred shall be required to obtain a new

living arrangement, notwithstanding Minnesota Statutes, section 252.28, subdivision 3, paragraph (4), and Minnesota Rules, parts 9525.1800, subpart 25a, and 9525.1869, subpart 6. When supported living services are provided to persons for whom these funds are transferred, the commissioner may substitute the licensing standards of Minnesota Rules, parts 9525.0500 to 9525.0660, for parts 9525.2000 to 9525.2140, if the services remain nonresidential as defined in Minnesota Statutes, section 245A.02, subdivision 10. For the purposes of Minnesota Statutes, chapter 256G, when a service is provided under these substituted licensing standards, the status of residence of the recipient of that service shall continue to be considered excluded time.

(b) Contingent upon continuing federal approval of expanding eligibility for home and community-based services for persons with mental retardation or related conditions, the commissioner shall reduce the state SILS payments to each county by the total medical assistance expenditures for nonresidential services attributable to former SILS recipients transferred by the county to the home and community-based services program for persons with mental retardation or related conditions. Of the reduced SILS payments determined above, the commissioner shall transfer to the state medical assistance account an amount equal to the nonfederal share of the nonresidential services under the home and community-based services for persons with mental retardation or related conditions. Of the remaining reduced SILS payments, 80 percent shall be returned to the SILS grant program to provide additional SILS services and 20 percent shall be transferred to the general fund.

[NEW ICF/MR.] For the fiscal year ending June 30, 1996, a newly constructed or newly established intermediate care facility for persons with mental retardation 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 to 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.

[ICF/MR RECEIVERSHIP.] For the fiscal year ending June 30, 1996, 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.

[GRH TO CSSA TRANSFER.] For the fiscal year ending June 30, 1995, the commissioner may transfer funds from the group residential housing (GRH) account to county community social services act (CSSA) grants to provide continuous funding for persons no longer eligible for GRH payments for the following reasons: they reside in a setting with only a semi-independent living services license; or they reside in family foster care settings and have become ineligible for GRH difficulty of care payments due to receipt of mental retardation/related conditions waived services. The amount to be transferred must not exceed the amount of GRH payments for actual residents in the affected GRH settings during the fiscal year 1995. The amount transferred is to be added to the affected county's CSSA base. This paragraph is effective the day following final enactment.

[COUNTY MAINTENANCE-MEALS-AGING.] The supplemental funding for nutrition programs serving counties where congregate and home-delivered meals were locally financed prior to participation in the nutrition program of the Older Americans Act shall be awarded at no less than the same levels as in fiscal year 1995.

Subd. 4. Children's Program	19,860,000	21,453,000
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The amounts that may be spent from this appropriation for each purpose are as follows:

(a) Children's Trust Fund Grants

247,000	247,000
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(b) Families With Children
Services Grants and Administration

1,718,000	1,710,000
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(c) Family Service Collaborative Grants

1,000,000	1,500,000
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(d) Family Preservation, Family Support,
and Child Protection Grants

8,573,000	8,573,000
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(e) Subsidized Adoption Grants

5,587,000	6,688,000
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(f) Other Families with Children
Services Grants

2,735,000	2,735,000
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[FAMILY SERVICES COLLABORATIVE.]

Plans for the expenditure of funds for family services collaboratives must be approved by the children's cabinet according to criteria in Minnesota Statutes, section 121.8355. Money appropriated for these purposes may be expended in either year of the biennium. Money appropriated for family services collaboratives is also available for start-up funds under Minnesota Statutes, section 245.492, subdivision 19, for children's mental health collaboratives.

[HOME CHOICE PROGRAM.] Of this appropriation, \$75,000 each year must be used as a grant to the metropolitan council to support the housing and related counseling component of the home choice program.

[FOSTER CARE.] Foster care, as defined in Minnesota Statutes, section 260.015, subdivision 7, is not a community social service as defined in Minnesota Statutes, section 256E.03, subdivision 2, paragraph (a). This paragraph is effective the day following final enactment.

[NEW CHANCE.] Of this appropriation, \$100,000 each year is for a grant to the New Chance demonstration project that provides comprehensive services to young AFDC recipients who became pregnant as teenagers and dropped out of high school. The commissioner shall provide an annual report on the progress of the demonstration project, including specific data on participant outcomes in comparison to a control group that received no services. The commissioner shall also include recommendations on whether strategies or methods that have proven successful in the demonstration project should be incorporated into the STRIDE employment program for AFDC recipients.

[HIPPI CARRY FORWARD.] \$50,000 in unexpended money appropriated in fiscal year 1995 for the Home Instruction Program for Preschool Youngsters (HIPPI) in Laws 1994, chapter 636, article 1, section 11, does not cancel but is available for the same purposes for fiscal year 1996.

[COMMUNITY COLLABORATIVE

MATCHING GRANT.] Of the funds appropriated for family services collaboratives, \$75,000 in fiscal year 1996 shall be used for the commissioner of human services to provide a matching grant for community collaborative projects for children and youth developed by a regional organization established under Minnesota Statutes, section 116N.08, to receive rural development challenge grants. The regional organization must include a broad cross-section of public and private sector community representatives to develop programs, services or facilities to address specific community needs of children and youth. The regional organization must also provide a two-to-one match of nonstate dollars for this grant.

[INDIAN CHILD WELFARE GRANTS.] \$100,000 is appropriated from the general fund to the commissioner of human services for the purposes of providing compliance grants to an Indian child welfare defense corporation, pursuant to Minnesota Statutes, section 257.3571, subdivision 2a, to be available until June 30, 1997.

Subd. 5. Economic Self-Sufficiency

General

317,950,000	321,696,000
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The amounts that may be spent from this appropriation for each purpose are as follows:

(a) STRIDE Grants

8,939,000	8,211,000
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(b) AFDC Grants

143,568,000	146,772,000
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(c) General Assistance Grants

45,707,000	45,009,000
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(d) Work Readiness Grants

1,573,000	-0-
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(e) Minnesota Supplemental Aid

22,493,000	25,757,000
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(f) Minnesota Family Investment Plan (MFIP) Grants

21,307,000	15,150,000
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(g) Child-Care Fund Entitlement Grants

17,208,000	19,780,000
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(h) Child Support Enforcement Grants

9,785,000	9,785,000
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(i) Child Care Fund - Nonentitled

15,526,000	19,751,000
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(j) Administration and Other Grants

31,844,000	31,481,000
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[FOOD STAMP EMPLOYMENT AND TRAINING.] Federal food stamp employment and training funds are appropriated to the commissioner to reimburse counties for food stamp employment and training expenditures.

[STATE TAKEOVER ACCELERATION.] Notwithstanding Minnesota Statutes, section 256.025, \$800,000 of the funds appropriated for fiscal year 1996 under Minnesota Statutes, section 256.026, shall be used to reimburse the county share of project STRIDE case management and work readiness employment and training services for the first six months of calendar year 1995.

[CASH BENEFITS IN ADVANCE.] The commissioner, with the advance approval of the commissioner of finance, is authorized to issue cash assistance benefits up to two days before the first day of each month, including two days before the start of each state fiscal year. Of the money appropriated for the aid to families with dependent children program for fiscal year 1996, \$12,000,000 is available in fiscal year 1995. If that amount is insufficient for the costs incurred, an additional amount of the fiscal year 1996 appropriation as needed may be transferred with the advance approval of the commissioner of finance. This paragraph is effective the day following final enactment.

[MFIP TRANSFER.] Unexpended money appropriated for the Minnesota family investment plan in fiscal year 1996 does not cancel but is available for those purposes in fiscal year 1997.

[PATERNITY ESTABLISHMENT.] Federal matching funds from the hospital acknowledgment reimbursement program may be retained by the commissioner to establish paternity in child support cases. These federal matching funds are appropriated to the commissioner and must be used for education and public information concerning paternity establishment and the prevention of nonmarital births.

[CHILD SUPPORT INCENTIVES.] The commissioner may transfer money appropriated for child support enforcement county performance incentives for fiscal years 1996 and

1997 between county performance incentive accounts. Unexpended money in fiscal year 1996 does not cancel but is available for county performance incentives in fiscal year 1997.

[MINNESOTA PARENTS' FAIR SHARE.] Unexpended money appropriated for Minnesota parents' fair share in fiscal year 1996 does not cancel but is available to the commissioner for this program in fiscal year 1997.

[GA/AFDC TO SSI CONVERSION.] The commissioner may contract with a private entity to convert general assistance and AFDC recipients to the federal Supplemental Security Income program. The contract shall pay only for cases successfully converted, at a rate to be negotiated by the commissioner.

[GA STANDARD.] The commissioner shall set the monthly standard of assistance for general assistance units consisting of an adult recipient who is childless and unmarried or living apart from his or her parents or a legal guardian at \$203.

[AFDC SUPPLEMENTARY GRANTS.] Of the appropriation for aid to families with dependent children, the commissioner shall provide supplementary grants not to exceed \$200,000 a year for aid to families with dependent children. The commissioner shall include the following costs in determining the amount of the supplementary grants: major home repairs, repair of major home appliances, utility recaps, supplementary dietary needs not covered by medical assistance, and replacements of furnishings and essential major appliances.

[WORK READINESS ELIMINATION.] Notwithstanding Minnesota Statutes, section 256.025, \$1,573,000 of the funds appropriated for fiscal year 1996 under Minnesota Statutes, section 256.026, must be used to reimburse the county share of work readiness grants for the first six months of calendar year 1995.

[FEDERAL WELFARE REFORM.] Notwithstanding the provisions of Minnesota Statutes, section 256.011 or any other law to the contrary, the commissioner of human services may not implement changes in human services block grants and entitlement programs mandated by the 104th Congress, without authorization by the Minnesota Legislature.

Subd. 6. Health Care

General

1,668,242,000

1,794,408,000

The amounts that may be spent from this appropriation for each purpose are as follows:

(a) Group Residential Housing Grants

48,284,000 54,776,000

(b) MA Long-Term Care Facilities

540,531,000 556,857,000

(c) MA Long-Term Care Waivers
and Home Care

202,821,000 217,781,000

(d) MA Managed Care and
Fee-for-Service

581,671,000 659,554,000

(e) General Assistance Medical Care

224,007,000 230,400,000

(f) Alternative Care

37,251,000 41,053,000

(g) Medicaid Management
Information System

10,657,000 10,657,000

(h) Administration and Other Grants

23,020,000 23,330,000

[PREADMISSION SCREENING TRANSFER.]

Effective the day following final enactment, up to \$40,000 of the appropriation for preadmission screening and alternative care for fiscal year 1995 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.

[ICF/MR AND NURSING FACILITY INFLATION.]

The commissioner of human services shall grant inflation adjustments for nursing facilities with rate years beginning during the biennium according to Minnesota Statutes, section 256B.431, and shall grant inflation adjustments for intermediate care facilities for persons with mental retardation or related conditions with rate years beginning during the biennium according to Minnesota Statutes, section 256B.501.

[ICF/MR RATE EXEMPTIONS.] For the rate year beginning October 1, 1995, the commissioner shall exempt ICF/MR facilities from reductions to the payment rates under Minnesota Statutes, section 256B.501, subdivision 5b, if the facility: (1) has had a

settle-up payment rate established in the reporting year preceding the rate year for a one-time rate adjustment; (2) is a newly established facility; (3) is an A to B licensure conversion project under the reimbursement rule; (4) has a payment rate subject to a community conversion project under Minnesota Statutes, section 252.292; or (5) has a payment rate established under Minnesota Statutes, section 245A.12 or 245A.13. The commissioner shall consider these exceptions in the promulgation of permanent rules for payment rates to be effective on or after October 1, 1996.

[MINNESOTACARE PHARMACY.] Notwithstanding the amendments in this act to Minnesota Statutes, section 256B.0625, subdivision 13, the pharmacy dispensing fee in the MinnesotaCare program shall be \$4.10.

[ALTERNATIVE CARE TRANSFER.] Any money allocated to the alternative care program that is not spent for the purposes indicated does not cancel but shall be transferred to the medical assistance account.

[RATABLE REDUCTION.] For services rendered on or after July 1, 1995, the commissioner shall ratably reduce general assistance medical care payments for all services except pharmacy services by 4.0 percent.

[INFLATIONARY FORECAST ERRORS.] The commissioner shall adjust the medical assistance hospital cost index under Minnesota Statutes, section 256.969, subdivision 1, for admissions occurring on or after July 1, 1995, to recover payments under both medical assistance and general assistance medical care made to hospitals in prior years in which projected inflation exceeded actual inflation. The adjustment shall be determined by the commissioner and established at a level sufficient to recover the difference between projected inflation and actual inflation for rate years 1990 to 1992 by June 30, 1997.

[PREADMISSION SCREENING RATE.] The preadmission screening payment to all counties shall continue at the payment amount in effect for fiscal year 1995.

[PAS/AC APPROPRIATION.] The commissioner may expend the money appropriated for preadmission screening and the alternative care program for these purposes in either year of the biennium.

[SAIL TRANSFER.] Appropriations for administrative costs associated with the senior's

agenda for independent living (SAIL) program may be transferred to SAIL grants as the commissioner determines necessary to facilitate the delivery of the program.

[STUDY OF OUTPATIENT RATES.] The commissioner shall conduct a review of payment rates and methodologies for medical services that are provided on an outpatient basis. The commissioner may convene a review panel that is comprised of agency staff and staff from hospitals and physician clinics to assist in the review. The commissioner shall submit a report on the results of the review, along with any recommendations for changes to the payment system for outpatient services, to the governor and the legislature by January 15, 1996.

[ADDITIONAL WAIVERED SERVICES.] (a) The commissioner shall seek the necessary amendments to home and community-based waiver programs to provide services to persons who, due to the inability to direct their own care, are no longer eligible for personal care assistant services but are eligible for the community alternatives for disabled individuals (CADI), community alternative care (CAC), mental retardation or related conditions (MR/RC), traumatic brain injury (TBI), or elderly waivers. These recipients who transfer from personal care services to home and community-based waiver programs shall not be denied personal care services until waived services are available.

(b) Notwithstanding Minnesota Rules, parts 9525.1800 to 9525.1930 and Minnesota Statutes, section 256B.092, subdivision 4, resources for home and community-based services for persons with mental retardation or related conditions, made available for the purpose of providing alternative services for persons affected by the PCA restructuring, shall be allocated based on criteria that considers the assessed needs and home care authorization levels of persons affected by the restructuring and provides preference to these persons during the allocation process.

[CHILDREN INELIGIBLE FOR TEFRA.] When a child is determined ineligible for TEFRA or a child or adult for PCA services, the commissioner shall provide the adult or the child's parent or guardian with information on how to apply for alternative services from the county, the local mental health collaborative, the public health agency, the departments of health and human services, and the Minnesota comprehensive health association.

[ALLOCATION OF WAIVERED SLOTS.] In allocating waiver slots to counties under Minnesota Statutes, sections 256B.092 and 256B.501, the commissioner shall ensure that at least as many individuals are served from county waiting lists as the net census reduction from regional treatment centers. Any unexpended appropriations from the regional treatment center supplements for state enhanced waiver slots shall be transferred into the regional treatment center salary account.

[CONSUMER SATISFACTION SURVEY.] Any federal matching money received through the medical assistance program for the consumer satisfaction survey is appropriated to the commissioner for this purpose. The commissioner may expend the federal money received for the consumer satisfaction survey in either year of the biennium.

[NURSING HOME GEOGRAPHIC GROUPS.] The commissioner shall report to the chairs of the senate health care and family services finance division and the house health and human services finance division by January 15, 1996, with recommendations for changes in the current geographic grouping of nursing homes. The recommendations shall take into account changes in the federal definition of standard metropolitan statistical areas and inequities that result from the current groupings.

[LONG-TERM CARE OPTIONS PROJECT.] Federal funds received by the commissioner of human services for the long-term care options project may be transferred among object of expenditure classifications as the commissioner determines necessary for the implementation of the project.

[MORATORIUM EXCEPTIONS.] Of this appropriation, \$200,000 each year is for the medical assistance costs of moratorium exceptions approved by the commissioner of health under Minnesota Statutes, section 144A.073.

[SURCHARGE COMPLIANCE.] In the event that federal financial participation in the Minnesota medical assistance program is reduced as a result of a determination that Minnesota is out of compliance with Public Law Number 102-234 or its implementing regulations or with any other federal law designed to restrict provider tax programs or intergovernmental transfers, the commissioner shall appeal the determination to the fullest extent permitted by law and may ratably reduce all medical

assistance and general assistance medical care payments to providers other than the state of Minnesota in order to eliminate any shortfall resulting from the reduced federal funding. Any amount later recovered through the appeals process shall be used to reimburse providers for any ratable reductions taken.

[MANAGED CARE.] The nonfederal share of the Prepaid Medical Assistance Program funds, which have been appropriated to fund county managed care advocacy and enrollment operating costs, shall be disbursed as grants using either a reimbursement or block grant mechanism.

[PMAP CARRYOVER.] Unexpended money appropriated for fiscal year 1996 for the nonfederal share of the prepaid medical assistance program to fund county managed care advocacy and enrollment operating costs does not cancel but is available in fiscal year 1997.

[PREPAID RATE DISCOUNTS.] Notwithstanding section 12 of this article, rates for rate years through December 31, 1998, for the prepaid medical assistance and prepaid general assistance medical care programs shall, in the aggregate for each program in expansion counties after July 1, 1995, include an effective ten percent discount for individuals under 65, and an effective five percent discount for persons age 65 and older, compared with expected fee-for-service costs for the same population.

[COMPULSIVE GAMBLING.] (a) Of the 1995 appropriation for the compulsive gambling program under Laws 1994, chapter 633, article 8, section 8, subdivision 1, up to \$175,000 does not cancel but shall remain available for the development and implementation of outcome evaluation, treatment effectiveness research in the biennium ending June 30, 1997.

(b) Only contributions to the compulsive gambling program may be carried forward between fiscal years or from biennium to biennium.

(c) Paragraphs (a) and (b) are effective the day following final enactment.

Subd. 7. Community Mental Health and State-Operated Services

General

254,604,000

260,379,000

The amounts that may be spent from this appropriation for each purpose are as follows:

(a) Mental Health Grants - Children

7,097,000	12,536,000
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[MENTAL HEALTH COLLABORATIVE.]

Mental health grants available for children formerly served under the TEFRA program shall be distributed and administered by a children's mental health collaborative where a collaborative exists.

(b) Mental Health Grants - Adults

38,222,000	40,918,000
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(c) Residential Treatment
Center Facilities

194,921,000	192,265,000
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(d) Developmental Disability
and Mentally Ill (DD and MI)
State-Operated Community Services (SOCS)

13,001,000	13,297,000
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(e) Administration and Other Grants

1,363,000	1,363,000
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[MENTAL HEALTH GRANTS.] (a) Mental health grants appropriated for the biennium as part of the TEFRA and PCA restructuring proposal shall be distributed to children's mental health collaboratives, or where there is no collaborative, to counties. Grants shall be prorated by county based on the estimated dollar value of services for children and adults with a mental health diagnosis that will be lost due to the changes in Minnesota Statutes, sections 256B.055, subdivision 12, and 256B.0627.

(b) The commissioner shall form a work group to recommend a process for awarding grants that will maximize services purchased and minimize administrative overhead. The task force shall include representatives of the state advisory council on mental health and the children's subcommittee, parents, consumers, advocacy groups, providers, and local social service and public health staff. The work group shall consider whether the process for awarding consumer support grants under Minnesota Statutes, section 256.476, can be utilized for awarding these mental health grants. In addition, the work group shall recommend ways to minimize harm to children and families and to reduce barriers to accessing alternative services.

(c) For the first year of the biennium, funds must be distributed by January 1, 1996, and for the second year, by July 1, 1996. None of this appropriation shall be used for county

administration, but must be used to fund direct services to persons found ineligible for TEFRA or PCA services.

[MENTAL HEALTH CASE MANAGEMENT.]

Notwithstanding section 12 of this article, this paragraph does not expire. The reimbursement rate for mental health case management services provided by counties under Minnesota Statutes, sections 245.4881 and 256B.0625, for children with severe emotional disturbance is \$45.

[CALCULATION OF FTE'S.] When calculating regional treatment center full-time equivalent employees, the commissioner of finance shall make a separate calculation for physicians and their salaries.

[RELOCATIONS FROM FARIBAULT.] Of this appropriation, \$162,000 in fiscal year 1996 and \$37,000 in fiscal year 1997 are for grants to counties for discharge planning related to persons with mental retardation or related conditions being relocated from the Faribault regional center to community services.

[TRANSFERS TO MOOSE LAKE.]

Notwithstanding Minnesota Statutes, sections 253B.18, subdivisions 4 and 6, and 253B.185, subdivision 2, with the establishment of the Minnesota sexual psychopathic personality treatment center, the commissioner is authorized to transfer any person committed as a psychopathic personality, sexual psychopathic personality, or sexually dangerous person, between the Minnesota security hospital and the facility at Moose Lake.

[RTC CHEMICAL DEPENDENCY PROGRAMS.]

When the operations of the regional treatment center chemical dependency fund created in Minnesota Statutes, section 246.18, subdivision 2, are impeded by projected cash deficiencies resulting from delays in the receipt of grants, dedicated income, or other similar receivables, and when the deficiencies would be corrected within the budget period involved, the commissioner of finance may transfer general fund cash reserves into this account as necessary to meet cash demands. The cash flow transfers must be returned to the general fund in the fiscal year that the transfer was made. Any interest earned on general fund cash flow transfers accrues to the general fund and not the regional treatment center chemical dependency fund.

[RTC RESTRUCTURING.] For purposes of restructuring the regional treatment centers and

state nursing homes, any regional treatment center or state nursing home employee whose position is to be eliminated shall be afforded the options provided in applicable collective bargaining agreements. All salary and mitigation allocations from fiscal year 1996 shall be carried forward into fiscal year 1997. Provided there is no conflict with any collective bargaining agreement, any regional treatment center or state nursing home position reduction must only be accomplished through mitigation, attrition, transfer, and other measures as provided in state or applicable collective bargaining agreements and in Minnesota Statutes, section 252.50, subdivision 11, and not through layoff.

[RTC POPULATION.] If the resident population at the regional treatment centers is projected to be higher than the estimates upon which the medical assistance forecast and budget recommendations for the 1996-97 biennium were based, the amount of the medical assistance appropriation that is attributable to the cost of services that would have been provided as an alternative to regional treatment center services, including resources for community placements and waived services for persons with mental retardation and related conditions, is transferred to the residential facilities appropriation.

[INFRASTRUCTURE REINVESTMENT.] \$750,000 is available from the public facilities authority under Minnesota Statutes 446A.071 for grant funds to a local unit of government for the development of infrastructure and planning for redevelopment in response to the memorandum of understanding for the regional treatment centers. Eligible costs include sewer, water, and easements and engineering costs associated with the project proposal.

[CAMP.] Of this appropriation, \$30,000 is from the mental health special projects account for adults and children with mental illness from across the state, for a camping program which utilizes the Boundary Waters Canoe Area and is cooperatively sponsored by client advocacy, mental health treatment, and outdoor recreation agencies.

[IMD DOWNSIZING FLEXIBILITY.] If a county presents a budget-neutral plan for a net reduction in the number of institution for mental disease (IMD) beds funded under group residential housing, the commissioner may transfer the net savings from group residential housing and general assistance medical care to medical assistance and mental health grants to

provide appropriate services in non-IMD settings.

[REPAIRS AND BETTERMENTS.] The commissioner may transfer unencumbered appropriation balances between fiscal years for the state residential facilities repairs and betterments account and special equipment.

[PROJECT LABOR.] Wages for project labor may be paid by the commissioner of human services out of repairs and betterments money if the individual is to be engaged in a construction project or a repair project of short term and nonrecurring nature. Compensation for project labor shall be based on the prevailing wage rates, as defined in Minnesota Statutes, section 177.42, subdivision 6. Project laborers are excluded from the provisions of Minnesota Statutes, sections 43A.22 to 43A.30, and shall not be eligible for state-paid insurance and benefits.

[PLAN FOR ADOLESCENT TREATMENT EXPANSION.] The commissioner shall report to the legislature by January 15, 1996, with a cost-neutral plan to add up to 20 beds to each of the two existing adolescent treatment facilities at the regional treatment centers in order to reduce or eliminate out-of-state placement of adolescents who have serious emotional disturbance and exhibit violent behavior, if they cannot be treated in their own communities. Cost neutrality shall be determined by comparing the costs of program expansion with the projected costs of out-of-state placements.

Sec. 3. COMMISSIONER OF HEALTH

Subdivision 1. Total Appropriation		55,639,000	55,886,000
	Summary by Fund		
General	37,978,000	37,950,000	
Metropolitan Landfill Contingency Action Fund	193,000	193,000	
State Government Special Revenue	15,947,000	16,222,000	
Trunk Highway Special Revenue	1,513,000 8,000	1,513,000 8,000	

[LANDFILL CONTINGENCY.] The appropriation from the metropolitan landfill contingency action fund is for monitoring well water supplies and conducting health assessments in the metropolitan area.

[TRUNK HIGHWAY FUND.] The appropriation from the trunk highway fund is for emergency medical services activities.

Subd. 2. Health Systems Development		27,928,000	27,784,000
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Summary by Fund

General	27,499,000	27,354,000
State Government Special Revenue	429,000	430,000

[WIC TRANSFERS.] General fund appropriations for the women, infants, and children food supplement program (WIC) are available for either year of the biennium. Transfers of appropriations between fiscal years must be for the purpose of maximizing federal funds or minimizing fluctuations in the number of participants.

[NURSING HOME RESIDENTS EDUCATION.] Any efforts undertaken by the Minnesota departments of health or human services to conduct periodic education programs for nursing home residents shall build on and be coordinated with the resident and family advisory council education program established in Minnesota Statutes, section 144A.33.

[HOSPITAL CONVERSION.] Of the appropriation from the general fund, the commissioner of health shall provide \$25,000 to a 28-bed hospital located in Chisago county, to enable that facility to plan for closure and conversion, in partnership with other entities, in order to offer outpatient and emergency services at the site.

[CARRYOVER.] General fund appropriations for treatment services in the services for children with special health care needs program are available for either year of the biennium.

Subd. 3. Health Quality Assurance		6,934,000	7,065,000
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Summary by Fund

General	1,135,000	1,135,000
Trunk Highway	1,431,000	1,431,000
State Government Special Revenue	4,368,000	4,499,000

[NONCERTIFIED NURSING HOME.] Of the appropriation from the state government special revenue fund, up to \$250,000 is available if the commissioner determines the need to place a noncertified nursing home into receivership under Minnesota Statutes, section 144A.14 or 144A.15. Any money expended from this account for this purpose shall only be used to cover the necessary costs for the receivership

and for the operation of the facility during the time period necessary to relocate residents from the facility. The commissioner shall suspend admissions to the nursing home effective as of the date of the commencement of the receivership. Notwithstanding the provisions of Minnesota Statutes, section 144A.16, and Minnesota Rules, parts 4655.6810 to 4655.6830, the commissioner shall relocate residents within 45 days from the commencement of the receivership if the receivership costs are covered by this section. Once relocation of the residents is completed, the nursing home license shall expire. Notwithstanding the provisions of Minnesota Statutes, section 144A.071, subdivision 3, paragraph (c), the commissioner may issue a new license to operate the facility as a nursing home within 120 days from the commencement of the receivership provided that the licensed and certified capacity does not exceed the capacity of the former facility and all money expended from the state government special revenue account is repaid to the commissioner prior to the issuance of the license. Any unrecovered costs to the fund shall be included as costs to the activity under Minnesota Statutes, section 16A.1285. The commissioner shall report any use of this authority to the commissioner of finance and the chair of the senate health care and family services finance division and the chair of the house human services finance division.

Subd. 4. Health Protection	16,765,000	16,861,000
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Summary by Fund

General	6,899,000	6,895,000
State Government		
Special Revenue	9,687,000	9,787,000
Metropolitan Landfill		
Contingency Action		
Fund	171,000	171,000
Special Revenue	8,000	8,000

[LEAD ABATEMENT.] \$200,000 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1997, for the purpose of administering lead abatement activities. Of this amount, \$25,000 shall be used for the purposes of lead-safe housing, and \$25,000 shall be used for the purposes of lead cleanup equipment.

Subd. 5. Management and Support Services	4,012,000	4,176,000
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Summary by Fund

General	2,445,000	2,566,000	
Metropolitan Landfill			
Contingency Action Fund	22,000	22,000	
Trunk Highway	82,000	82,000	
State Government			
Special Revenue	1,463,000	1,506,000	
Sec. 4. VETERANS NURSING HOMES BOARD			
		17,937,000	18,614,000

[SPECIAL REVENUE ACCOUNT.] The general fund appropriations made to the veterans homes board shall be transferred to a veterans homes special revenue account in the special revenue fund in the same manner as other receipts are deposited in accordance with Minnesota Statutes, section 198.34, and are appropriated to the veterans homes board of directors for the operation of board facilities and programs.

[SETTING THE COST OF CARE.] The veterans homes board may set the cost of care at the Silver Bay and Luverne facilities based on the cost of average skilled nursing care provided to residents of the Minneapolis veterans home for fiscal year 1996.

[ROOMS WITH MORE THAN FOUR BEDS.] (a) Until June 30, 1996, the commissioner of health shall not apply the provisions of Minnesota Statutes, section 144.55, subdivision 6, paragraph (b), to the Minnesota veterans home at Hastings.

(b) The veterans homes board may not admit residents into the domiciliary beds at the Minnesota veterans home at Hastings before October 1, 1995.

[LICENSED CAPACITY.] The department of health shall not reduce the licensed bed capacity for the Minneapolis veterans home pending completion of the project authorized by Laws 1990, chapter 610, article 1, section 9, subdivision 3, unless the federal grant for the project is not awarded.

[ALLOWANCE FOR FOOD.] The allowance for food may be adjusted annually to reflect changes in the producer price index, as prepared by the United States Bureau of Labor Statistics, with the approval of the commissioner of finance. Adjustments for fiscal year 1996 and fiscal year 1997 must be based on the June 1994 and June 1995 producer price index respectively, but the adjustment must be prorated if it would require money in excess of the appropriation.

[FERGUS FALLS.] If a federal grant for the construction of the Fergus Falls veterans home is received before the start of the 1996 legislative session, the veterans homes board of directors may use up to \$150,000 of this appropriation to fund positions and support services to coordinate and oversee the construction of the home and to begin planning for the opening of the facility.

Sec. 5. HEALTH-RELATED BOARDS

Subdivision 1. Total

Appropriation	8,906,000	8,608,000
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[STATE GOVERNMENT SPECIAL REVENUE FUND.] The appropriations in this section are from the state government special revenue fund.

[NO SPENDING IN EXCESS OF REVENUES.] The commissioner of finance shall not permit the allotment, encumbrance, or expenditure of money appropriated in this section in excess of the anticipated biennial revenues or accumulated surplus revenues from fees collected by the boards. Neither this provision nor Minnesota Statutes, section 214.06, applies to transfers from the general contingent account, if the amount transferred does not exceed the amount of surplus revenue accumulated by the transferee during the previous five years.

Subd. 2. Board of Chiropractic Examiners	309,000	313,000
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Subd. 3. Board of Dentistry	698,000	708,000
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Subd. 4. Board of Dietetic and Nutrition Practice	63,000	64,000
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Subd. 5. Board of Marriage and Family Therapy	95,000	96,000
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Subd. 6. Board of Medical Practice	3,204,000	3,188,000
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Subd. 7. Board of Nursing	2,258,000	2,009,000
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[DISCIPLINE AND LICENSING SYSTEMS PROJECT.] Of this appropriation, \$548,000 the first year and \$295,000 the second year is to implement the discipline and licensing systems project as recommended by the information policy office. In accordance with Minnesota Statutes, section 214.06, subdivision 1, the board may raise fees to fund this activity.

Subd. 8. Board of Nursing Home Administrators	182,000	186,000
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Subd. 9. Board of Optometry	78,000	79,000
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Subd. 10. Board of Pharmacy	900,000	894,000
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Subd. 11. Board of Podiatry	31,000	32,000
Subd. 12. Board of Psychology	393,000	396,000
Subd. 13. Board of Social Work	553,000	492,000
Subd. 14. Board of Veterinary Medicine	142,000	151,000
Sec. 6. COUNCIL ON DISABILITY	725,000	581,000

[COUNCIL ON DISABILITY.] Of this appropriation \$150,000 is from the general fund to the council on disability for fiscal year 1996, for the purposes of a matching grant to the Fergus Falls Center for the Arts, Inc. to complete renovations of a local theater necessary to bring it into compliance with the federal Americans with Disabilities Act. This appropriation must be matched by \$50,000 of nonstate local funds.

Sec. 7. OMBUDSMAN FOR MENTAL HEALTH AND MENTAL RETARDATION	1,132,000	1,097,000
Sec. 8. OMBUDSMAN FOR FAMILIES	133,000	137,000

Sec. 9. TRANSFERS.

Subdivision 1. Entitlement programs

(a) Transfers in fiscal year 1995

Effective the day following final enactment, the commissioner of human services may transfer unencumbered appropriation balances for fiscal year 1995 among the aid to families with dependent children, aid to families with dependent children child care, Minnesota family investment plan, general assistance, general assistance medical care, medical assistance, Minnesota supplemental aid, group residential housing and work readiness programs, and the entitlement portion of the chemical dependency consolidated treatment fund, with the approval of the commissioner of finance after notification of the chair of the senate health care and family services finance division and the chair of the house of representatives health and human services finance division.

(b) Transfers of unencumbered entitled grant and aid appropriations

The commissioner of human services, with the approval of the commissioner of finance, and after notification of the chair of the senate health care and family services finance division and the chair of the house of representatives health and human services finance division, may transfer unencumbered appropriation balances for the biennium ending June 30, 1997, within fiscal years among the aid to families with dependent

children, aid to families with dependent children child care, Minnesota family investment plan, general assistance, general assistance medical care, medical assistance, Minnesota supplemental aid, group residential housing, and work readiness programs, and the entitlement portion of the chemical dependency consolidated treatment fund, and between fiscal years of the biennium.

Subd. 2. Approval required

Positions, salary money, and nonsalary administrative money may be transferred within the departments of human services and health and within the programs operated by the veterans nursing homes board as the commissioners and the board consider necessary, with the advance approval of the commissioner of finance. The commissioners and the board shall inform the chairs of the health and human services finance division of the house of representatives and the health and family services finance division of the senate quarterly about transfers made under this provision.

Subd. 3. Transfer

Funding appropriated by the legislature may not be transferred to a different department than that specified by the legislature without legislative authority.

Sec. 10. PROVISIONS

(a) Money appropriated to the commissioner of human services for the purchase of provisions within the item "current expense" must be used solely for that purpose. Money provided and not used for the purchase of provisions must be canceled into the fund from which appropriated, except that money provided and not used for the purchase of provisions because of population decreases may be transferred and used for the purchase of drugs and medical and hospital supplies and equipment with written approval of the governor after consultation with the legislative advisory commission.

(b) For fiscal year 1996 the allowance for food may be adjusted to the equivalent of the 75th percentile of the comparable raw food costs for community nursing homes as reported to the commissioner of human services. For fiscal year 1997 an adjustment may be made to reflect the annual change in the United States Bureau of Labor Statistics producer price index as of June 1996 with the approval of the commissioner of finance. The adjustments for either year must be prorated if they would require money in excess of this appropriation.

Sec. 11. CARRYOVER LIMITATION

None of the appropriations in this act which are allowed to be carried forward from fiscal year 1996 to fiscal year 1997 shall become part of the base level funding for the 1997-1999 biennial budget, unless specifically directed by the legislature.

Sec. 12. SUNSET OF UNCODIFIED LANGUAGE

All uncodified language contained in this article expires on June 30, 1997, unless a different expiration is explicit.

ARTICLE 2**HUMAN SERVICES ADMINISTRATION**

Section 1. Minnesota Statutes 1994, section 14.03, subdivision 3, is amended to read:

Subd. 3. [RULEMAKING PROCEDURES.] The definition of a rule in section 14.02, subdivision 4, does not include:

(1) rules concerning only the internal management of the agency or other agencies that do not directly affect the rights of or procedures available to the public;

(2) rules of the commissioner of corrections relating to the placement and supervision of inmates serving a supervised release term, the internal management of institutions under the commissioner's control, and rules adopted under section 609.105 governing the inmates of those institutions;

(3) rules relating to weight limitations on the use of highways when the substance of the rules is indicated to the public by means of signs;

(4) opinions of the attorney general;

(5) the systems architecture plan and long-range plan of the state education management information system provided by section 121.931;

(6) the data element dictionary and the annual data acquisition calendar of the department of education to the extent provided by section 121.932;

(7) the occupational safety and health standards provided in section 182.655;

(8) revenue notices and tax information bulletins of the commissioner of revenue; or

(9) uniform conveyancing forms adopted by the commissioner of commerce under section 507.09; or

(10) the interpretive guidelines developed by the commissioner of human services to the extent provided in chapter 245A.

Sec. 2. Minnesota Statutes 1994, section 16B.08, subdivision 5, is amended to read:

Subd. 5. [FEDERAL ~~GENERAL SERVICES ADMINISTRATION~~ AGENCY PRICE SCHEDULES.] Notwithstanding anything in this chapter to the contrary, the commissioner may, instead of soliciting bids, contract for purchases with suppliers who have published schedules of prices effective for sales to the ~~General Services Administration~~ any federal agency of the United States. These contracts may be entered into, regardless of the amount of the purchase price, if the commissioner considers them advantageous and if the purchase price of all the commodities purchased under the contract do not exceed the price specified by the schedule.

Sec. 3. Minnesota Statutes 1994, section 171.07, is amended by adding a subdivision to read:

Subd. 10. [AGREEMENTS WITH OTHER AGENCIES.] The commissioner of public safety is authorized to enter into agreements with other agencies to issue cards to clients of those agencies for use in their programs. The cards may be issued to persons who do not qualify for a Minnesota driver's license or do not provide evidence of name and identity as required by rule for a Minnesota identification card. Persons issued cards under this subdivision will meet the identification verification requirements of the contracting agency.

The interagency agreement may include provisions for the payment of the county fee provided in section 171.06, subdivision 4, and the actual cost to manufacture the card.

Cards issued under this subdivision are not Minnesota identification cards for the purposes defined in sections 48.512, 201.061, 201.161, 332.50, and 340A.503.

Sec. 4. Minnesota Statutes 1994, section 245A.02, is amended by adding a subdivision to read:

Subd. 7b. [INTERPRETIVE GUIDELINES.] "Interpretive guidelines" means a policy statement that has been published pursuant to section 245A.09, subdivision 12, and which provides interpretation, details, or supplementary information concerning the application of laws or rules. Interpretive guidelines are published for the information and guidance of consumers, providers of service, county agencies, the department of human services, and others concerned.

Sec. 5. Minnesota Statutes 1994, section 245A.03, subdivision 2a, is amended to read:

Subd. 2a. [~~LICENSING OF FOSTER CARE BY AN INDIVIDUAL WHO IS RELATED TO A CHILD; LICENSE REQUIRED.~~] Notwithstanding subdivision 2, clause (1), ~~the commissioner must license or approve an individual who is related to a child in order to provide foster care for that a child, an individual who is related to the child, other than a parent, or legal guardian, must be licensed by the commissioner except as provided by section 245A.035. The commissioner may issue the license or approval retroactive to the date the child was placed in the applicant's home, so long as no more than 90 days have elapsed since the placement. If more than 90 days have elapsed since the placement, the commissioner may issue the license or approval retroactive 90 days. The granting of a license or approval to an individual who is related to a child shall be according to standards set forth by foster care rule. The commissioner shall consider the importance of maintaining the child's relationship to family as an additional significant factor in determining whether to set aside a licensing disqualifier under section 245A.04, subdivision 3b, or to grant a variance of licensing requirements under section 245A.04, subdivision 9, in licensing or approving an individual related to a child.~~

Sec. 6. [245A.035] [RELATIVE FOSTER CARE; EMERGENCY LICENSE.]

Subdivision 1. [GRANT OF EMERGENCY LICENSE.] Notwithstanding section 245A.03, subdivision 2a, a county agency may place a child for foster care with a relative who is not licensed to provide foster care, provided the requirements of subdivision 2 are met. As used in this section, the term "relative" has the meaning given it under section 260.181, subdivision 3.

Subd. 2. [COOPERATION WITH EMERGENCY LICENSING PROCESS.] (a) A county agency that places a child with a relative who is not licensed to provide foster care must begin the process of securing an emergency license for the relative as soon as possible and must conduct the initial inspection required by subdivision 3, clause (1), whenever possible, prior to placing the child in the relative's home, but no later than three working days after placing the child in the home. A child placed in the home of a relative who is not licensed to provide foster care must be removed from that home if the relative fails to cooperate with the county agency in securing an emergency foster care license. The commissioner may only issue an emergency foster care license to a relative with whom the county agency wishes to place or has placed a child for foster care.

(b) If a child is to be placed in the home of a relative not licensed to provide foster care, either the placing agency or the county agency in the county in which the relative lives shall conduct the emergency licensing process as required in this section.

Subd. 3. [REQUIREMENTS FOR EMERGENCY LICENSE.] Before an emergency license may be issued, the following requirements must be met:

(1) the county agency must conduct an initial inspection of the premises where the foster care is

to be provided to ensure the health and safety of any child placed in the home. The county agency shall conduct the inspection using a form developed by the commissioner;

(2) at the time of the inspection or placement, whichever is earlier, the relative being considered for an emergency license shall receive an application form for a child foster care license; and

(3) whenever possible, prior to placing the child in the relative's home, the relative being considered for an emergency license shall provide the information required by section 245A.04, subdivision 3, paragraph (b).

Subd. 4. [APPLICANT STUDY.] When the county agency has received the information required by section 245A.04, subdivision 3, paragraph (b), the county agency shall begin an applicant study according to the procedures in section 245A.04, subdivision 3. The commissioner may issue an emergency license upon recommendation of the county agency once the initial inspection has been successfully completed and the information necessary to begin the applicant background study has been provided. If the county agency does not recommend that the emergency license be granted, the agency shall notify the relative in writing that the agency is recommending denial to the commissioner; shall remove any child who has been placed in the home prior to licensure; and shall inform the relative in writing of the procedure to request review pursuant to subdivision 6. An emergency license shall be effective until a child foster care license is granted or denied, but shall in no case remain in effect more than 90 days from the date of placement.

Subd. 5. [CHILD FOSTER CARE LICENSE APPLICATION.] The emergency license holder shall complete the child foster care license application and necessary paperwork within ten days of the placement. The county agency shall assist the emergency license holder to complete the application. The granting of a child foster care license to a relative shall be under the procedures in this chapter and according to the standards set forth by foster care rule. In licensing a relative, the commissioner shall consider the importance of maintaining the child's relationship with relatives as an additional significant factor in determining whether to set aside a licensing disqualifier under section 245A.04, subdivision 3b, or to grant a variance of licensing requirements under section 245A.04, subdivision 9.

Subd. 6. [DENIAL OF EMERGENCY LICENSE.] If the commissioner denies an application for an emergency foster care license under this section, that denial must be in writing and must include reasons for the denial. Denial of an emergency license is not subject to appeal under chapter 14. The relative may request a review of the denial by submitting to the commissioner a written statement of the reasons an emergency license should be granted. The commissioner shall evaluate the request for review and determine whether to grant the emergency license. The commissioner's review shall be based on a review of the records submitted by the county agency and the relative. Within 15 working days of the receipt of the request for review, the commissioner shall notify the relative requesting review in written form whether the emergency license will be granted. The commissioner's review shall be based on a review of the records submitted by the county agency and the relative. A child shall not be placed or remain placed in the relative's home while the request for review is pending. Denial of an emergency license shall not preclude an individual from reapplying for an emergency license or from applying for a child foster care license. The decision of the commissioner is the final administrative agency action.

Sec. 7. Minnesota Statutes 1994, 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 section and Minnesota Rules, part 9543.3070, a finding that a delinquency petition is proven in juvenile court shall be considered a conviction in state district court.

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 at least upon application for initial license and reapplication for a license. 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). The commissioner is not required to conduct more than one review of a subject's records from the national criminal record repository if a review of the subject's criminal history with the national criminal record repository has already been completed by the commissioner and there has been no break in the subject's affiliation with the license holder who initiated the background studies.

(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) 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.

(h) The commissioner may establish records to fulfill the requirements of this section.

(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.

(j) An individual who is subject to an applicant background study under this section and whose disqualification in connection with a license would be subject to the limitations on reconsideration set forth in subdivision 3b, paragraph (c), shall be disqualified for conviction of the crimes specified in the manner specified in subdivision 3b, paragraph (c). The commissioner of human services shall amend Minnesota Rules, part 9543.3070, to conform to this section.

Sec. 8. Minnesota Statutes 1994, section 245A.04, subdivision 3b, is amended to read:

Subd. 3b. [RECONSIDERATION OF DISQUALIFICATION.] (a) Within 30 days after receiving notice of disqualification under subdivision 3a, the individual who is the subject of the study may request reconsideration of the notice of disqualification. The individual must submit the request for reconsideration to the commissioner in writing. The individual must present information to show that:

(1) the information the commissioner relied upon is incorrect; or

(2) the subject of the study does not pose a risk of harm to any person served by the applicant or license holder.

(b) The commissioner may set aside the disqualification if the commissioner finds that the information the commissioner relied upon is incorrect or the individual does not pose a risk of harm to any person served by the applicant or license holder. The commissioner shall review the consequences of the event or events that could lead to disqualification, whether there is more than one disqualifying event, the vulnerability of the victim at the time of the event, the time elapsed without a repeat of the same or similar event, and documentation of successful completion by the individual studied of training or rehabilitation pertinent to the event. In reviewing a disqualification, the commissioner shall give preeminent weight to the safety of each person to be served by the license holder or applicant over the interests of the license holder or applicant.

(c) Unless the information the commissioner relied on in disqualifying an individual is incorrect, the commissioner may not set aside the disqualification of an individual in connection with a license to provide family day care for children, foster care for children in the provider's own home, or foster care or day care services for adults in the provider's own home if:

(1) less than ten years have passed since the discharge of the sentence imposed for the offense; and the individual has been convicted of a violation of any offense listed in section 609.20 (manslaughter in the first degree), 609.205 (manslaughter in the second degree), 609.21 (criminal vehicular homicide), 609.215 (aiding suicide or aiding attempted suicide), 609.221 to 609.2231 (felony violations of assault in the first, second, third, or fourth degree), 609.713 (terroristic threats), 609.235 (use of drugs to injure or to facilitate crime), 609.24 (simple robbery), 609.245 (aggravated robbery), 609.25 (kidnapping), 609.255 (false imprisonment), 609.561 or 609.562 (arson in the first or second degree), 609.71 (riot), 609.582 (burglary in the first or second degree), 609.66 (reckless use of a gun or dangerous weapon or intentionally pointing a gun at or towards a human being), 609.665 (setting a spring gun), 609.67 (unlawfully owning, possessing, or operating a machine gun), 609.749 (stalking), 152.021 or 152.022 (controlled substance crime in the first or second degree), 152.023, subdivision 1, clause (3) or (4), or subdivision 2, clause (4) (controlled substance crime in the third degree), 152.024, subdivision 1, clause (2), (3), or (4) (controlled substance crime in the fourth degree), 609.228 (great bodily harm caused by distribution of drugs), 609.23 (mistreatment of persons confined), 609.231 (mistreatment of residents or patients),

609.265 (abduction), 609.2664 to 609.2665 (manslaughter of an unborn child in the first or second degree), 609.267 to 609.2672 (assault of an unborn child in the first, second, or third degree), 609.268 (injury or death of an unborn child in the commission of a crime), 617.293 (disseminating or displaying harmful material to minors), 609.378 (neglect or endangerment of a child), 609.377 (a gross misdemeanor offense of malicious punishment of a child); or an attempt or conspiracy to commit any of these offenses, as each of these offenses is defined in Minnesota Statutes; or an offense in any other state, the elements of which are substantially similar to the elements of any of the foregoing offenses;

(2) regardless of how much time has passed since the discharge of the sentence imposed for the offense, the individual was convicted of a violation of any offense listed in sections 609.185 to 609.195 (murder in the first, second, or third degree), 609.2661 to 609.2663 (murder of an unborn child in the first, second, or third degree), 609.377 (a felony offense of malicious punishment of a child), 609.322 (soliciting, inducement, or promotion of prostitution), 609.323 (receiving profit derived from prostitution), 609.342 to 609.345 (criminal sexual conduct in the first, second, third, or fourth degree), 609.352 (solicitation of children to engage in sexual conduct), 617.246 (use of minors in a sexual performance), 617.247 (possession of pictorial representations of a minor), 609.365 (incest), or an attempt or conspiracy to commit any of these offenses as defined in Minnesota Statutes, or an offense in any other state, the elements of which are substantially similar to any of the foregoing offenses;

(3) within the seven years preceding the study, the individual committed an act that constitutes maltreatment of a child under section 626.556, subdivision 10e, and that resulted in substantial bodily harm as defined in section 609.02, subdivision 7a, or substantial mental or emotional harm as supported by competent psychological or psychiatric evidence; or

(4) within the seven years preceding the study, the individual was determined under section 626.557 to be the perpetrator of a substantiated incident of abuse of a vulnerable adult that resulted in substantial bodily harm as defined in section 609.02, subdivision 7a, or substantial mental or emotional harm as supported by competent psychological or psychiatric evidence.

In the case of any ground for disqualification under clauses (1) to (4), if the act was committed by an individual other than the applicant or license holder residing in the applicant's or license holder's home, the applicant or license holder may seek reconsideration when the individual who committed the act no longer resides in the home.

The disqualification periods provided under clauses (1), (3), and (4) are the minimum applicable disqualification periods. The commissioner may determine that an individual should continue to be disqualified from licensure because the license holder or applicant poses a risk of harm to a person served by that individual after the minimum disqualification period has passed.

(d) The commissioner shall respond in writing to all reconsideration requests within 15 working days after receiving the request for reconsideration. If the disqualification is set aside, the commissioner shall notify the applicant or license holder in writing of the decision.

(e) Except as provided in subdivision 3c, the commissioner's decision to disqualify an individual, including the decision to grant or deny a reconsideration of disqualification under this subdivision, or to set aside or uphold the results of the study under subdivision 3, is the final administrative agency action and shall not be subject to further review in a contested case under chapter 14 involving a negative licensing action taken in response to the disqualification.

Sec. 9. Minnesota Statutes 1994, section 245A.04, subdivision 7, is amended to read:

Subd. 7. [ISSUANCE OF A LICENSE; PROVISIONAL LICENSE.] (a) If the commissioner determines that the program complies with all applicable rules and laws, the commissioner shall issue a license. At minimum, the license shall state:

- (1) the name of the license holder;
- (2) the address of the program;
- (3) the effective date and expiration date of the license;

(4) the type of license;

(5) the maximum number and ages of persons that may receive services from the program; and

(6) any special conditions of licensure.

(b) The commissioner may issue a provisional license for a period not to exceed one year if:

(1) the commissioner is unable to conduct the evaluation or observation required by subdivision 4, paragraph (a), clauses (3) and (4), because the program is not yet operational;

(2) certain records and documents are not available because persons are not yet receiving services from the program; and

(3) the applicant complies with applicable laws and rules in all other respects.

A provisional license must not be issued except at the time that a license is first issued to an applicant.

(c) A decision by the commissioner to issue a license does not guarantee that any person or persons will be placed or cared for in the licensed program. A license shall not be transferable to another individual, corporation, partnership, voluntary association, other organization, or controlling individual, or to another location. Unless otherwise specified by statute, all licenses expire at 12:01 a.m. on the day after the expiration date stated on the license. A license holder must apply for and be granted a new license to operate the program or the program must not be operated after the expiration date.

Sec. 10. Minnesota Statutes 1994, section 245A.04, subdivision 9, is amended to read:

Subd. 9. [VARIANCES.] The commissioner may grant variances to rules that do not affect the health or safety of persons in a licensed program if the following conditions are met:

(1) the variance must be requested by an applicant or license holder on a form and in a manner prescribed by the commissioner;

(2) the request for a variance must include the reasons that the applicant or license holder cannot comply with a requirement as stated in the rule and the alternative equivalent measures that the applicant or license holder will follow to comply with the intent of the rule; and

(3) the request must state the period of time for which the variance is requested.

The commissioner may grant a permanent variance when conditions under which the variance is requested do not affect the health or safety of persons being served by the licensed program, nor compromise the qualifications of staff to provide services. The permanent variance shall expire as soon as the conditions that warranted the variance are modified in any way. Any applicant or license holder must inform the commissioner of any changes or modifications that have occurred in the conditions that warranted the permanent variance. Failure to advise the commissioner shall result in revocation of the permanent variance and may be cause for other sanctions under sections 245A.06 and 245A.07.

The commissioner's decision to grant or deny a variance request is final and not subject to appeal under the provisions of chapter 14.

Sec. 11. Minnesota Statutes 1994, section 245A.06, subdivision 2, is amended to read:

Subd. 2. [RECONSIDERATION OF CORRECTION ORDERS.] If the applicant or license holder believes that the contents of the commissioner's correction order are in error, the applicant or license holder may ask the department of human services to reconsider the parts of the correction order that are alleged to be in error. The request for reconsideration must be in writing, delivered by certified mail and received by the commissioner within 20 calendar days after receipt of the correction order by the applicant or license holder, and:

(1) specify the parts of the correction order that are alleged to be in error;

- (2) explain why they are in error; and
- (3) include documentation to support the allegation of error.

A request for reconsideration does not stay any provisions or requirements of the correction order. The commissioner's disposition of a request for reconsideration is final and not subject to appeal under chapter 14.

Sec. 12. Minnesota Statutes 1994, section 245A.06, subdivision 4, is amended to read:

Subd. 4. [NOTICE OF FINE; APPEAL.] A license holder who is ordered to pay a fine must be notified of the order 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 fine was ordered and must inform the license holder of the responsibility for payment of fines in subdivision 7 and the right to a contested case hearing under chapter 14. The license holder may appeal the order to forfeit a fine by notifying the commissioner by certified mail within 15 calendar days after receiving the order. A timely appeal shall stay forfeiture of the fine until the commissioner issues a final order under section 245A.08, subdivision 5.

Sec. 13. Minnesota Statutes 1994, section 245A.06, is amended by adding a subdivision to read:

Subd. 7. [RESPONSIBILITY FOR PAYMENT OF FINES.] When a fine has been assessed, the license holder may not avoid payment by closing, selling, or otherwise transferring the licensed program to a third party. In such an event, the license holder will be personally liable for payment. In the case of a corporation, each controlling individual is personally and jointly liable for payment.

Sec. 14. Minnesota Statutes 1994, 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 or knowingly gives false or misleading information to the commissioner in connection with an application for a license or during an investigation. 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. 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 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 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. 15. Minnesota Statutes 1994, section 245A.09, is amended by adding a subdivision to read:

Subd. 8. [INTERPRETIVE GUIDELINES; AUTHORITY.] The commissioner of human services may develop and publish interpretive guidelines.

Sec. 16. Minnesota Statutes 1994, section 245A.09, is amended by adding a subdivision to read:

Subd. 9. [EFFECT OF INTERPRETIVE GUIDELINES.] Interpretive guidelines do not have

the force and effect of law and have no precedential effect, but may be relied on by consumers, providers of service, county agencies, the department of human services, and others concerned until revoked or modified. A guideline may be expressly revoked or modified by the commissioner, by the issuance of another interpretive guideline, but may not be revoked or modified retroactively to the detriment of consumers, providers of service, county agencies, the department of human services, or others concerned. A change in the law or an interpretation of the law occurring after the interpretive guidelines are issued, whether in the form of a statute, court decision, administrative ruling, or subsequent interpretive guideline, results in the revocation or modification of the previously adopted guidelines to the extent that the change affects the guidelines.

Sec. 17. Minnesota Statutes 1994, section 245A.09, is amended by adding a subdivision to read:

Subd. 10. [RULEMAKING PROCESS; COMMISSIONER EXEMPTED.] When developing, making, adopting, and issuing interpretive guidelines under the authority granted under subdivision 8, the commissioner is exempt from the rulemaking provisions of chapter 14.

Sec. 18. Minnesota Statutes 1994, section 245A.09, is amended by adding a subdivision to read:

Subd. 11. [ISSUANCE; DISCRETION OF THE COMMISSIONER.] The issuance of interpretive guidelines is at the discretion of the commissioner of human services.

Sec. 19. Minnesota Statutes 1994, section 245A.09, is amended by adding a subdivision to read:

Subd. 12. [PUBLICATION OF GUIDELINES.] The commissioner shall publish notice of interpretive guidelines availability in the State Register. The commissioner may publish or make available the interpretive guidelines in any manner determined by the commissioner, provided they are accessible to the general public. The commissioner may charge a reasonable fee for copies of the guidelines requested by interested parties when they are provided by the commissioner.

Sec. 20. Minnesota Statutes 1994, section 245A.14, subdivision 6, is amended to read:

Subd. 6. [DROP-IN CHILD CARE PROGRAMS.] (a) Except as expressly set forth in this subdivision, drop-in child care programs must be licensed as a drop-in program under the rules governing child care programs operated in a center.

(b) Drop-in child care programs are exempt from the following Minnesota Rules:

- (1) part 9503.0040;
- (2) part 9503.0045, subpart 1, items F and G;
- (3) part 9503.0050, subpart 6, except for children less than 2-1/2 years old;
- (4) one-half the requirements of part 9503.0060, subpart 4, item A, subitems (2), (5), and (8), subpart 5, item A, subitems (2), (3), and (7), and subpart 6, item A, subitems (3) and (6);
- (5) part 9503.0070; and
- (6) part 9503.0090, subpart 2.

(c) A drop-in child care program must be operated under the supervision of a person qualified as a director and a teacher.

(d) A drop-in child care program must have at least two persons on staff whenever the program is operating, except that the commissioner may permit variances from this requirement under specified circumstances for parent cooperative programs, as long as all other staff-to-child ratios are met.

(e) Whenever the total number of children present to be cared for at a center is more than 20,

children that are younger than age 2-1/2 must be in a separate group. This group may contain children up to 60 months old. This group must be cared for in an area that is physically separated from older children.

(f) A drop-in child care program must maintain a minimum staff ratio for children age 2-1/2 or greater of one staff person for each ten children.

(g) If the program has additional staff who are on call as a mandatory condition of their employment, the minimum child-to-staff ratio may be exceeded only for children age 2-1/2 or greater, by a maximum of four children, for no more than 20 minutes while additional staff are in transit.

(h) The minimum staff-to-child ratio for infants up to 16 months of age is one staff person for every four infants. The minimum staff-to-child ratio for children age 17 months to 30 months is one staff for every seven children.

(i) In drop-in care programs that serve both infants and older children, children up to age 2-1/2 may be supervised by assistant teachers, as long as other staff are present in appropriate ratios.

(j) The minimum staff distribution pattern for a drop-in child care program serving children age 2-1/2 or greater is: the first staff member must be a teacher; the second, third, and fourth staff members must have at least the qualifications of a child care aide; the fifth staff member must have at least the qualifications of an assistant teacher; the sixth, seventh, and eighth staff members must have at least the qualifications of a child care aide; and the ninth staff person must have at least the qualifications of an assistant teacher.

(k) A drop-in child care program may care for siblings 16 months or older together in any group. For purposes of this subdivision, sibling is defined as sister or brother, half-sister or half-brother, or stepsister or stepbrother.

(l) The commissioner may grant a variance to any of the requirements in paragraphs (a) to (k), as long as the health and safety of the persons served by the program are not affected. The request for a variance shall comply with the provisions in section 245A.04, subdivision 9.

Sec. 21. Minnesota Statutes 1994, section 256.014, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT OF SYSTEMS.] The commissioner of human services shall establish and enhance computer systems necessary for the efficient operation of the programs the commissioner supervises, including:

(1) management and administration of the food stamp and income maintenance programs, including the electronic distribution of benefits;

(2) management and administration of the child support enforcement program; and

(3) administration of medical assistance and general assistance medical care.

The commissioner shall distribute the nonfederal share of the costs of operating and maintaining the systems to the commissioner and to the counties participating in the system in a manner that reflects actual system usage, except that the nonfederal share of the costs of the MAXIS computer system and child support enforcement systems shall be borne entirely by the commissioner. Development costs must not be assessed against county agencies.

Sec. 22. Minnesota Statutes 1994, section 256.025, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the following terms have the meanings given them.

(b) "Base amount" means the calendar year 1990 county share of county agency expenditures for all of the programs specified in subdivision 2, except for the programs in subdivision 2, clauses (4), (7), and (13). The 1990 base amount for subdivision 2, clause (4), shall be reduced by one-seventh for each county, and the 1990 base amount for subdivision 2, clause (7), shall be reduced by seven-tenths for each county, and those amounts in total shall be the 1990 base amount for group residential housing in subdivision 2, clause (13).

(c) "County agency expenditure" means the total expenditure or cost incurred by the county of financial responsibility for the benefits and services for each of the programs specified in subdivision 2, excluding county optional costs which are not reimbursable with state funds. The term includes the federal, state, and county share of costs for programs in which there is federal financial participation. For programs in which there is no federal financial participation, the term includes the state and county share of costs. The term excludes county administrative costs, unless otherwise specified.

(d) "Nonfederal share" means the sum of state and county shares of costs of the programs specified in subdivision 2.

(e) The "county share of county agency expenditures growth amount" is the amount by which the county share of county agency expenditures in calendar years 1991 to ~~2000~~ 2002 has increased over the base amount.

Sec. 23. Minnesota Statutes 1994, section 256.025, subdivision 2, is amended to read:

Subd. 2. [COVERED PROGRAMS AND SERVICES.] The procedures in this section govern payment of county agency expenditures for benefits and services distributed under the following programs:

- (1) aid to families with dependent children under sections 256.82, subdivision 1, and 256.935, subdivision 1;
- (2) medical assistance under sections 256B.041, subdivision 5, and 256B.19, subdivision 1;
- (3) general assistance medical care under section 256D.03, subdivision 6;
- (4) general assistance under section 256D.03, subdivision 2;
- (5) work readiness under section 256D.03, subdivision 2, for assistance costs incurred prior to July 1, 1995;
- (6) emergency assistance under section 256.871, subdivision 6;
- (7) Minnesota supplemental aid under section 256D.36, subdivision 1;
- (8) preadmission screening and alternative care grants;
- (9) work readiness services under section 256D.051 for employment and training services costs incurred prior to July 1, 1995;
- (10) case management services under section 256.736, subdivision 13, for case management service costs incurred prior to July 1, 1995;
- (11) general assistance claims processing, medical transportation and related costs;
- (12) medical assistance, medical transportation and related costs; and
- (13) group residential housing under section 256I.05, subdivision 8, transferred from programs in clauses (4) and (7).

Sec. 24. Minnesota Statutes 1994, 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. Reimbursement may take the form of offsets to billings of a county, if the county agrees to the offset process.

(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 or quarterly pay

to the state, as required by the department of human services, the portion of program costs not met by federal and state funds. The payment 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 or quarterly pay 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 payments shall be made by the state agency in any succeeding month.

Sec. 25. Minnesota Statutes 1994, section 256.026, is amended to read:

256.026 [ANNUAL APPROPRIATION.]

(a) There shall be appropriated from the general fund to the commissioner of human services in fiscal year ~~1994~~ 1996 the amount of \$136,154,768 and in fiscal year 1997 and each fiscal year thereafter the amount of \$142,339,359, ~~which is the sum of the amount of human services aid determined for all counties in Minnesota for calendar year 1992 under Minnesota Statutes 1992, section 273.1398, subdivision 5a, before any adjustments for calendar year 1991~~ \$133,781,768.

(b) In addition to the amount in paragraph (a), there shall also be annually appropriated from the general fund to the commissioner of human services in fiscal years 1996, 1997, 1998, 1999, 2000, and 2001 the amount of ~~\$5,930,807~~ \$5,574,241.

(c) The amounts appropriated under paragraphs (a) and (b) shall be used with other appropriations to make payments required under section 256.025 for fiscal year ~~1994~~ 1996 and thereafter.

Sec. 26. Minnesota Statutes 1994, section 256.034, subdivision 1, is amended to read:

Subdivision 1. [CONSOLIDATION OF TYPES OF ASSISTANCE.] Under the Minnesota family investment plan, assistance previously provided to families through the AFDC, food stamp, and general assistance programs must be combined into a single cash assistance program. As authorized by Congress, families receiving assistance through the Minnesota family investment plan are automatically eligible for and entitled to medical assistance under chapter 256B. Federal, state, and local funds that would otherwise be allocated for assistance to families under the AFDC, food stamp, and general assistance programs must be transferred to the Minnesota family investment plan. The provisions of the Minnesota family investment plan prevail over any provisions of sections 245.771, 256.72 to 256.87, 256D.01 to 256D.21, or 393.07, subdivisions 10 and 10a, and any rules implementing those sections with which they are irreconcilable. The food stamp, general assistance, and work readiness programs for single persons and couples who are not responsible for the care of children are not replaced by the Minnesota family investment plan. Unless stated otherwise in statutes or rules governing the Minnesota family investment plan, participants in the Minnesota family investment plan shall be considered to be recipients of aid under aid to families with dependent children, family general assistance, and food stamps for the purposes of statutes and rules affecting such recipients or allocations of funding based on the assistance status of the recipients, and to specifically be subject to the provisions of section 256.98.

Sec. 27. Minnesota Statutes 1994, section 256.045, subdivision 3, is amended to read:

Subd. 3. [STATE AGENCY HEARINGS.] (a) Any person applying for, receiving or having received public assistance or a program of social services granted by the state agency or a county agency under sections 252.32, 256.031 to 256.036, and 256.72 to 256.879, chapters 256B, 256D, 256E, 261, or the federal Food Stamp Act whose application for assistance is denied, not acted upon with reasonable promptness, or whose assistance is suspended, reduced, terminated, or claimed to have been incorrectly paid, or any patient or relative aggrieved by an order of the commissioner under section 252.27, or a party aggrieved by a ruling of a prepaid health plan, may contest that action or decision before the state agency by submitting a written request for a hearing

to the state agency within 30 days after receiving written notice of the action or decision, or within 90 days of such written notice if the applicant, recipient, patient, or relative shows good cause why the request was not submitted within the 30-day time limit.

(b) Except for a prepaid health plan, a vendor of medical care as defined in section 256B.02, subdivision 7, or a vendor under contract with a county agency to provide social services under section 256E.08, subdivision 4, is not a party and may not request a hearing under this section, except if assisting a recipient as provided in subdivision 4.

(c) An applicant or recipient is not entitled to receive social services beyond the services included in the amended community social services plan developed under section 256E.081, subdivision 3, if the county agency has met the requirements in section 256E.081.

Sec. 28. Minnesota Statutes 1994, section 256.045, subdivision 4, is amended to read:

Subd. 4. [CONDUCT OF HEARINGS.] All hearings held pursuant to subdivision 3, 3a, or 4a shall be conducted according to the provisions of the federal Social Security Act and the regulations implemented in accordance with that act to enable this state to qualify for federal grants-in-aid, and according to the rules and written policies of the commissioner of human services. County agencies shall install equipment necessary to conduct telephone hearings. A state human services referee may schedule a telephone conference hearing when the distance or time required to travel to the county agency offices will cause a delay in the issuance of an order, or to promote efficiency, or at the mutual request of the parties. Hearings may be conducted by telephone conferences unless the applicant, recipient, or former recipient objects. The hearing shall not be held earlier than five days after filing of the required notice with the county or state agency. The state human services referee shall notify all interested persons of the time, date, and location of the hearing at least five days before the date of the hearing. Interested persons may be represented by legal counsel or other representative of their choice, including a provider of therapy services, at the hearing and may appear personally, testify and offer evidence, and examine and cross-examine witnesses. The applicant, recipient, or former recipient shall have the opportunity to examine the contents of the case file and all documents and records to be used by the county or state agency at the hearing at a reasonable time before the date of the hearing and during the hearing. Upon request, the county agency shall provide reimbursement for transportation, child care, photocopying, medical assessment, witness fee, and other necessary and reasonable costs incurred by the applicant, recipient, or former recipient in connection with the appeal. All evidence, except that privileged by law, commonly accepted by reasonable people in the conduct of their affairs as having probative value with respect to the issues shall be submitted at the hearing and such hearing shall not be "a contested case" within the meaning of section 14.02, subdivision 3. The agency must present its evidence prior to or at the hearing, and may not submit evidence after the hearing except by agreement of the parties at the hearing, provided the recipient has the opportunity to respond.

Sec. 29. Minnesota Statutes 1994, section 256.045, subdivision 5, is amended to read:

Subd. 5. [ORDERS OF THE COMMISSIONER OF HUMAN SERVICES.] A state human services referee shall conduct a hearing on the appeal and shall recommend an order to the commissioner of human services. The recommended order must be based on all relevant evidence and must not be limited to a review of the propriety of the state or county agency's action. A referee may take official notice of adjudicative facts. The commissioner of human services may accept the recommended order of a state human services referee and issue the order to the county agency and the applicant, recipient, former recipient, or prepaid health plan. The commissioner on refusing to accept the recommended order of the state human services referee, shall notify the county agency and the applicant, recipient, former recipient, or prepaid health plan of that fact and shall state reasons therefor and shall allow each party ten days' time to submit additional written argument on the matter. After the expiration of the ten-day period, the commissioner shall issue an order on the matter to the county agency and the applicant, recipient, former recipient, or prepaid health plan.

A party aggrieved by an order of the commissioner may appeal under subdivision 7, or request reconsideration by the commissioner within 30 days after the date the commissioner issues the order. The commissioner may reconsider an order upon request of any party or on the

commissioner's own motion. A request for reconsideration does not stay implementation of the commissioner's order. Upon reconsideration, the commissioner may issue an amended order or an order affirming the original order.

Any order of the commissioner issued under this subdivision shall be conclusive upon the parties unless appeal is taken in the manner provided by subdivision 7. Any order of the commissioner is binding on the parties and must be implemented by the state agency or a county agency until the order is reversed by the district court, or unless the commissioner or a district court orders monthly assistance or aid or services paid or provided under subdivision 10.

Except for a prepaid health plan, a vendor of medical care as defined in section 256B.02, subdivision 7, or a vendor under contract with a county agency to provide social services under section 256E.08, subdivision 4, is not a party and may not request a hearing or seek judicial review of an order issued under this section, unless assisting a recipient as provided in subdivision 4.

Sec. 30. Minnesota Statutes 1994, section 256.98, subdivision 1, is amended to read:

Subdivision 1. [WRONGFULLY OBTAINING ASSISTANCE.] A person who obtains, or attempts to obtain, or aids or abets any person to obtain by means of a willfully false statement or representation, by intentional concealment of a material fact, or by impersonation or other fraudulent device, assistance to which the person is not entitled or assistance greater than that to which the person is entitled, or who knowingly aids or abets in buying or in any way disposing of the property of a recipient or applicant of assistance without the consent of the county agency with intent to defeat the purposes of sections 256.12, 256.031 to 256.0361, 256.72 to 256.871, and chapter 256B, or all of these sections is guilty of theft and shall be sentenced pursuant to section 609.52, subdivision 3, clauses (2), (3)(a) and (c), (4), and (5).

Sec. 31. Minnesota Statutes 1994, section 256.98, subdivision 8, is amended to read:

Subd. 8. [DISQUALIFICATION FROM PROGRAM.] Any person found to be guilty of wrongfully obtaining assistance by a federal or state court or by an administrative hearing determination, or waiver thereof, through a disqualification consent agreement, or as part of any approved diversion plan under section 401.065 in either the aid to families with dependent children program or, the food stamp program, the Minnesota family investment plan, the general assistance or family general assistance program, the Minnesota supplemental aid program, or the work readiness program shall be disqualified from that program. The needs of that individual shall not be taken into consideration in determining the grant level for that assistance unit:

- (1) for six months after the first offense;
- (2) for 12 months after the second offense; and
- (3) permanently after the third or subsequent offense.

Any The period for which sanctions are imposed is effective, of program disqualification shall begin on the date stipulated on the advance notice of disqualification without possibility of postponement for administrative stay; or administrative hearing and shall continue through completion unless and until the findings upon which the sanctions were imposed are reversed by a court of competent jurisdiction. The period for which sanctions are imposed is not subject to review. The sanctions provided under this subdivision are in addition to, and not in substitution for, any other sanctions that may be provided for by law for the offense involved. A disqualification established through hearing or waiver shall result in the disqualification period beginning immediately unless the person has become otherwise ineligible for assistance. If the person is ineligible for assistance, the disqualification period begins when the person again meets the eligibility criteria of the program from which they were disqualified.

Sec. 32. Minnesota Statutes 1994, section 256.983, subdivision 4, is amended to read:

Subd. 4. [FUNDING.] (a) Every involved county agency shall either have in place or obtain an approved contract which meets all federal requirements necessary to obtain enhanced federal funding for its welfare fraud control and fraud prevention investigation programs. County agency reimbursement shall be made through the settlement provisions applicable to the aid to families with dependent children and food stamp programs.

(b) After allowing an opportunity to establish compliance, the commissioner will deny administrative reimbursement if for any three-month period during any grant year, a county agency fails to comply with fraud investigation guidelines, or fails to meet the cost-effectiveness standards developed by the commissioner. This result is contingent on the commissioner providing written notice, including an offer of technical assistance, within 30 days of the end of the third or subsequent month of noncompliance. The county agency shall be required to submit a corrective action plan to the commissioner within 30 days of receipt of a notice of noncompliance. Failure to submit a corrective action plan or, continued deviation from standards of more than ten percent after submission of a corrective action plan, will result in denial of funding for each subsequent month during the grant year or billing the county agency for fraud prevention investigation (FPI) service provided by the commissioner. The denial of funding shall apply to the general settlement received by the county agency on a quarterly basis and shall not reduce the grant amount applicable to the FPI project.

Sec. 33. [256.986] [FRAUD CONTROL; PROGRAM INTEGRITY REINVESTMENT PROJECT.]

Subdivision 1. [PROGRAM ESTABLISHED.] Within the limits of available state and federal appropriations, and to the extent required or authorized by applicable federal regulations, the commissioner of human services shall make funding available to county agencies for the establishment of program integrity reinvestment initiatives. The project shall initially be limited to those county agencies participating in federally funded optional fraud control programs as of January 1, 1995.

Subd. 2. [COUNTY PROPOSALS.] Each included county shall develop and submit annual funding, staffing, and operating grant proposals to the commissioner no later than April 30 of each year. For the first operating year only, the proposal shall be submitted no later than October 30. Each proposal shall provide information on: (a) the staffing and funding of the fraud investigation and prosecution operations; (b) job descriptions for agency fraud control staff; (c) contracts covering outside investigative agencies; (d) operational methods to integrate the use of fraud prevention investigation techniques; and (e) administrative disqualification hearings and diversions into the existing county fraud control and prosecution procedures.

Subd. 3. [DEPARTMENT RESPONSIBILITIES.] The commissioner shall provide written instructions outlining the contents of the proposals to be submitted under this section. Instructions shall be made available 30 days prior to the date by which proposals under subdivision 2 must be submitted. The commissioner shall establish training programs which shall be attended by fraud control staff of all involved counties. The commissioner shall also develop the necessary operational guidelines, forms, and reporting mechanisms which shall be used by the involved counties.

Subd. 4. [STANDARDS.] The commissioner shall establish standards governing the performance levels of involved county investigative units based on grant agreements negotiated with the involved county agencies. The standards shall take into consideration and may include investigative caseloads, grant savings levels, the comparison of fraud prevention and prosecution directed investigations, utilization levels of administrative disqualification hearings, the timely reporting and implementation of disqualifications, and the timeliness of reports received from prosecutors.

Subd. 5. [FUNDING.] (a) Grant funds are intended to help offset the reduction in federal financial participation to 50 percent and may be apportioned to the participating counties whenever feasible, and within the commissioner's discretion, to achieve this goal. State funding shall be made available contingent on counties submitting a plan that is approved by the department of human services. Failure or delay in obtaining that approval shall not, however, eliminate the obligation to maintain fraud control efforts at the January 1, 1995, level. Additional counties may be added to the project to the extent that funds are subsequently made available. Every involved county must meet all federal requirements necessary to obtain federal funding for its welfare fraud control and prevention programs. County agency reimbursement shall be made through the settlement provisions applicable to the AFDC and food stamp programs.

(b) Should a county agency fail to comply with the standards set, or fail to meet

cost-effectiveness standards developed by the commissioner for three months during any grant year, the commissioner shall deny reimbursement or administrative costs, after allowing an opportunity to establish compliance.

(c) Any denial of reimbursement under clause (b) is contingent on the commissioner providing written notice, including an offer of technical assistance, within 30 days of the end of the third or subsequent months of noncompliance. The county agency shall be required to submit a corrective action plan to the commissioner within 30 days of receipt of a notice of noncompliance. Failure to submit a corrective action plan or continued deviation from standards of more than ten percent after submission of corrective action plan, will result in denial of funding for each such month during the grant year, or billing the county agency for program integrity reinvestment project services provided by the commissioner. The denial of funding shall apply to the general settlement received by the county agency on a quarterly basis and shall not reduce the grant amount applicable to the program integrity reinvestment project.

Sec. 34. [256.9861] [ASSISTANCE TRANSACTION CARD FEE.]

Subdivision 1. [REPLACEMENT CARD.] The commissioner of human services may charge a cardholder, defined as a person in whose name the transaction card was issued, a \$2 fee to replace an assistance transaction card. The fees shall be appropriated to the commissioner and used for electronic benefit purposes.

Subd. 2. [TRANSACTION FEE.] The commissioner may charge transaction fees in accordance with this subdivision up to a maximum of \$10 in transaction fees per cardholder per month. In a given month, the first four cash withdrawals made by an individual cardholder are free. For subsequent cash withdrawals, \$1 may be charged. No transaction fee can be charged if the card is used to purchase goods or services on a point of sale basis. A transaction fee subsequently set by the federal government may supersede a fee established under this subdivision. The fees shall be appropriated to the commissioner and used for electronic benefit purposes.

Sec. 35. Minnesota Statutes 1994, section 524.6-207, is amended to read:

524.6-207 [RIGHTS OF CREDITORS.]

No multiple-party account will be effective against an estate of a deceased party to transfer to a survivor sums needed to pay debts, taxes, and expenses of administration, including statutory allowances to the surviving spouse, minor children and dependent children or against a county agency with a claim authorized by section 256B.15, if other assets of the estate are insufficient, to the extent the deceased party is the source of the funds or beneficial owner. A surviving party or P.O.D. payee who receives payment from a multiple-party account after the death of a deceased party shall be liable to account to the deceased party's personal representative or a county agency with a claim authorized by section 256B.15 for amounts the decedent owned beneficially immediately before death to the extent necessary to discharge any such claims and charges remaining unpaid after the application of the assets of the decedent's estate. No proceeding to assert this liability shall be commenced unless by the personal representative unless the personal representative has received a written demand by a surviving spouse, a creditor or one acting for a minor dependent child of the decedent, and no proceeding shall be commenced later than two years following the death of the decedent. Sums recovered by the personal representative shall be administered as part of the decedent's estate. This section shall not affect the right of a financial institution to make payment on multiple-party accounts according to the terms thereof, or make it liable to the estate of a deceased party unless, before payment, the institution has been served with process in a proceeding by the personal representative or a county agency with a claim authorized by section 256B.15.

Sec. 36. Minnesota Statutes 1994, section 550.37, subdivision 14, is amended to read:

Subd. 14. [PUBLIC ASSISTANCE.] All relief based on need, and the earnings or salary of a person who is a recipient of relief based on need, shall be exempt from all claims of creditors including any contractual setoff or security interest asserted by a financial institution. For the purposes of this chapter, relief based on need includes AFDC, general assistance medical care, supplemental security income, medical assistance, Minnesota supplemental assistance, and general

assistance. The salary or earnings of any debtor who is or has been a an eligible recipient of relief based on need, or an inmate of a correctional institution shall, upon the debtor's return to private employment or farming after having been a an eligible recipient of relief based on need, or an inmate of a correctional institution, be exempt from attachment, garnishment, or levy of execution for a period of six months after the debtor's return to employment or farming and after all public assistance for which eligibility existed has been terminated. The exemption provisions contained in this subdivision also apply for 60 days after deposit in any financial institution, whether in a single or joint account. In tracing the funds, the first-in first-out method of accounting shall be used. The burden of establishing that funds are exempt rests upon the debtor. Agencies distributing relief and the correctional institutions shall, at the request of creditors, inform them whether or not any debtor has been a an eligible recipient of relief based on need, or an inmate of a correctional institution, within the preceding six months.

Sec. 37. [MCLEOD COUNTY; COUNTY OFFICES OUTSIDE COUNTY SEAT.]

Notwithstanding Minnesota Statutes, section 382.04 to the contrary, the McLeod county auditor, treasurer, social service director, and recorder may temporarily office at a location in Glencoe township. The authority provided in this section expires six years after final enactment.

Sec. 38. [WAIVER REQUEST; GRANDPARENT EXCLUSION FROM LICENSURE.]

The commissioner of human services shall seek a federal waiver to allow the exclusion of grandparents from the foster care licensing requirements. If the waiver is granted, notwithstanding Minnesota Statutes, section 245A.03, the commissioner may exclude grandparents from foster care licensure. The commissioner shall recommend to the legislature in the legislative session following the approval of the waiver, related, necessary changes in the law.

Sec. 39. [REPEALER.]

Minnesota Statutes 1994, section 256E.06, subdivisions 12 and 13, are repealed.

Sec. 40. [EFFECTIVE DATES.]

Subdivision 1. Sections 5 (245A.03, subdivision 2a), 6 (245A.035, subdivisions 1 to 6), 7 to 10 (245A.04, subdivisions 3, 3b, 7, and 9), 11 to 13 (245A.06, subdivisions 2, 4, and 7), 14 (245A.07, subdivision 3), and 20 (245A.14, subdivision 6), are effective the day following final enactment.

Subd. 2. Under Minnesota Statutes, section 645.023, subdivision 1, clause (a), section 32, takes effect, without local approval, the day following final enactment.

ARTICLE 3

LIFE SKILLS; SELF-SUFFICIENCY

Section 1. Minnesota Statutes 1994, section 246.23, subdivision 2, is amended to read:

Subd. 2. [CHEMICAL DEPENDENCY TREATMENT.] The commissioner shall maintain a regionally based, state-administered system of chemical dependency programs. Counties may refer individuals who are eligible for services under chapter 254B to the chemical dependency units in the regional treatment centers. A 15 percent county share of the per diem cost of treatment is required for individuals served within the treatment capacity funded by direct legislative appropriation. By July 1, 1991, the commissioner shall establish criteria for admission to the chemical dependency units that will maximize federal and private funding sources, fully utilize the regional treatment center capacity, and make state-funded treatment capacity available to counties on an equitable basis. The admission criteria may be adopted without rulemaking. Existing rules governing placements under chapters 254A and 254B do not apply to admissions to the capacity funded by direct appropriation. Private and third-party collections and payments are appropriated to the commissioner for the operation of the chemical dependency units. In addition to the chemical dependency treatment capacity funded by direct legislative appropriation, the regional treatment centers may provide treatment to additional individuals whose treatment is paid for out of the chemical dependency consolidated treatment fund under chapter 254B, in which case placement rules adopted under chapter 254B apply; to those individuals who are ineligible but committed for treatment under chapter 253B as provided in section 254B.05, subdivision 4; or to individuals covered through other nonstate payment sources.

Sec. 2. Minnesota Statutes 1994, section 252.275, subdivision 3, is amended to read:

Subd. 3. [REIMBURSEMENT.] Counties shall be reimbursed for all expenditures made pursuant to subdivision 1 at a rate of 70 percent, up to the allocation determined pursuant to subdivisions 4, ~~4a~~, and 4b. However, the commissioner shall not reimburse costs of services for any person if the costs exceed the state share of the average medical assistance costs for services provided by intermediate care facilities for a person with mental retardation or a related condition for the same fiscal year, and shall not reimburse costs of a one-time living allowance for any person if the costs exceed \$1,500 in a state fiscal year. ~~For the biennium ending June 30, 1993, the commissioner shall not reimburse costs in excess of the 85th percentile of hourly service costs based upon the cost information supplied to the legislature in the proposed budget for the biennium.~~ The commissioner may make payments to each county in quarterly installments. The commissioner may certify an advance of up to 25 percent of the allocation. Subsequent payments shall be made on a reimbursement basis for reported expenditures and may be adjusted for anticipated spending patterns.

Sec. 3. Minnesota Statutes 1994, section 252.275, subdivision 4, is amended to read:

Subd. 4. [FORMULA.] ~~Effective January 1, 1992,~~ The commissioner shall allocate funds on a calendar year basis. ~~For calendar year 1992, funds shall be allocated based on each county's portion of the statewide reimbursement received under this section for state fiscal year 1991. For subsequent calendar years, funds shall be~~ Beginning with the calendar year in the 1996 grant period, funds shall be allocated first in amounts equal to each county's guaranteed floor according to subdivision 4b, with any remaining available funds allocated based on each county's portion of the statewide expenditures eligible for reimbursement under this section during the 12 months ending on June 30 of the preceding calendar year.

If the legislature appropriates funds for special purposes, the commissioner may allocate the funds based on proposals submitted by the counties to the commissioner in a format prescribed by the commissioner. Nothing in this section prevents a county from using other funds to pay for additional costs of semi-independent living services.

Sec. 4. Minnesota Statutes 1994, section 252.275, subdivision 8, is amended to read:

Subd. 8. [USE OF FEDERAL FUNDS AND TRANSFER OF FUNDS TO MEDICAL ASSISTANCE.] (a) The commissioner shall make every reasonable effort to maximize the use of federal funds for semi-independent living services.

(b) The commissioner shall reduce the payments to be made under this section to each county from January 1, 1994 to June 30, 1996, by the amount of the state share of medical assistance reimbursement for services other than residential services provided under the home and community-based waiver program under section 256B.092 from January 1, 1994 to June 30, 1996, for clients for whom the county is financially responsible and who have been transferred by the county from the semi-independent living services program to the home and community-based waiver program. Unless otherwise specified, all reduced amounts shall be transferred to the medical assistance state account.

(c) For fiscal year 1997, the base appropriation available under this section shall be reduced by the amount of the state share of medical assistance reimbursement for services other than residential services provided under the home and community-based waiver program authorized in section 256B.092 from January 1, 1995 to December 31, 1995, for persons who have been transferred from the semi-independent living services program to the home and community-based waiver program. The base appropriation for the medical assistance state account shall be increased by the same amount.

(d) For purposes of calculating the guaranteed floor under subdivision 4b and to establish the calendar year 1996 allocations, each county's original allocation for calendar year 1995 shall be reduced by the amount transferred to the state medical assistance account under paragraph (b) during the six months ending on June 30, 1995. For purposes of calculating the guaranteed floor under subdivision 4b and to establish the calendar year 1997 allocations, each county's original allocation for calendar year 1996 shall be reduced by the amount transferred to the state medical assistance account under paragraph (b) during the six months ending on ~~June 30, 1996~~ December 31, 1995.

Sec. 5. Minnesota Statutes 1994, section 252.292, subdivision 4, is amended to read:

Subd. 4. [FACILITY RATES.] For purposes of this section, the commissioner shall establish payment rates under section 256B.501 and Minnesota Rules, parts 9553.0010 to 9553.0080, except that, in order to facilitate an orderly transition of residents from community intermediate care facilities for persons with mental retardation or related conditions to services provided under the home and community-based services program, the commissioner may, in a contract with the provider, modify the effect of provisions in Minnesota Rules, parts 9553.0010 to 9553.0080, as stated in clauses (a) to (i):

- (a) extend the interim and settle-up rate provisions to include facilities covered by this section;
- (b) extend the length of the interim period but not to exceed 24 12 months. The commissioner may grant a variance to exceed the 24 ~~month~~ 12-month interim period, as necessary, for facilities which are licensed and certified to serve more than 99 persons. In no case shall the commissioner approve an interim period which exceeds 36 24 months;
- (c) waive the investment per bed limitations for the interim period and the settle-up rate;
- (d) limit the amount of reimbursable expenses related to the acquisition of new capital assets;
- (e) prohibit the acquisition of additional capital debt or refinancing of existing capital debt unless prior approval is obtained from the commissioner;
- (f) establish an administrative operating cost limitation for the interim period and the settle-up rate;
- (g) require the retention of financial and statistical records until the commissioner has audited the interim period and the settle-up rate;
- (h) require that the interim period be audited by a certified or licensed public accounting firm; or
- (i) change any other provision to which all parties to the contract agree.

Sec. 6. Minnesota Statutes 1994, section 252.46, subdivision 1, is amended to read:

Subdivision 1. [RATES.] (a) Payment rates to vendors, except regional centers, for county-funded day training and habilitation services and transportation provided to persons receiving day training and habilitation services established by a county board are governed by subdivisions 2 to 19. The commissioner shall approve the following three payment rates for services provided by a vendor:

- (1) a full-day service rate for persons who receive at least six service hours a day, including the time it takes to transport the person to and from the service site;
- (2) a partial-day service rate that must not exceed 75 percent of the full-day service rate for persons who receive less than a full day of service; and
- (3) a transportation rate for providing, or arranging and paying for, transportation of a person to and from the person's residence to the service site.

(b) The commissioner may also approve an hourly job-coach, follow-along rate for services provided by one employee at or en route to or from community locations to supervise, support, and assist one person receiving the vendor's services to learn job-related skills necessary to obtain or retain employment when and where no other persons receiving services are present and when all the following criteria are met:

- (1) the vendor requests and the county recommends the optional rate;
- (2) the service is prior authorized by the county on the medicaid management information system for no more than 414 hours in a 12-month period and the daily per person charge to medical assistance does not exceed the vendor's approved full day plus transportation rates;

(3) separate full day, partial day, and transportation rates are not billed for the same person on the same day;

(4) the approved hourly rate does not exceed the sum of the vendor's current average hourly direct service wage, including fringe benefits and taxes, plus a component equal to the vendor's average hourly nondirect service wage expenses; and

(5) the actual revenue received for provision of hourly job-coach, follow-along services is subtracted from the vendor's total expenses for the same time period and those adjusted expenses are used for determining recommended full day and transportation payment rates under subdivision 5 in accordance with the limitations in subdivision 3.

(c) Medical assistance rates for home and community-based service provided under section 256B.501, subdivision 4, by licensed vendors of day training and habilitation services must not be greater than the rates for the same services established by counties under sections 252.40 to 252.47. For very dependent persons with special needs the commissioner may approve an exception to the approved payment rate under section 256B.501, subdivision 4 or 8.

Sec. 7. Minnesota Statutes 1994, section 252.46, subdivision 3, is amended to read:

Subd. 3. [RATE MAXIMUM.] Unless a variance is granted under subdivision 6, the maximum payment rates for each vendor for a calendar year must be equal to the payment rates approved by the commissioner for that vendor in effect December 1 of the previous calendar year. The commissioner of finance shall include as a budget change request in each biennial detailed expenditure budget submitted to the legislature under section 16A.11 annual inflation adjustments in reimbursement rates for each vendor, based upon the projected percentage change in the urban consumer price index, all items, published by the United States Department of Labor, for the upcoming calendar year over the current calendar year. ~~The commissioner shall not provide an annual inflation adjustment for the biennium ending June 30, 1993.~~

Sec. 8. Minnesota Statutes 1994, section 252.46, subdivision 6, is amended to read:

Subd. 6. [VARIANCES.] (a) A variance from the minimum or maximum payment rates in subdivisions 2 and 3 may be granted by the commissioner when the vendor requests and the county board submits to the commissioner a written variance request on forms supplied by the commissioner with the recommended payment rates. A variance to the rate maximum may be utilized for costs associated with compliance with state administrative rules, compliance with court orders, capital costs required for continued licensure, increased insurance costs, start-up and conversion costs for supported employment, direct service staff salaries and benefits, transportation, and other program related costs when any of the criteria in clauses (1) to ~~(3)~~ (4) is also met:

(1) change is necessary to comply with licensing citations;

(2) a licensed vendor currently serving fewer than 70 persons with payment rates of 80 percent or less of the statewide average rates and with clients meeting the behavioral or medical criteria under clause (3) approved by the commissioner as a significant program change under section 252.28;

(3) a significant change is approved by the commissioner under section 252.28 that is necessary to provide authorized services to a new client or clients with very severe self-injurious or assaultive behavior, or medical conditions requiring delivery of physician-prescribed medical interventions requiring one-to-one staffing for at least 15 minutes each time they are performed, or to a new client or clients directly discharged to the vendor's program from a regional treatment center; or

~~(3) a significant increase in the average level of (4) there is a need to maintain required staffing is needed levels in order to provide authorized services approved by the commissioner under section 252.28, that is necessitated by a significant and permanent decrease in licensed capacity or loss of clientele when counties choose alternative services under Laws 1992, chapter 513, article 9, section 41.~~

The county shall review the adequacy of services provided by vendors whose payment rates are

80 percent or more of the statewide average rates and 50 percent or more of the vendor's clients meet the behavioral or medical criteria in clause (3).

A variance under this paragraph may be approved only if the costs to the medical assistance program do not exceed the medical assistance costs for all clients served by the alternatives and all clients remaining in the existing services.

(b) A variance to the rate minimum may be granted when (1) the county board contracts for increased services from a vendor and for some or all individuals receiving services from the vendor lower per unit fixed costs result or (2) when the actual costs of delivering authorized service over a 12-month contract period have decreased.

(c) The written variance request under this subdivision must include documentation that all the following criteria have been met:

(1) The commissioner and the county board have both conducted a review and have identified a need for a change in the payment rates and recommended an effective date for the change in the rate.

(2) The vendor documents efforts to reallocate current staff and any additional staffing needs cannot be met by using temporary special needs rate exceptions under Minnesota Rules, parts 9510.1020 to 9510.1140.

(3) The vendor documents that financial resources have been reallocated before applying for a variance. No variance may be granted for equipment, supplies, or other capital expenditures when depreciation expense for repair and replacement of such items is part of the current rate.

(4) For variances related to loss of clientele, the vendor documents the other program and administrative expenses, if any, that have been reduced.

(5) The county board submits verification of the conditions for which the variance is requested, a description of the nature and cost of the proposed changes, and how the county will monitor the use of money by the vendor to make necessary changes in services.

(6) The county board's recommended payment rates do not exceed 95 percent of the greater of 125 percent of the current statewide median or 125 percent of the regional average payment rates, whichever is higher, for each of the regional commission districts under sections 462.381 to 462.396 in which the vendor is located except for the following: when a variance is recommended to allow authorized service delivery to new clients with severe self-injurious or assaultive behaviors or with medical conditions requiring delivery of physician prescribed medical interventions, or to persons being directly discharged from a regional treatment center to the vendor's program, those persons must be assigned a payment rate of 200 percent of the current statewide average rates. All other clients receiving services from the vendor must be assigned a payment rate equal to the vendor's current rate unless the vendor's current rate exceeds 95 percent of 125 percent of the statewide median or 125 percent of the regional average payment rates, whichever is higher. When the vendor's rates exceed 95 percent of 125 percent of the statewide median or 125 percent of the regional average rates, the maximum rates assigned to all other clients must be equal to the greater of 95 percent of 125 percent of the statewide median or 125 percent of the regional average rates. The maximum payment rate that may be recommended for the vendor under these conditions is determined by multiplying the number of clients at each limit by the rate corresponding to that limit and then dividing the sum by the total number of clients.

~~(7) The vendor has not received a variance under this subdivision in the past 12 months.~~

(d) The commissioner shall have 60 calendar days from the date of the receipt of the complete request to accept or reject it, or the request shall be deemed to have been granted. If the commissioner rejects the request, the commissioner shall state in writing the specific objections to the request and the reasons for its rejection.

Sec. 9. Minnesota Statutes 1994, section 252.46, subdivision 17, is amended to read:

Subd. 17. [HOURLY RATE STRUCTURE.] Counties participating as host counties under the pilot study of hourly rates established under Laws 1988, chapter 689, article 2, section 117, may

recommend continuation of the hourly rates for participating vendors. The recommendation must be made annually under subdivision 5 and according to the methods and standards provided by the commissioner. The commissioner shall approve the hourly rates when service authorization, billing, and payment for services is possible through the Medicaid management information system and the other criteria in this subdivision are met. Counties and vendors operating under the pilot study of hourly rates established under Laws 1988, chapter 689, article 2, section 117, shall work with the commissioner to translate the hourly rates and actual expenditures into rates meeting the criteria in subdivisions 1 to 16 unless hourly rates are approved under this subdivision. If the rates meeting the criteria in subdivisions 1 to 16 are lower than the county's or vendor's current rate, the county or vendor must continue to receive the current rate.

Sec. 10. Minnesota Statutes 1994, section 252.46, is amended by adding a subdivision to read:

Subd. 19. [VENDOR APPEALS.] With the concurrence of the county board, a vendor may appeal the commissioner's rejection of a variance request which has been submitted by the county under subdivision 6 and may appeal the commissioner's denial under subdivision 9 of a rate which has been recommended by the county. To appeal, the vendor and county board must file a written notice of appeal with the commissioner. The notice of appeal must be filed or received by the commissioner within 45 days of the postmark date on the commissioner's notification to the vendor and county agency that a variance request or county recommended rate has been denied. The notice of appeal must specify the reasons for the appeal, the dollar amount in dispute, and the basis in statute or rule for challenging the commissioner's decision.

Within 45 days of receipt of the notice of appeal, the commissioner must convene a reconciliation conference to attempt to resolve the rate dispute. If the dispute is not resolved to the satisfaction of the parties, the parties may initiate a contested case proceeding under sections 14.57 to 14.69. In a contested case hearing held under this section, the appealing party must demonstrate by a preponderance of the evidence that the commissioner incorrectly applied the governing law or regulations, or that the commissioner improperly exercised the commissioner's discretion, in refusing to grant a variance or in refusing to adopt a county recommended rate.

Until the appeal is fully resolved, payments must continue at the existing rate pending the appeal. Retroactive payments consistent with the final decision shall be made after the appeal is fully resolved.

Sec. 11. Minnesota Statutes 1994, section 252.46, is amended by adding a subdivision to read:

Subd. 20. [STUDY OF DAY TRAINING AND HABILITATION VENDORS.] The commissioner shall study the feasibility of grouping vendors of similar size, location, direct service staffing needs or performance outcomes to establish payment rate limits that define cost-effective service. Based on the conclusions of the feasibility study the department shall consider developing a method to redistribute dollars from less cost effective to more cost-effective services based on vendor achievement of performance outcomes. The department shall report to the legislature by January 15, 1996, with results of the study and recommendations for further action. The department shall consult with an advisory committee representing counties, service consumers, vendors, and the legislature.

Sec. 12. Minnesota Statutes 1994, section 254A.17, subdivision 3, is amended to read:

Subd. 3. [STATEWIDE DETOXIFICATION TRANSPORTATION PROGRAM.] The commissioner shall provide grants to counties, Indian reservations, other nonprofit agencies, or local detoxification programs for provision of transportation of intoxicated individuals to detoxification programs, to open shelters, and to secure shelters as defined in section 254A.085 and shelters serving intoxicated persons. In state fiscal years 1994 and, 1995, and 1996, funds shall be allocated to counties in proportion to each county's allocation in fiscal year 1993. In subsequent fiscal years, funds shall be allocated among counties annually in proportion to each county's average number of detoxification admissions for the prior two years, except that no county shall receive less than \$400. Unless a county has approved a grant of funds under this section, the commissioner shall make quarterly payments of detoxification funds to a county only after receiving an invoice describing the number of persons transported and the cost of transportation services for the previous quarter. A county must make a good faith effort to provide the transportation service through the most cost-effective community-based agencies or

organizations eligible to provide the service. The program administrator and all staff of the program must report to the office of the ombudsman for mental health and mental retardation within 24 hours of its occurrence, any serious injury, as defined in section 245.91, subdivision 6, or the death of a person admitted to the shelter. The ombudsman shall acknowledge in writing the receipt of all reports made to the ombudsman's office under this section. Acknowledgment must be mailed to the facility and to the county social service agency within five working days of the day the report was made. In addition, the program administrator and staff of the program must comply with all of the requirements of section 626.557, the vulnerable adults act.

Sec. 13. Minnesota Statutes 1994, section 254B.02, subdivision 1, is amended to read:

Subdivision 1. [CHEMICAL DEPENDENCY TREATMENT ALLOCATION.] The chemical dependency funds appropriated for allocation shall be placed in a special revenue account. For the fiscal year beginning July 1, 1987, funds shall be transferred to operate the vendor payment, invoice processing, and collections system for one year. The commissioner shall annually transfer funds from the chemical dependency fund to pay for operation of the drug and alcohol abuse normative evaluation system and to pay for all costs incurred by adding two positions for licensing of chemical dependency treatment and rehabilitation programs located in hospitals for which funds are not otherwise appropriated. The commissioner shall annually divide the money available in the chemical dependency fund that is not held in reserve by counties from a previous allocation. Twelve percent of the remaining money must be reserved for treatment of American Indians by eligible vendors under section 254B.05. The remainder of the money must be allocated among the counties according to the following formula, using state demographer data and other data sources determined by the commissioner:

~~(a) The county non-Indian and over age 14 per capita months of eligibility for aid to families with dependent children, general assistance, and medical assistance is divided by the total state non-Indian and over age 14 per capita months of eligibility to determine the caseload factor for each county.~~

~~(b) The average median married couple income for the previous three years for the state is divided by the average median married couple income for the previous three years for each county to determine the income factor.~~

~~(c) The non-Indian and over age 14 population of the county is multiplied by the sum of the income factor and the caseload factor to determine the adjusted population.~~

~~(a) For purposes of this formula, American Indians and children under age 14 are subtracted from the population of each county to determine the restricted population.~~

~~(b) The amount of chemical dependency fund expenditures for entitled persons for services not covered by prepaid plans governed by section 256B.69 in the previous year is divided by the amount of chemical dependency fund expenditures for entitled persons for all services to determine the proportion of exempt service expenditures for each county.~~

~~(c) The prepaid plan months of eligibility is multiplied by the proportion of exempt service expenditures to determine the adjusted prepaid plan months of eligibility for each county.~~

~~(d) The adjusted prepaid plan months of eligibility is added to the number of restricted population fee for service months of eligibility for aid to families with dependent children, general assistance, and medical assistance and divided by the county restricted population to determine county per capita months of covered service eligibility.~~

~~(e) The number of adjusted prepaid plan months of eligibility for the state is added to the number of fee for service months of eligibility for aid to families with dependent children, general assistance, and medical assistance for the state restricted population and divided by the state restricted population to determine state per capita months of covered service eligibility.~~

~~(f) The county per capita months of covered service eligibility is divided by the state per capita months of covered service eligibility to determine the county welfare caseload factor.~~

~~(g) The median married couple income for the most recent three-year period available for the state is divided by the median married couple income for the same period for each county to determine the income factor for each county.~~

(h) The county restricted population is multiplied by the sum of the county welfare caseload factor and the county income factor to determine the adjusted population.

(d) (i) \$15,000 shall be allocated to each county.

(e) (j) The remaining funds shall be allocated proportional to the county adjusted population.

Sec. 14. Minnesota Statutes 1994, section 254B.05, subdivision 1, is amended to read:

Subdivision 1. [LICENSURE REQUIRED.] Programs licensed by the commissioner are eligible vendors. Hospitals may apply for and receive licenses to be eligible vendors, notwithstanding the provisions of section 245A.03. American Indian programs located on federally recognized tribal lands that provide chemical dependency primary treatment, extended care, transitional residence, or outpatient treatment services, and are licensed by tribal government are eligible vendors. Detoxification programs are not eligible vendors. Programs that are not licensed as a chemical dependency residential or nonresidential treatment program by the commissioner or by tribal government are not eligible vendors. To be eligible for payment under the Consolidated Chemical Dependency Treatment Fund, a vendor must participate in the Drug and Alcohol Abuse Normative Evaluation System and the treatment accountability plan.

Sec. 15. [256.476] [CONSUMER SUPPORT PROGRAM.]

Subdivision 1. [PURPOSE AND GOALS.] The commissioner of human services shall establish a consumer support grant program to assist individuals with functional limitations and their families in purchasing and securing supports which the individuals need to live as independently and productively in the community as possible. The commissioner and local agencies shall jointly develop an implementation plan which must include a way to resolve the issues related to county liability. The program shall:

(1) make support grants available to individuals or families as an effective alternative to existing programs and services, such as the developmental disability family support program, the alternative care program, personal care attendant services, home health aide services, and nursing facility services;

(2) provide consumers more control, flexibility, and responsibility over the needed supports;

(3) promote local program management and decision-making; and

(4) encourage the use of informal and typical community supports.

Subd. 2. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given them:

(a) "County board" means the county board of commissioners for the county of financial responsibility as defined in section 256G.02, subdivision 4, or its designated representative. When a human services board has been established under sections 402.01 to 402.10, it shall be considered the county board for the purposes of this section.

(b) "Family" means the person's birth parents, adoptive parents or stepparents, siblings or stepsiblings, children or stepchildren, grandparents, grandchildren, niece, nephew, aunt, uncle, or spouse. For the purposes of this section, a family member is at least 18 years of age.

(c) "Functional limitations" means the long-term inability to perform an activity or task in one or more areas of major life activity, including self-care, understanding and use of language, learning, mobility, self-direction, and capacity for independent living. For the purpose of this section, the inability to perform an activity or task results from a mental, emotional, psychological, sensory, or physical disability, condition, or illness.

(d) "Informed choice" means a voluntary decision made by the person or the person's legal representative, after becoming familiarized with the alternatives to:

(1) select a preferred alternative from a number of feasible alternatives;

(2) select an alternative which may be developed in the future; and

(3) refuse any or all alternatives.

(e) "Local agency" means the local agency authorized by the county board to carry out the provisions of this section.

(f) "Person" or "persons" means a person or persons meeting the eligibility criteria in subdivision 3.

(g) "Responsible individual" means an individual designated by the person or their legal representative to act on their behalf. This individual may be a family member, guardian, representative payee, or other individual designated by the person or their legal representative, if any, to assist in purchasing and arranging for supports. For the purposes of this section, a responsible individual is at least 18 years of age.

(h) "Screening" means the screening of a person's service needs under sections 256B.0911 and 256B.092.

(i) "Supports" means services, care, aids, home modifications, or assistance purchased by the person or the person's family. Examples of supports include respite care, assistance with daily living, and adaptive aids. For the purpose of this section, notwithstanding the provisions of section 144A.43, supports purchased under the consumer support program are not considered home care services.

Subd. 3. [ELIGIBILITY TO APPLY FOR GRANTS.] (a) A person is eligible to apply for a consumer support grant if the person meets all of the following criteria:

(1) the person is eligible for medical assistance as determined under sections 256B.055 and 256B.056 or the person is eligible for alternative care services as determined under section 256B.0913;

(2) the person is able to direct and purchase their own care and supports, or the person has a family member, legal representative, or other responsible individual who can purchase and arrange supports on the person's behalf;

(3) the person has functional limitations, requires ongoing supports to live in the community, and is at risk of or would continue institutionalization without such supports; and

(4) the person will live in a home. For the purpose of this section, "home" means the person's own home or home of a person's family member. These homes are natural home settings and are not licensed by the department of health or human services.

(b) Persons may not concurrently receive a consumer support grant if they are:

(1) receiving home and community-based services under United States Code, title 42, section 1396h(c); personal care attendant and home health aide services under section 256B.0625; a developmental disability family support grant; or alternative care services under section 256B.0913; or

(2) residing in an institutional or congregate care setting.

(c) A person or person's family receiving a consumer support grant shall not be charged a fee or premium by a local agency for participating in the program. A person or person's family is not eligible for a consumer support grant if their income is at a level where they are required to pay a parental fee under sections 252.27, 256B.055, subdivision 12, and 256B.14 and rules adopted under those sections for medical assistance services to a disabled child living with at least one parent.

Subd. 4. [SUPPORT GRANTS; CRITERIA AND LIMITATIONS.] (a) A county board may choose to participate in the consumer support grant program. If a county board chooses to participate in the program, the local agency shall establish written procedures and criteria to determine the amount and use of support grants. These procedures must include, at least, the availability of respite care, assistance with daily living, and adaptive aids. The local agency may establish monthly or annual maximum amounts for grants and procedures where exceptional

resources may be required to meet the health and safety needs of the person on a time-limited basis.

(b) Support grants to a person or a person's family may be provided through a monthly subsidy or lump sum payment basis and be in the form of cash, voucher, or direct county payment to vendor. Support grant amounts must be determined by the local agency. Each service and item purchased with a support grant must meet all of the following criteria:

(1) it must be over and above the normal cost of caring for the person if the person did not have functional limitations;

(2) it must be directly attributable to the person's functional limitations;

(3) it must enable a person or the person's family to delay or prevent out-of-home placement of the person; and

(4) it must be consistent with the needs identified in the service plan, when applicable.

(c) Items and services purchased with support grants must be those for which there are no other public or private funds available to the person or the person's family. Fees assessed to the person or the person's family for health and human services are not reimbursable through the grant.

(d) In approving or denying applications, the local agency shall consider the following factors:

(1) the extent and areas of the person's functional limitations;

(2) the degree of need in the home environment for additional support; and

(3) the potential effectiveness of the grant to maintain and support the person in the family environment or the person's own home.

(e) At the time of application to the program or screening for other services, the person or the person's family shall be provided sufficient information to ensure an informed choice of alternatives by the person, the person's legal representative, if any, or the person's family. The application shall be made to the local agency and shall specify the needs of the person and family, the form and amount of grant requested, the items and services to be reimbursed, and evidence of eligibility for medical assistance or alternative care program.

(f) Upon approval of an application by the local agency and agreement on a support plan for the person or person's family, the local agency shall make grants to the person or the person's family. The grant shall be in an amount for the direct costs of the services or supports outlined in the service agreement.

(g) Reimbursable costs shall not include costs for resources already available, such as special education classes, day training and habilitation, case management, other services to which the person is entitled, medical costs covered by insurance or other health programs, or other resources usually available at no cost to the person or the person's family.

Subd. 5. [REIMBURSEMENT, ALLOCATIONS, AND REPORTING.] (a) For the purpose of transferring persons to the consumer support grant program from specific programs or services, such as the developmental disability family support program and alternative care program, personal care attendant, home health aide, or nursing facility services, the amount of funds transferred by the commissioner between the developmental disability family support program account, the alternative care account, the medical assistance account, or the consumer support grant account shall be based on each county's participation in transferring persons to the consumer support grant program from those programs and services.

(b) At the beginning of each fiscal year, county allocations for consumer support grants shall be based on:

(1) the number of persons to whom the county board expects to provide consumer supports grants;

(2) their eligibility for current program and services;

(3) the amount of nonfederal dollars expended on those individuals for those programs and services; and

(4) projected dates when persons will start receiving grants. County allocations shall be adjusted periodically by the commissioner based on the actual transfer of persons or service openings, and the nonfederal dollars associated with those persons or service openings, to the consumer support grant program.

(c) The commissioner shall use up to five percent of each county's allocation, as adjusted, for payments to that county for administrative expenses, to be paid as a proportionate addition to reported direct service expenditures.

(d) The commissioner may recover, suspend, or withhold payments if the county board, local agency, or grantee does not comply with the requirements of this section.

Subd. 6. [RIGHT TO APPEAL.] Notice, appeal, and hearing procedures shall be conducted in accordance with section 256.045. The denial, suspension, or termination of services under this program may be appealed by a recipient or applicant under section 256.045, subdivision 3. It is an absolute defense to an appeal under this section, if the county board proves that it followed the established written procedures and criteria and determined that the grant could not be provided within the county board's allocation of money for consumer support grants.

Subd. 7. [FEDERAL FUNDS.] The commissioner and the counties shall make reasonable efforts to maximize the use of federal funds including funds available through grants and federal waivers. If federal funds are made available to the consumer support grant program, the money shall be allocated to the responsible county agency's consumer support grant fund.

Subd. 8. [COMMISSIONER RESPONSIBILITIES.] The commissioner shall:

- (1) transfer and allocate funds pursuant to this section;
- (2) determine allocations based on projected and actual local agency use;
- (3) monitor and oversee overall program spending;
- (4) evaluate the effectiveness of the program;
- (5) provide training and technical assistance for local agencies and consumers to help identify potential applicants to the program; and
- (6) develop guidelines for local agency program administration and consumer information.

Subd. 9. [COUNTY BOARD RESPONSIBILITIES.] County boards receiving funds under this section shall:

- (1) determine the needs of persons and families for services and supports;
- (2) determine the eligibility for persons proposed for program participation;
- (3) approve items and services to be reimbursed and inform families of their determination;
- (4) issue support grants directly to or on behalf of persons;
- (5) submit quarterly financial reports and an annual program report to the commissioner;
- (6) coordinate services and supports with other programs offered or made available to persons or their families; and
- (7) provide assistance to persons or their families in securing or maintaining supports, as needed.

Subd. 10. [CONSUMER RESPONSIBILITIES.] Persons receiving grants under this section shall:

- (1) spend the grant money in a manner consistent with their agreement with the local agency;

(2) notify the local agency of any necessary changes in the grant or the items on which it is spent;

(3) notify the local agency of any decision made by the person, the person's legal representative, or the person's family that would change their eligibility for consumer support grants;

(4) arrange and pay for supports; and

(5) inform the local agency of areas where they have experienced difficulty securing or maintaining supports.

Sec. 16. [256.973] [HOUSING FOR PERSONS WHO ARE ELDERLY, PERSONS WITH PHYSICAL OR DEVELOPMENTAL DISABILITIES, AND SINGLE-PARENT FAMILIES.]

Subdivision 1. [HOME SHARING.] The home-sharing grant program authorized by section 462A.05, subdivision 24, is transferred from the Minnesota housing finance agency to the department of human services. The housing finance agency shall administer the current grants that terminate on August 30, 1995. The department of human services shall administer grants funded after August 30, 1995. The department of human services may engage in housing programs, as defined by the agency, to provide grants to housing sponsors who will provide a home-sharing program for low- and moderate-income elderly, persons with physical or developmental disabilities, or single-parent families in urban and rural areas.

Subd. 2. [MATCHING OWNERS AND TENANTS.] Housing sponsors of home sharing programs, as defined by the agency, shall match existing homeowners with prospective tenants who will contribute either rent or services to the homeowner, where either the homeowner or the prospective tenant is elderly, a person with physical or developmental disabilities, or the head of a single-parent family. Home-sharing projects will coordinate efforts with appropriate public and private agencies and organizations in their area.

Subd. 3. [INFORMATION FOR PARTICIPANTS.] Housing sponsors who receive funding through these programs shall provide homeowners and tenants participating in a home-sharing program with information regarding their rights and obligations as they relate to federal and state tax law including, but not limited to, taxable rental income, homestead credit under chapter 273, and the property tax refund act under chapter 290A.

Subd. 4. [TECHNICAL ASSISTANCE.] The department of human services may provide technical assistance to sponsors of home-sharing programs or may contract or delegate the provision of technical assistance.

Subd. 5. [USING OUTSIDE AGENCIES.] The department of human services may delegate, use, or employ any federal, state, regional, or local public or private agency or organization, including organizations of physically handicapped persons, upon terms it deems necessary or desirable, to assist in the exercise of any of the powers granted in this section.

Sec. 17. Minnesota Statutes 1994, section 256.975, is amended by adding a subdivision to read:

Subd. 6. [INDIAN ELDERS POSITION.] The Minnesota board on aging shall create an Indian elders coordinator position, and shall hire staff as appropriations permit for the purposes of coordinating efforts with the National Indian Council on Aging and developing a comprehensive statewide service system for Indian elders. An Indian elder is defined for purposes of this subdivision as an Indian enrolled in a band or tribe who is 55 years or older. The statewide service system must include the following components:

(1) an assessment of the program eligibility, examining the need to change the age-based eligibility criteria to need-based eligibility criteria;

(2) a planning system that would grant or make recommendations for granting federal and state funding for services;

(3) a plan for service focal points, senior centers, or community centers for socialization and service accessibility for Indian elders;

(4) a plan to develop and implement education and public awareness campaigns including awareness programs, sensitivity cultural training, and public education on Indian elder needs;

(5) a plan for information and referral services including trained advocates and an Indian elder newsletter;

(6) a plan for a coordinated health care system including health promotion/prevention, in-home service, long-term care service, and health care services;

(7) a plan for ongoing research involving Indian elders including needs assessment and needs analysis;

(8) information and referral services for legal advice or legal counsel; and

(9) a plan to coordinate services with existing organizations including the council of Indian affairs, the Minnesota Indian council of elders, the Minnesota board on aging, and tribal governments.

Sec. 18. Minnesota Statutes 1994, section 256B.0628, is amended by adding a subdivision to read:

Subd. 3. [ASSESSMENT AND PRIOR AUTHORIZATION PROCESS FOR RECIPIENTS OF BOTH HOME CARE AND HOME AND COMMUNITY-BASED WAIVERED SERVICES FOR PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS.] Effective January 1, 1996, for purposes of providing informed choice, coordinating of local planning decisions, and streamlining administrative requirements, the assessment and prior authorization process for persons receiving both home care and home and community-based waivered services for persons with mental retardation or related conditions shall meet the requirements of this section and section 256B.0627 with the following exceptions:

(a) Upon request for home care services and subsequent assessment by the public health nurse under section 256B.0627, the public health nurse shall participate in the screening process, as appropriate, and, if home care services are determined to be necessary, participate in the development of a service plan coordinating the need for home care and home and community-based waivered services with the assigned county case manager, the recipient of services, and the recipient's legal representative, if any.

(b) The public health nurse shall give prior authorization for home care services to the extent that home care services are:

(1) medically necessary;

(2) chosen by the recipient and their legal representative, if any, from the array of home care and home and community-based waivered services available;

(3) coordinated with other services to be received by the recipient as described in the service plan; and

(4) provided within the county's reimbursement limits for home care and home and community-based waivered services for persons with mental retardation or related conditions.

(c) If the public health agency is or may be the provider of home care services to the recipient, the public health agency shall provide the commissioner of human services with a written plan that specifies how the assessment and prior authorization process will be held separate and distinct from the provision of services.

Sec. 19. Minnesota Statutes 1994, section 256B.092, is amended by adding a subdivision to read:

Subd. 4c. [LIVING ARRANGEMENTS BASED ON A 24-HOUR PLAN OF CARE.] (a) Notwithstanding the requirements for licensure under Minnesota Rules, part 9525.1860, subpart 6, item D, and upon federal approval of an amendment to the home and community-based services waiver for persons with mental retardation or related conditions, a person receiving home and

community-based services may choose to live in their own home without requiring that the living arrangement be licensed under Minnesota Rules, parts 9555.5050 to 9555.6265, provided the following conditions are met:

(1) the person receiving home and community-based services has chosen to live in their own home;

(2) home and community-based services are provided by a qualified vendor who meets the provider standards as approved in the Minnesota home and community-based services waiver plan for persons with mental retardation or related conditions;

(3) the person, or their legal representative, individually or with others has purchased or rents the home and the person's service provider has no financial interest in the home; and

(4) the service planning team, as defined in Minnesota Rules, part 9525.0004, subpart 24, has determined that the planned services, the 24-hour plan of care, and the housing arrangement are appropriate to address the health, safety, and welfare of the person.

(b) The county agency may require safety inspections of the selected housing as part of their determination of the adequacy of the living arrangement.

Sec. 20. [AUTHORIZATION FOR DOWNSIZING.]

Subdivision 1. [DUTIES OF THE COMMISSIONER.] (a) The commissioner of human services in consultation with Brown county and advocates of persons with mental retardation, shall carry out a voluntary downsizing of MBW on Center, an intermediate care facility for persons with mental retardation, to assure that appropriate services are provided in the least restrictive setting as provided under Minnesota Statutes, section 252.291, subdivision 3.

(b) The commissioner shall present a proposal to address issues relating to:

(1) redistribution of costs;

(2) specific plans for the development and provision of alternative services for residents moved from the intermediate care facility for persons with mental retardation or related conditions;

(3) timelines and expected beginning dates for resident relocation and facility downsizing; and

(4) projected expenditures for services provided to persons with mental retardation or related conditions.

(c) The commissioner shall ensure that residents discharged from the facility are appropriately placed according to need in compliance with Minnesota Rules, parts 9525.0025 to 9525.0165.

(d) The commissioner shall ensure that the proposal complies with need determination procedures in Minnesota Statutes, sections 252.28 and 252.291; case management responsibilities in Minnesota Statutes, section 256B.092; rate requirements in Minnesota Statutes, section 256B.501; the requirements under United States Code, title 42, section 1396, and the rules and regulations adopted under these laws.

(e) The resulting downsizing must result in living units of no larger than four persons, having single bedrooms and a common living room, dining room/kitchen, and bathroom.

(f) The commissioner shall contract with Brown county where the facility is located and the facility. The contract will address and be consistent with the requirements of the proposal.

(g) Operating costs of the facility after downsizing may not exceed the total allowable operating costs of the original facility. For purposes of rate setting for the facility after downsizing, fixed costs may be redistributed but must be based on the actual costs reflected in existing rates.

Subd. 2. [IMPLEMENTATION OF THE PROPOSAL.] For the purposes of the proposal, the commissioner shall:

(1) fund the downsizing of the ICF/MR; and

(2) notify Brown county and the facility of the selections made and approved by the commissioner. The decision of the commissioner is final and may not be appealed.

Sec. 21. [FACILITY CERTIFICATION.]

Notwithstanding Minnesota Statutes, section 252.291, subdivisions 1 and 2, the commissioner of health shall inspect to certify a large community-based facility currently licensed under Minnesota Rules, parts 9525.0215 to 9525.0355, for more than 16 beds and located in Northfield. The facility may be certified for up to 44 beds. The commissioner of health must inspect to certify the facility as soon as possible after the effective date of this section. The commissioner of human services shall work with the facility and affected counties to relocate any current residents of the facility who do not meet the admission criteria for an ICF/MR. To fund the ICF/MR services and relocations of current residents authorized, the commissioner of human services may transfer on a quarterly basis to the medical assistance account from each affected county's community social service allocation, an amount equal to the state share of medical assistance reimbursement for the residential and day habilitation services funded by medical assistance and provided to clients for whom the county is financially responsible. For nonresidents of Minnesota seeking admission to the facility, Rice county shall be notified in order to assure that appropriate funding is guaranteed from their state or country of residence.

Sec. 22. [CRISIS INTERVENTION PROJECTS.]

(a) The commissioner of human services may authorize up to five projects to provide crisis intervention through community-based services in the private or public sector to persons with developmental disabilities. The projects must be geographically distributed in rural and urban areas. The parameters of these projects may be consistent with the special needs crisis services outlined under Minnesota Statutes, section 256B.501, subdivision 8a.

(b) The commissioner shall request proposals from individual counties or groups of counties and establish criteria for approval of proposals. Criteria shall include:

(1) avoidance of duplication of service by agreements with hospitals and other public or private vendors as appropriate;

(2) reduction of inpatient psychiatric hospital expenses using a cost-effective alternative service;

(3) maintenance of clients in their current homes;

(4) promotion of service to clients under a capitation agreement with providers;

(5) coordination with other target populations and other counties;

(6) provision of a full complement of on-site and off-site behavioral support and crisis response services including: training and technical assistance to prevent out of home placements; crisis response, including in-home and short-term placements; and assessment of service outcomes;

(7) evaluation of service program efficacy and cost effectiveness.

(c) The commissioner shall review proposals in accordance with Minnesota Statutes, section 252.28, and shall report to the legislature on the cost effectiveness of the projects by January 15, 1997.

Sec. 23. [REPEALER.]

Minnesota Statutes 1994, section 252.275, subdivisions 4a and 10, are repealed.

Sec. 24. [EFFECTIVE DATES.]

Section 15 (256.476) is effective July 1, 1996.

CHILDREN'S PROGRAMS

Section 1. Minnesota Statutes 1994, section 245A.14, subdivision 7, is amended to read:

Subd. 7. [CULTURAL DYNAMICS AND DISABILITIES TRAINING FOR CHILD CARE PROVIDERS.] (a) ~~The ongoing training required of licensed child care centers center staff and group family and group family child care providers and staff shall include training in the cultural dynamics of early childhood development and child care as an option.~~

~~(b) The cultural dynamics and disabilities training must include, but not be limited to, the following: awareness of the value and dignity of different cultures and how different cultures complement each other; awareness of the emotional, physical, and mental needs of children and families of different cultures; knowledge of current and traditional roles of women and men in different cultures, communities, and family environments; and awareness of the diversity of child rearing practices and parenting traditions. and skills development of child care providers shall be designed to achieve outcomes for providers of child care that include, but are not limited to:~~

~~(1) an understanding and support of the importance of culture and differences in ability in children's identity development;~~

~~(2) understanding the importance of awareness of cultural differences and similarities in working with children and their families;~~

~~(3) understanding and support of the needs of families and children with differences in ability;~~

~~(4) developing skills to help children develop unbiased attitudes about cultural differences and differences in ability;~~

~~(5) developing skills in culturally appropriate caregiving; and~~

~~(6) developing skills in appropriate caregiving for children of different abilities.~~

~~Curriculum for cultural dynamics and disability training shall be approved by the commissioner.~~

~~(c) The commissioner shall amend current rules relating to the initial training of the licensed child care center staff and licensed providers included in paragraph (a) of family and group family child care and staff to require cultural dynamics training upon determining that sufficient curriculum is developed statewide. Timelines established in the rule amendments for complying with the cultural dynamics training requirements shall be based on the commissioner's determination that curriculum materials and trainers are available statewide.~~

Sec. 2. Minnesota Statutes 1994, section 256.8711, is amended to read:

256.8711 [EMERGENCY ASSISTANCE; INTENSIVE FAMILY PRESERVATION SERVICES.]

Subdivision 1. [SCOPE OF SERVICES.] (a) For a family experiencing an emergency as defined in subdivision 2, and for whom the county authorizes services under subdivision 3, intensive family preservation services authorized under this section include both intensive family preservation services and emergency assistance placement services.

(b) For purposes of this section, intensive family preservation services are:

(1) crisis family-based services;

(2) counseling family-based services; and

(3) mental health family-based services.

Intensive family preservation services also include family-based life management skills when it is provided in conjunction with any of the three family-based services or five emergency assistance placement services in this subdivision. The intensive family preservation services in clauses (1), (2), and (3) and life management skills have the meanings given in section 256F.03, subdivision 5, paragraphs (a), (b), (c), and (e).

(c) For purposes of this section, emergency assistance placement services include:

- (1) emergency shelter services;
- (2) foster care services;
- (3) group home services;
- (4) child residential treatment services; and
- (5) correctional facility services.

Subd. 2. [DEFINITION OF EMERGENCY.] For the purposes of this section, an emergency is a situation in which the dependent children are at risk for out-of-home placement due to abuse, neglect, or delinquency; or when the children are returning home from placements but need services to prevent another placement; or when the parents are unable to provide care; or when the dependent children have been removed from the home by a peace officer, by order of the juvenile court, or pursuant to a voluntary placement agreement, to a publicly funded out-of-home placement.

Subd. 3. [COUNTY AUTHORIZATION.] The county agency shall assess current and prospective client families with a dependent under 21 years of age to determine if there is an emergency, as defined in subdivision 2, and to determine if there is a need for intensive family preservation services. Upon such determinations, during the period October 1, 1993 to September 30, 1995, counties shall authorize intensive family preservation services for up to 90 days 12 months for eligible families under this section and under section 256.871, subdivisions 1 and 3. Effective October 1, 1995, Once authorized, intensive family services shall be used singly or in any combination or duration up to 12 months appropriate to the needs of the child, as determined by the county agency.

Subd. 3a. [LIMITATIONS ON FEDERAL FUNDING.] County agencies shall determine eligibility under Title IV-E of the Social Security Act for every child being considered for emergency assistance placement services. The commissioner and county agencies shall make every effort to use federal funding under Title IV-E of the Social Security Act instead of federal funding under this section, whenever possible. The counties' obligations to continue the base level of expenditures and to expand family preservation services as defined in section 256F.03, subdivision 5, are eliminated, with the termination of if the federal revenue earned under this section is terminated. If the federal revenue earned under this section is terminated or inadequate, the state has no obligation to pay for these services. In the event that federal limitations or ceilings are imposed on federal emergency assistance funding, the commissioner shall use the funds according to these priorities:

- (1) emergency assistance benefits under section 256.871;
- (2) emergency assistance benefits under the reserve established in subdivision 5;
- (3) intensive family preservation services under this section; and
- (4) emergency assistance placement services under this section.

Subd. 4. [COST TO FAMILIES.] Family preservation services provided under this section or sections 256F.01 to 256F.07 shall be provided at no cost to the client and without regard to the client's available income or assets. Emergency assistance placement services provided under this section shall not be dependent on the client's available income or assets. However, county agencies shall seek costs of care as required under section 260.251 for emergency assistance placement services.

Subd. 5. [EMERGENCY ASSISTANCE RESERVE.] The commissioner shall establish an emergency assistance reserve for families who receive intensive family preservation services under this section. A family is eligible to receive assistance once from the emergency assistance reserve if it received intensive family preservation services under this section within the past 12 months, but has not received emergency assistance under section 256.871 during that period. The emergency assistance reserve shall cover the cost of the federal share of the assistance that would

have been available under section 256.871, except for the provision of intensive family preservation services provided under this section. The emergency assistance reserve shall be authorized and paid in the same manner as emergency assistance is provided under section 256.871. Funds set aside for the emergency assistance reserve that are not needed as determined by the commissioner shall be distributed by the terms of subdivision 6, paragraph (a); or 6b, paragraph (a), depending on how the funds were earned.

Subd. 6. [DISTRIBUTION OF NEW FEDERAL REVENUE EARNED FOR INTENSIVE FAMILY PRESERVATION SERVICES.] (a) All federal funds not set aside under paragraph (b), and at least 50 percent of all federal funds earned for intensive family preservation services under this section and earned through assessment activity under subdivision 3, shall be paid to each county based on its earnings and assessment activity, respectively, and shall be used by each county to expand family preservation core services as defined in section 256F.03, subdivision 5 10, and may be used to expand crisis nursery services. If a county joins a local children's mental health collaborative as authorized by the 1993 legislature, then the federal reimbursement received under this paragraph by the county for providing intensive family preservation services to children served by the local collaborative shall be transferred by the county to the integrated fund. The federal reimbursement transferred to the integrated fund by the county must be used for intensive family preservation services as defined in section 256F.03, subdivision 5, to the target population.

(b) The commissioner shall set aside a portion, not to exceed 50 percent, of the federal funds earned for intensive family preservation services under this section and earned through assessment activity described under subdivision 3. The set aside funds shall be used to develop and expand intensive family preservation services statewide as provided in subdivisions 6a and 7 and establish an emergency assistance reserve as provided in subdivision 5.

Subd. 6a. [DEVELOPMENT GRANTS.] Except for the portion needed for the emergency assistance reserve provided in subdivision 5, the commissioner ~~may shall~~ distribute the funds set aside under subdivision 6, paragraph (b), through development grants to a county or counties to establish and maintain approved intensive family preservation core services as defined in section 256F.03, subdivision 10, statewide. ~~Funds available for crisis family based services through section 256F.05, subdivision 8, shall be considered in establishing intensive family preservation services statewide. The commissioner may phase in intensive family preservation services in a county or group of counties as new federal funds become available.~~ The commissioner's priority is to establish a minimum level of intensive family preservation core services statewide. Each county's development grant shall be paid and used as provided in sections 256F.01 to 256F.06.

Subd. 6b. [DISTRIBUTION OF NEW FEDERAL REVENUE EARNED FOR EMERGENCY ASSISTANCE PLACEMENT SERVICES.] (a) All federal funds earned for emergency assistance placement services not set aside under paragraph (b), shall be paid to each county based on its earnings. These payments shall constitute the placement earnings grant of the family preservation fund under sections 256F.01 to 256F.06.

(b) The commissioner may set aside a portion, not to exceed 15 percent, of the federal funds earned for emergency assistance placement services under this section. The set aside funds shall be used for the emergency assistance reserve as provided in subdivision 5.

Subd. 7. [EXPANSION OF SERVICES AND BASE LEVEL OF EXPENDITURES.] (a) Counties must continue the base level of expenditures for family preservation core services as defined in section 256F.03, subdivision 5 10, from any state, county, or federal funding source, which, in the absence of federal funds earned for intensive family preservation services under this section and earned through assessment activity described under subdivision 3, would have been available for these services. The commissioner shall review the county expenditures annually, using reports required under sections 245.482, 256.01, subdivision 2, paragraph (17), and 256E.08, subdivision 8, to ensure that the base level of expenditures for family preservation core services as defined in section 256F.03, subdivision 5 10, is continued from sources other than the federal funds earned under this section and earned through assessment activity described under subdivision 3.

(b) The commissioner ~~may shall~~, at the request of a county, reduce, suspend, or eliminate either or both of a county's obligations to continue the base level of expenditures and to expand family

preservation core services as defined in section 256F.03, subdivision 5 10, if the commissioner determines that one or more of the following conditions apply to that county:

(1) imposition of levy limits or other levy restrictions that significantly reduce available social service funds;

(2) reduction in the net tax capacity of the taxable property within a county that significantly reduces available social service funds;

(3) reduction in the number of children under age 19 in the county by 25 percent when compared with the number in the base year using the most recent data provided by the state demographer's office; ~~or~~

(4) termination or reduction of the federal revenue earned under this section; or

(5) other changes in state law that significantly impact the receipt or distribution of state and federal funding.

(c) The commissioner may suspend for one year either or both of a county's obligations to continue the base level of expenditures and to expand family preservation core services as defined in section 256F.03, subdivision 5 10, if the commissioner determines that in the previous year one or more of the following conditions applied to that county:

(1) the unduplicated number of families who received family preservation services under section 256F.03, subdivision 5, paragraphs (a), (b), (c), and (e), equals or exceeds the unduplicated number of children who entered placement under sections 257.071 and 393.07, subdivisions 1 and 2, during the year;

(2) the total number of children in placement under sections 257.071 and 393.07, subdivisions 1 and 2, has been reduced by 50 percent from the total number in the base year; or

(3) the average number of children in placement under sections 257.071 and 393.07, subdivisions 1 and 2, on the last day of each month is equal to or less than one child per 1,000 children in the county.

(d) For the purposes of this section, the base year is calendar year 1992. For the purposes of this section, the base level of expenditures is the level of county expenditures in the base year for eligible family preservation services under section 256F.03, subdivision 5, paragraphs (a), (b), (c), and (e).

Subd. 8. [COUNTY RESPONSIBILITIES.] (a) Notwithstanding section 256.871, subdivision 6, for intensive family ~~preservation~~ services provided under this section, the county agency shall submit quarterly fiscal reports as required under section 256.01, subdivision 2, clause (17), and provide the nonfederal share.

(b) County expenditures eligible for federal reimbursement under this section must not be made from federal funds or funds used to match other federal funds.

(c) The commissioner may suspend, reduce, or terminate the federal reimbursement to a county that does not meet the reporting or other requirements of this section.

Subd. 9. [PAYMENTS.] Notwithstanding section 256.025, subdivision 2, payments to counties for social service expenditures for intensive family ~~preservation~~ services under this section shall be made only from the federal earnings under this section and earned through assessment activity described under subdivision 3. Counties may use up to ten percent of federal earnings received under subdivision 6, paragraph (a), to cover costs of income maintenance activities related to the operation of this section and sections 256B.094 and 256F.10.

Subd. 10. [COMMISSIONER RESPONSIBILITIES.] The commissioner in consultation with counties shall analyze state funding options to cover costs of counties' base level expenditures and any expansion of the nonfederal share of intensive family preservation services resulting from implementation of this section. The commissioner shall also study problems of implementation, barriers to maximizing federal revenue, and the impact on out-of-home placements of

implementation of this section. The commissioner shall report to the legislature on the results of this analysis and study, together with recommendations, by February 15, 1995.

Sec. 3. Minnesota Statutes 1994, section 256D.02, subdivision 5, is amended to read:

Subd. 5. "Family" means the applicant or recipient and the following persons who reside with the applicant or recipient:

- (1) the applicant's spouse;
- (2) any minor child of whom the applicant is a parent, stepparent, or legal custodian, and that child's minor siblings, including half-siblings and stepsiblings;
- (3) the other parent of the applicant's minor child or children together with that parent's minor children, and, if that parent is a minor, his or her parents, stepparents, legal guardians, and minor siblings; and
- (4) if the applicant or recipient is a minor, the minor's parents, stepparents, or legal guardians, and any other minor children for whom those parents, stepparents, or legal guardians are financially responsible.

~~For the period July 1, 1993 to June 30, 1995,~~ A minor child who is temporarily absent from the applicant's or recipient's home due to placement in foster care paid for from state or local funds, but who is expected to return within six months of the month of departure, is considered to be residing with the applicant or recipient.

A "family" must contain at least one minor child and at least one of that child's natural or adoptive parents, stepparents, or legal custodians.

Sec. 4. Minnesota Statutes 1994, section 256E.115, is amended to read:

256E.115 [SAFE HOUSES AND TRANSITIONAL HOUSING FOR HOMELESS YOUTH.]

Subdivision 1. [COMMISSIONER DUTIES.] The commissioner shall have authority to make grants for pilot programs when the legislature authorizes money to encourage innovation in the development of safe house programs to respond to the needs of homeless youth issue a request for proposals from organizations that are knowledgeable about the needs of homeless youth for the purpose of providing safe houses and transitional housing for homeless youth. The commissioner shall appoint a review committee of up to eight members to evaluate the proposals. The review panel must include representation from communities of color, youth, and other community providers and agency representatives who understand the needs and problems of homeless youth. The commissioner shall also assist in coordinating funding from federal and state grant programs and funding available from a variety of sources for efforts to promote a continuum of services for youth through a consolidated grant application. The commissioner shall analyze the needs of homeless youth and gaps in services throughout the state and determine how to best serve those needs within the available funding.

Subd. 2. [SAFE HOUSES AND TRANSITIONAL HOUSING.] A safe house provides emergency housing for homeless youth ranging in age from 13 to 22 with the goal of reuniting the family, if appropriate, whenever possible. Transitional housing provides housing for homeless youth ages 16 to 22 who are transitioning into independent living.

In developing both types of housing, the commissioner and the review committee shall try to create a family atmosphere in a neighborhood or community and, if possible, provide separate but cooperative homes for males and females. It may be necessary, due to licensing restrictions, to provide separate housing for different age groups. The following services, or adequate access to referrals for the following services, must be made available to the homeless youth:

- (1) counseling services for the youth, and their families, if appropriate, on site, to help with problems that resulted in the homelessness;
- (2) job services to help youth find employment in addition to creating jobs on site, including food service, maintenance, child care, and tutoring;

(3) health services that are confidential and provide preventive care services, crisis referrals, and other necessary health care services;

(4) living skills training to help youth learn how to care for themselves; and

(5) education services that help youth enroll in academic programs, if they are currently not in a program. Enrollment in an academic program is required for residency in transitional housing.

Sec. 5. Minnesota Statutes 1994, section 256F.01, is amended to read:

256F.01 [PUBLIC POLICY.]

The public policy of this state is to assure that all children, ~~regardless of minority racial or ethnic heritage,~~ live in families that offer a safe, permanent relationship with nurturing parents or caretakers. To help assure children the opportunity to establish lifetime relationships, public social services must strive to provide culturally competent services and be directed toward:

(1) preventing the unnecessary separation of children from their families by identifying family problems, assisting families in resolving their problems, and preventing breakup of the family if it is desirable and possible;

(2) restoring to their families children who have been removed, by continuing to provide services to the reunited child and the families;

(3) placing children in suitable adoptive homes, in cases where restoration to the biological family is not possible or appropriate; and

(4) assuring adequate care of children away from their homes, in cases where the child cannot be returned home or cannot be placed for adoption.

Sec. 6. Minnesota Statutes 1994, section 256F.02, is amended to read:

256F.02 [CITATION.]

Sections 256F.01 to 256F.07 and 256F.10 may be cited as the "Minnesota family preservation act."

Sec. 7. Minnesota Statutes 1994, section 256F.03, subdivision 5, is amended to read:

Subd. 5. [FAMILY-BASED SERVICES.] "Family-based services" means one or more of the services described in paragraphs (a) to (f) provided to families primarily in their own home for a limited time. ~~Family-based services eligible for funding under the family preservation act are the services described in paragraphs (a) to (f).~~

(a) [CRISIS SERVICES.] "Crisis services" means professional services provided within 24 hours of referral to alleviate a family crisis and to offer an alternative to placing a child outside the family home. The services are intensive and time limited. The service may offer transition to other appropriate community-based services.

(b) [COUNSELING SERVICES.] "Counseling services" means professional family counseling provided to alleviate individual and family dysfunction; provide an alternative to placing a child outside the family home; or permit a child to return home. The duration, frequency, and intensity of the service is determined in the individual or family service plan.

(c) [LIFE MANAGEMENT SKILLS SERVICES.] "Life management skills services" means paraprofessional services that teach family members skills in such areas as parenting, budgeting, home management, and communication. The goal is to strengthen family skills as an alternative to placing a child outside the family home or to permit a child to return home. A social worker shall coordinate these services within the family case plan.

(d) [CASE COORDINATION SERVICES.] "Case coordination services" means professional services provided to an individual, family, or caretaker as an alternative to placing a child outside the family home, to permit a child to return home, or to stabilize the long-term or permanent placement of a child. Coordinated services are provided directly, are arranged, or are monitored to

meet the needs of a child and family. The duration, frequency, and intensity of services is determined in the individual or family service plan.

(e) [MENTAL HEALTH SERVICES.] "Mental health services" means the professional services defined in section 245.4871, subdivision 31.

(f) [EARLY INTERVENTION SERVICES.] "Early intervention services" means family-based intervention services designed to help at-risk families avoid crisis situations.

Sec. 8. Minnesota Statutes 1994, section 256F.03, is amended by adding a subdivision to read:

Subd. 10. [FAMILY PRESERVATION CORE SERVICES.] "Family preservation core services" means adequate capacity of crisis services as defined in subdivision 5, paragraph (a), plus either or both counseling services as defined in subdivision 5, paragraph (b), and mental health services as defined in subdivision 5, paragraph (e), plus life management skills services as defined in subdivision 5, paragraph (c).

Sec. 9. Minnesota Statutes 1994, section 256F.04, subdivision 1, is amended to read:

Subdivision 1. [GRANT PROGRAM FAMILY PRESERVATION FUND.] The commissioner shall establish a statewide family preservation grant program fund to assist counties in providing placement prevention and family reunification services. This fund shall include a basic grant for family preservation services, a placement earnings grant under section 256.8711, subdivision 6b, paragraph (a), and a development grant under section 256.8711, subdivision 6a, to assist counties in developing and expanding their family preservation core services as defined in section 256F.03, subdivision 10. Beginning with calendar year 1998, after each annual or quarterly calculation, these three component grants shall be added together and treated as a single family preservation grant.

Sec. 10. Minnesota Statutes 1994, section 256F.04, subdivision 2, is amended to read:

Subd. 2. [FORMS AND INSTRUCTIONS.] The commissioner shall provide necessary forms and instructions to the counties for their community social services plan, as required in section 256E.09, that incorporate the permanency plan format and information necessary to apply for a family preservation fund grant, and to exercise county options under section 256F.05, subdivision 7, paragraph (a), or subdivision 8, paragraph (c).

Sec. 11. Minnesota Statutes 1994, section 256F.05, is amended by adding a subdivision to read:

Subd. 1a. [DEVELOPMENT OF FAMILY PRESERVATION CORE SERVICES.] The commissioner shall annually determine whether a county's family preservation core services, as defined in section 256F.03, subdivision 10, are developed for that calendar year. In making this determination for any given calendar year, the commissioner shall consider factors for each county such as which family preservation core services are included in its community services plan under section 256E.09, the ratio of expenditures on family preservation core services to expenditures on out-of-home placements, the availability of crisis services as defined in section 256F.03, subdivision 5, paragraph (a), and recent trends in out-of-home placements both within that county and statewide.

Sec. 12. Minnesota Statutes 1994, section 256F.05, subdivision 2, is amended to read:

Subd. 2. [MONEY AVAILABLE FOR THE BASIC GRANT.] Money appropriated for family preservation grants to counties under sections 256F.04 to 256F.07, together with an amount as determined by the commissioner of title IV-B funds distributed to Minnesota according to the Social Security Act, United States Code, title 42, section 621, must be distributed to counties on a calendar year basis according to the formula in subdivision 3.

Sec. 13. Minnesota Statutes 1994, section 256F.05, subdivision 3, is amended to read:

Subd. 3. [BASIC GRANT FORMULA.] (a) The amount of money allocated to counties under subdivision 2 must be based on the following two factors shall first be allocated in amounts equal to each county's guaranteed floor according to paragraph (b), and second, any remaining available funds allocated as follows:

(1) 90 percent of the funds shall be allocated based on the population of the county under age 19 years as compared to the state as a whole as determined by the most recent data from the state demographer's office; and

(2) ten percent of the funds shall be allocated based on the county's percentage share of the number of minority children in substitute care receiving children's case management services as defined by the commissioner based on the most recent data as determined by the most recent department of human services annual report on children in foster care commissioner.

~~The amount of money allocated according to formula factor (1) must not be less than 90 percent of the total allocated under subdivision 2.~~

(b) Each county's basic grant guaranteed floor shall be calculated as follows:

(1) 90 percent of the county's allocation received in the preceding calendar year. For calendar year 1996 only, the allocation received in the preceding calendar year shall be determined by the commissioner based on the funding previously distributed as separate grants under sections 256F.04 to 256F.07; and

(2) when the amounts 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.

(c) The commissioner shall regularly review the use of family preservation fund allocations by county. The commissioner may reallocate unexpended or unencumbered money at any time among those counties that have expended or are projected to expend their full allocation.

Sec. 14. Minnesota Statutes 1994, section 256F.05, subdivision 4, is amended to read:

Subd. 4. [PAYMENTS.] The commissioner shall make grant payments to each county whose biennial community social services plan includes a permanency plan has been approved under section 256F.04, subdivision 2. The payment must be made basic grant under subdivisions 2 and 3 and the development grant under section 256.8711, subdivision 6a, shall be paid to counties in four installments per year. The commissioner may certify the payments for the first three months of a calendar year. Subsequent payments must be made on May 15, August 15, and November 15, of each calendar year. When an amount of title IV-B funds as determined by the commissioner is made available, it shall be reimbursed to counties on November 15. shall be based on reported expenditures and may be adjusted for anticipated spending patterns. The placement earnings grant under section 256.8711, subdivision 6b, paragraph (a), shall be based on earnings and coordinated with the other payments. In calendar years 1996 and 1997, the placement earnings grant and the development grant shall be distributed separately from the basic grant, except as provided in subdivision 7, paragraph (a). Beginning with calendar year 1998, after each annual or quarterly calculation, these three component grants shall be added together into a single family preservation fund grant and treated as a single grant.

Sec. 15. Minnesota Statutes 1994, section 256F.05, subdivision 5, is amended to read:

Subd. 5. [INAPPROPRIATE EXPENDITURES.] Family preservation fund basic, placement earnings, and development grant money must not be used for:

(1) child day care necessary solely because of the employment or training to prepare for employment, of a parent or other relative with whom the child is living;

(2) residential facility payments;

(3) adoption assistance payments;

(4) public assistance payments for aid to families with dependent children, supplemental aid, medical assistance, general assistance, general assistance medical care, or community health services authorized by sections 145A.09 to 145A.13; or

(5) administrative costs for local social services agency public assistance staff.

Sec. 16. Minnesota Statutes 1994, section 256F.05, subdivision 7, is amended to read:

Subd. 7. ~~[TRANSFER OF FUNDS USES OF PLACEMENT EARNINGS AND DEVELOPMENT GRANTS.]~~ Notwithstanding subdivision 1, the commissioner may transfer money from the appropriation for family preservation grants to counties into the subsidized adoption account when a deficit in the subsidized adoption program occurs. The amount of the transfer must not exceed five percent of the appropriation for family preservation grants to counties. (a) For calendar years 1996 and 1997, each county must use its placement earnings and development grants to develop and expand its family preservation core services as defined in section 256F.03, subdivision 10. If a county demonstrates that its family preservation core services are developed as provided in subdivision 1a, then at the county's written request, the commissioner shall add its placement earnings and development grant to its basic grant, to be used as a single family preservation fund grant.

(b) Beginning with calendar year 1998, each county which has demonstrated that year that its family preservation core services are developed as provided in subdivision 1a, shall have its placement earnings and development grant added to its basic grant, to be used as a single family preservation fund grant. The development grant for any county which has not so demonstrated shall be redistributed to all counties which have, in proportion to their calculated development grants.

Sec. 17. Minnesota Statutes 1994, section 256F.05, subdivision 8, is amended to read:

Subd. 8. ~~[USES OF FAMILY PRESERVATION FUND GRANTS FOR FAMILY-BASED CRISIS SERVICES.]~~ Within the limits of appropriations made for this purpose, the commissioner may award grants for the families first program, including section 256F.08, to be distributed on a calendar year basis to counties to provide programs for family based crisis services defined in section 256F.03, subdivision 5. The commissioner shall ask counties to present proposals for the funding and shall award grants for the funding on a competitive basis. Beginning January 1, 1993, the state share of the costs of the programs shall be 75 percent and the county share, 25 percent. For both basic grants and single family preservation fund grants:

(a) A county which has not demonstrated that year that its family preservation core services are developed as provided in subdivision 1a, must use its family preservation fund grant exclusively for family preservation services defined in section 256F.03, subdivision 5, paragraphs (a), (b), (c), and (e).

(b) A county which has demonstrated that year that its family preservation core services are developed becomes eligible either to continue using its family preservation fund grant as provided in paragraph (a), or to exercise the expanded service option under paragraph (c).

(c) The expanded service option permits an eligible county to use its family preservation fund grant for child welfare preventative services as defined in section 256F.10, subdivision 7, paragraph (d). To exercise this option, an eligible county must notify the commissioner in writing of its intention to do so no later than 30 days into the quarter during which it intends to begin or in its county plan, as provided in section 256F.04, subdivision 2. Effective with the first day of that quarter, the county must maintain its base level of expenditures for child welfare preventative services and use the family preservation fund to expand them. The base level of expenditures for a county shall be that established under section 256F.10, subdivision 7. For counties which have no such base established, a comparable base shall be established with the base year being the calendar year ending at least two calendar quarters before the first calendar quarter in which the county exercises its expanded service option. The commissioner shall, at the request of the counties, reduce, suspend, or eliminate either or both of a county's obligations to continue the base level of expenditures and to expand child welfare preventative services based on conditions described in section 256F.10, subdivision 7, paragraph (b) or (c).

(d) Each county's placement earnings and development grant shall be determined under section 256.8711, but after each annual or quarterly calculation, if added to that county's basic grant, the three component grants shall be treated as a single family preservation fund grant.

Sec. 18. Minnesota Statutes 1994, section 256F.06, subdivision 1, is amended to read:

Subdivision 1. [RESPONSIBILITIES.] A county board may, alone or in combination with other county boards, apply for a family preservation fund grant as provided in section 256F.04, subdivision 2. Upon approval of the family preservation grant, the county board may contract for or directly provide family-based and other eligible services.

Sec. 19. Minnesota Statutes 1994, section 256F.06, subdivision 2, is amended to read:

Subd. 2. [USES OF GRANTS DEVELOPING FAMILY PRESERVATION CORE SERVICES.] ~~The grant must be used exclusively for family based services.~~ A county board shall endeavor to develop and expand its family preservation core services. When a county can demonstrate that its family preservation core services are developed as provided in section 256F.05, subdivision 1a, a county board becomes eligible to exercise the expanded service option under section 256F.05, subdivision 8, paragraph (c). For calendar years 1996 and 1997, the county board also becomes eligible to request that its basic, placement earnings, and development grants be added into a single grant under section 256F.05, subdivision 7, paragraph (a).

Sec. 20. Minnesota Statutes 1994, section 256F.06, subdivision 4, is amended to read:

Subd. 4. [REPORTING.] The commissioner shall specify requirements for reports, including quarterly fiscal reports, according to section 256.01, subdivision 2, paragraph (17). ~~The reports must include:~~

- ~~(1) a detailed statement of expenses attributable to the grant during the preceding quarter, and~~
- ~~(2) a statement of the expenditure of money for family based services by the county during the preceding quarter, including the number of clients served and the expenditures, by client, for each service provided.~~

Sec. 21. Minnesota Statutes 1994, section 256F.09, is amended to read:

256F.09 [GRANTS FOR CHILDREN'S SAFETY FAMILY VISITATION CENTERS.]

Subdivision 1. [PURPOSE.] The commissioner shall issue a request for proposals from existing local nonprofit, nongovernmental, or governmental organizations, to use existing local facilities as ~~pilot children's safety~~ family visitation centers which may also be used for visitation exchanges. The commissioner shall award grants in amounts up to \$50,000 for the purpose of creating ~~children's safety~~ or maintaining family visitation centers in an effort 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 family visitation centers and to locate them to provide for the broadest possible geographic distribution of the centers throughout the state.

Each children's safety family visitation center must use existing local facilities to provide a healthy interactive environment for parents who are separated or divorced and for parents with children in foster homes to visit with their children. The centers must be available for use by district courts who may order visitation to occur at a safety family visitation center. The centers may also be used as drop-off sites, so that parents who are under court order to have no contact with each other can exchange children for visitation at a neutral site. Each center must provide sufficient security to ensure a safe visitation environment for children and their parents. A grantee must demonstrate the ability to provide a 25 percent local match, which may include in-kind contributions.

Subd. 1a. [COUNTY INVOLVEMENT.] Each county or group of counties is encouraged to provide supervised visitation services in an effort to fill the gap in the court system that orders supervised visitation, but does not provide a center to accomplish the supervised visitation as ordered. Each county or group of counties is encouraged to either financially contribute to an existing family visitation center in the area, or establish a new center if there is not one in the area, possibly through county social services. In creating a new center, the county may collaborate with other counties, other family visitation centers, family services collaboratives, court services, and any other entity or organization. The goal is to provide family visitation centers statewide. The

county shall apply for funding that may be available through the federal government, specifically for family preservation or family reunification purposes, or any other source of funding that will aid in developing and maintaining this vital service.

Subd. 2. [PRIORITIES FUNDING.] The commissioner may award grants to create or maintain family visitation centers.

In awarding grants to maintain a family visitation center, the commissioner may award a grant to a center that can demonstrate a 35 percent local match, provided the center is diligently exploring and pursuing all available funding options in an effort to become self-sustaining, and those efforts are reported to the commissioner.

In awarding grants ~~under the program~~ to create a family visitation center, the commissioner shall give priority to:

(1) areas of the state where no ~~children's safety~~ other family visitation center or similar facility exists;

(2) applicants who demonstrate that private funding for the center is available and will continue; and

(3) facilities that are adapted for use to care for children, such as day care centers, religious institutions, community centers, schools, technical colleges, parenting resource centers, and child care referral services.

Subd. 3. [ADDITIONAL SERVICES.] Each family visitation center may provide parenting and child development classes, and offer support groups to participating custodial parents and hold regular classes designed to assist children who have experienced domestic violence and abuse.

Subd. 4. [REPORT.] The commissioner shall evaluate the operation of the ~~pilot children's safety~~ family visitation centers and report to the legislature by February 1, 1994, with recommendations.

Subd. 5. [ADMINISTRATION.] In administering the grants authorized by this section, the commissioner shall ensure that the term "family visitation center" is used in all future applications, publicity releases, requests for proposals, and other materials of like nature. Materials published prior to the enactment of this legislation which use different terms may be distributed by the commissioner until supplies are gone.

Sec. 22. Minnesota Statutes 1994, section 256H.01, subdivision 9, is amended to read:

Subd. 9. [FAMILY.] "Family" means parents, stepparents, guardians and their spouses, or other eligible relative caretakers and their spouses, and their blood related dependent children and adoptive siblings under the age of 18 years living in the same home including children temporarily absent from the household in settings such as schools, foster care, and residential treatment facilities. When a minor parent or parents and his, her, or their child or children are living with other relatives, and the minor parent or parents apply for a child care subsidy, "family" means only the minor parent or parents and the child or children. An adult may be considered a dependent member of the family unit if 50 percent of the adult's support is being provided by the parents, stepparents, guardians and their spouses, or eligible relative caretakers and their spouses, residing in the same household. An adult age 18 who is a full-time high school student and can reasonably be expected to graduate before age 19 may be considered a dependent member of the family unit.

Sec. 23. Minnesota Statutes 1994, section 256H.01, subdivision 12, is amended to read:

Subd. 12. [PROVIDER.] "Provider" means a child care license holder who operates a family day care home, a group family day care home, a day care center, a nursery school, a day nursery, an extended day school age child care program; a ~~person exempt from licensure who meets child care standards established~~ legal nonlicensed extended day school age child care program which operates under the auspices of a local school board that has adopted school age child care standards which meet or exceed standards recommended by the state board department of education; or a legal nonlicensed caregiver who is at least 18 years of age, and who is not a member of the AFDC assistance unit.

Sec. 24. Minnesota Statutes 1994, section 256H.02, is amended to read:

256H.02 [DUTIES OF COMMISSIONER.]

The commissioner shall develop standards for county and human services boards to provide child care services to enable eligible families to participate in employment, training, or education programs. Within the limits of available appropriations, the commissioner shall distribute money to counties to reduce the costs of child care for eligible families. The commissioner shall adopt rules to govern the program in accordance with this section. The rules must establish a sliding schedule of fees for parents receiving child care services. In the rules adopted under this section, county and human services boards shall be authorized to establish policies for payment of child care spaces for absent children, when the payment is required by the child's regular provider. The rules shall not set a maximum number of days for which absence payments can be made, but instead shall direct the county agency to set limits and pay for absences according to the prevailing market practice in the county. County policies for payment of absences shall be subject to the approval of the commissioner. The commissioner shall maximize the use of federal money ~~under the AFDC employment special needs program~~ in section 256.736, ~~subdivision 8~~, and other programs that provide federal reimbursement for child care services for recipients of aid to families with dependent children who are in education, training, job search, or other activities allowed under those programs. Money appropriated under this section must be coordinated with the ~~AFDC employment special needs program and other~~ programs that provide federal reimbursement for child care services to accomplish this purpose. Federal reimbursement obtained must be allocated to the county that spent money for child care that is federally reimbursable under programs that provide federal reimbursement for child care services. The counties shall use the federal money to expand child care services. The commissioner may adopt rules under chapter 14 to implement and coordinate federal program requirements.

Sec. 25. Minnesota Statutes 1994, section 256H.03, subdivision 1, is amended to read:

Subdivision 1. [ALLOCATION PERIOD; NOTICE OF ALLOCATION.] When the commissioner notifies county and human service boards of the forms and instructions they are to follow in the development of their biennial community social services plans required under section 256E.08, the commissioner shall also notify county and human services boards of their estimated child care fund program allocation for the two years covered by the plan. ~~By June~~ October 1 of each year, the commissioner shall notify all counties of their final child care fund program allocation.

Sec. 26. Minnesota Statutes 1994, section 256H.03, subdivision 2a, is amended to read:

Subd. 2a. [ELIGIBLE RECIPIENTS.] Families that meet the eligibility requirements under sections 256H.10, except AFDC recipients, MFIP recipients, and transition year families, and 256H.11 are eligible for child care assistance under the basic sliding fee program. ~~From July 1, 1990, to June 30, 1991, a county may not accept new applications for the basic sliding fee program unless the county can demonstrate that its state money expenditures for the basic sliding fee program for this period will not exceed 95 percent of the county's allocation of state money for the fiscal year ending June 30, 1990. As basic sliding fee program money becomes available to serve new families, eligible families whose benefits were terminated during the fiscal year ending June 30, 1990, for reasons other than loss of eligibility shall be reinstated.~~ Families enrolled in the basic sliding fee program as of July 1, 1990, shall be continued until they are no longer eligible. Counties shall make vendor payments to the child care provider or pay the parent directly for eligible child care expenses on a reimbursement basis. Child care assistance provided through the child care fund is considered assistance to the parent.

Sec. 27. Minnesota Statutes 1994, section 256H.03, subdivision 4, is amended to read:

Subd. 4. [ALLOCATION FORMULA.] Beginning ~~July 1, 1992~~ January 1, 1996, the basic sliding fee state and federal funds shall be allocated on a calendar year basis. Funds shall be allocated first in amounts equal to each county's guaranteed floor according to subdivision 6, with any remaining available funds allocated according to the following formula:

(a) ~~One-half~~ One-third of the funds shall be allocated in proportion to each county's total expenditures for the basic sliding fee child care program reported during the ~~12-month period~~

ending on December 31 of the preceding state fiscal year most recent calendar year completed at the time of the notice of allocation.

(b) ~~One-fourth~~ One-third of the funds shall be allocated based on the number of children under age 13 in each county who are enrolled in general assistance medical care, medical assistance, and ~~the children's health plan on July 1, of each year MinnesotaCare on December 31 of the most recent calendar year completed at the time of the notice of allocation.~~

(c) ~~One-fourth~~ One-third of the funds shall be allocated based on the number of children under age 13 who reside in each county, from the most recent estimates of the state demographer.

Sec. 28. Minnesota Statutes 1994, section 256H.03, is amended by adding a subdivision to read:

Subd. 4a. [SIX-MONTH ALLOCATION.] For the period from July 1, 1995, to December 31, 1995, every county shall receive an allocation at least equal and proportionate to one-half of its original allocation in state fiscal year 1995. This six-month allocation shall be combined with the calendar year 1996 allocation and be administered as one 18-month allocation.

Sec. 29. Minnesota Statutes 1994, section 256H.03, subdivision 6, is amended to read:

~~Subd. 6. [GUARANTEED FLOOR.] (a) Each county's guaranteed floor shall equal the lesser of:~~

~~(1) the county's original allocation in the preceding state fiscal year; or~~

~~(2) 110 percent of the county's basic sliding fee child care program state and federal earnings for the 12 month period ending on December 31 of the preceding state fiscal year. For purposes of this clause, "state and federal earnings" means the reported direct child care expenditures adjusted for the administrative allowance and 15 percent required county match. Beginning January 1, 1996, each county's guaranteed floor shall equal 90 percent of the allocation received in the preceding calendar year. For the calendar year 1996 allocation, the preceding calendar year shall be considered to be double the six-month allocation as provided for in subdivision 4a.~~

(b) When the amount of funds available for allocation is less than the amount available in the previous year, each county's previous year allocation shall be reduced in proportion to the reduction in the statewide funding, for the purpose of establishing the guaranteed floor.

Sec. 30. Minnesota Statutes 1994, section 256H.05, subdivision 6, is amended to read:

~~Subd. 6. [NON-STRIDE AFDC CHILD CARE PROGRAM ACCESS CHILD CARE PROGRAM.] (a) Starting one month after April 30, 1992, the department of human services commissioner shall reimburse eligible expenditures for 2,000 family slots for AFDC caretakers not eligible for services under section 256.736, who are engaged in an authorized educational or job search program. Each county will receive a number of family slots based on the county's proportion of the AFDC caseload. A county must receive at least two family slots. Eligibility and reimbursement are limited to the number of family slots allocated to each county. County agencies shall authorize an educational plan for each student and may prioritize families eligible for this program in their child care fund plan upon approval of the commissioner of human services. (b) Persons eligible for but unable to participate in the JOBS (STRIDE) program because of a waiting list may be accepted as a new participant, or continue to participate in the ACCESS child care program if a slot is available as long as all other eligibility factors are met. Child care assistance must continue under the ACCESS child care program until the participant loses eligibility or is enrolled in project STRIDE.~~

(c)(1) Effective July 1, 1995, the commissioner shall reclaim 90 percent of the vacant slots in each county and distribute those slots to counties with waiting lists of persons eligible for the ACCESS child care program. The slots must be distributed to eligible families based on the July 1, 1995, waiting list placement date, first come, first served basis.

(2) ACCESS child care slots remaining after the waiting list under clause (1) has been eliminated must be distributed to eligible families on a first come, first served basis, based on the client's date of request.

(3) The county must notify the commissioner when an ACCESS slot in the county becomes available. Notification by the county must be within five calendar days of the effective date of the termination of the ACCESS child care services. The resulting vacant slot must be returned to the department of human services. The slot must then be redistributed under clause (2).

(4) The commissioner shall consult with the task force on child care and make recommendations to the 1996 legislature for future distribution of the ACCESS slots under this paragraph.

Sec. 31. Minnesota Statutes 1994, section 256H.08, is amended to read:

256H.08 [USE OF MONEY.]

Money for persons listed in sections 256H.03, subdivision 2a, and 256H.05, subdivision 1b, shall be used to reduce the costs of child care for students, including the costs of child care for students while employed if enrolled in an eligible education program at the same time and making satisfactory progress towards completion of the program. Counties may not limit the duration of child care subsidies for a person in an employment or educational program, except when the person is found to be ineligible under the child care fund eligibility standards. Any limitation must be based on a person's employability plan in the case of an AFDC recipient, and county policies included in the child care allocation plan. Time limitations for child care assistance, as specified in Minnesota Rules, parts 9565.5000 to 9565.5200, do not apply to basic or remedial educational programs needed to prepare for post-secondary education or employment. These programs include: high school, general equivalency diploma, and English as a second language. Programs exempt from this time limit must not run concurrently with a post-secondary program. High school students who are participating in a post-secondary options program and who receive a high school diploma issued by the school district are exempt from the time limitations while pursuing a high school diploma. Financially eligible students who have received child care assistance for one academic year shall be provided child care assistance in the following academic year if funds allocated under sections 256H.03 and 256H.05 are available. If an AFDC recipient who is receiving AFDC child care assistance under this chapter moves to another county, continues to participate in educational or training programs authorized in their employability development plans, and continues to be eligible for AFDC child care assistance under this chapter, the AFDC caretaker must receive continued child care assistance from the county responsible for their current employability development plan, without interruption.

Sec. 32. Minnesota Statutes 1994, section 256H.11, subdivision 1, is amended to read:

Subdivision 1. [ASSISTANCE FOR PERSONS SEEKING AND RETAINING EMPLOYMENT.] Persons who are seeking employment and who are eligible for assistance under this section are eligible to receive ~~the equivalent of up to one month of child care~~ up to 240 hours of child care assistance per calendar year. Employed persons who work at least an average of ten hours a week and receive at least a minimum wage for all hours worked are eligible for continued child care assistance.

Sec. 33. Minnesota Statutes 1994, section 256H.12, subdivision 1, is amended to read:

Subdivision 1. [COUNTY CONTRIBUTIONS REQUIRED.] Beginning July 1, 1995, in addition to payments from parents basic sliding fee child care program participants, counties shall contribute from county tax or other sources a minimum of 15 percent of the cost of the basic sliding fee program at the local match percentage calculated according to subdivision 1a. The commissioner shall recover funds from the county as necessary to bring county expenditures into compliance with this subdivision.

Sec. 34. Minnesota Statutes 1994, section 256H.12, is amended by adding a subdivision to read:

Subd. 1a. [LOCAL MATCH PERCENTAGE.] The local match percentage shall equal the lesser of either (i) 15 percent of the cost of the basic sliding fee program or (ii) the statewide required local match in state fiscal year 1995, divided by the sum of the current year's basic sliding fee allocation plus the statewide required local match in state fiscal year 1995. The resulting local match percentage shall be adjusted to reflect a statewide local match of five percent

on any state and federal funding for the basic sliding fee program above the initial state fiscal year 1995 statewide allocation. For purposes of this computation, the statewide required local match in state fiscal year 1995 shall be equal to the initial state fiscal year 1995 basic sliding fee allocation, divided by 85 percent, and then multiplied by 15 percent. The calendar year 1996 local match percentage shall be in effect for the six-month allocation period defined in section 256H.03.

Sec. 35. Minnesota Statutes 1994, section 256H.12, subdivision 3, as amended by Laws 1995, chapter 139, section 1, is amended to read:

Subd. 3. [MAINTENANCE OF FUNDING EFFORT.] To receive money through this program, each county shall certify, in its annual plan to the commissioner, that the county has not reduced allocations from other federal and state sources, which, in the absence of the child care fund, would have been available for child care assistance. However, the county must continue contributions, as necessary, to maintain on the basic sliding fee program for families who are receiving assistance on July 1, 1995, until the family loses eligibility for the program or until a family voluntarily withdraws from the program. This subdivision does not affect the local match required for this program under other sections of the law.

Sec. 36. Minnesota Statutes 1994, section 256H.15, subdivision 1, is amended to read:

Subdivision 1. [SUBSIDY RESTRICTIONS.] ~~(a) Until June 30, 1991, the maximum child care rate is determined under this paragraph. The county board may limit the subsidy allowed by setting a maximum on the provider child care rate that the county shall subsidize. The maximum rate set by any county shall not be lower than 110 percent or higher than 125 percent of the median rate in that county for like care arrangements for all types of care, including special needs and handicapped care, as determined by the commissioner. If the county sets a maximum rate, it must pay the provider's rate for each child receiving a subsidy, up to the maximum rate set by the county. If a county does not set a maximum provider rate, it shall pay the provider's rate for every child in care. The maximum state payment is 125 percent of the median provider rate. If the county has not set a maximum provider rate and the provider rate is greater than 125 percent of the median provider rate in the county, the county shall pay the amount in excess of 125 percent of the median provider rate from county funding sources. The county shall pay the provider's full charges for every child in care up to the maximum established. The commissioner shall determine the maximum rate for each type of care, including special needs and handicapped care.~~

~~(b) Effective July 1, 1991, the maximum rate paid for child care assistance under the child care fund is the maximum rate eligible for federal reimbursement except that a provider receiving reimbursement under paragraph (a) as of January 1, 1991, shall be paid at a rate no less than the rate of reimbursement received under that paragraph. A rate which includes a provider bonus paid under subdivision 2 or a special needs rate paid under subdivision 3 may be in excess of the maximum rate allowed under this subdivision. The department of human services shall monitor the effect of this paragraph on provider rates. The county shall pay the provider's full charges for every child in care up to the maximum established. The commissioner shall determine the maximum rate for each type of care, including special needs and handicapped care.~~

~~(c) When the provider charge is greater than the maximum provider rate allowed, the parent is responsible for payment of the difference in the rates in addition to any family copayment fee.~~

Sec. 37. Minnesota Statutes 1994, section 256H.18, is amended to read:

256H.18 [ADMINISTRATIVE EXPENSES.]

~~The commissioner shall use up to seven percent one-eleventh of the state and federal funds appropriated available for the basic sliding fee program for payments to counties for administrative expenses. The commissioner shall use up to ten percent of federal funds for payments to counties for administrative expenses.~~

Sec. 38. Minnesota Statutes 1994, section 256H.20, subdivision 3a, is amended to read:

Subd. 3a. [GRANT REQUIREMENTS AND PRIORITY.] Priority for awarding resource and referral grants shall be given in the following order:

- (1) start up resource and referral programs in areas of the state where they do not exist; and

(2) improve resource and referral programs.

Resource and referral programs shall meet the following requirements:

(a) Each program shall identify all existing child care services through information provided by all relevant public and private agencies in the areas of service, and shall develop a resource file of the services which shall be maintained and updated at least quarterly. These services must include family day care homes; public and private day care programs; full-time and part-time programs; infant, preschool, and extended care programs; and programs for school age children.

The resource file must include: the type of program, hours of program service, ages of children served, fees, location of the program, eligibility requirements for enrollment, special needs services, and transportation available to the program. The file may also include program information and special program features.

(b) Each resource and referral program shall establish a referral process which responds to parental need for information and which fully recognizes confidentiality rights of parents. The referral process must afford parents maximum access to all referral information. This access must include telephone referral available for no less than 20 hours per week.

Each child care resource and referral agency shall publicize its services through popular media sources, agencies, employers, and other appropriate methods.

(c) Each resource and referral program shall maintain ongoing documentation of requests for service. All child care resource and referral agencies must maintain documentation of the number of calls and contacts to the child care information and referral agency or component. A resource and referral program shall collect and maintain the following information:

- (1) ages of children served;
- (2) time category of child care request for each child;
- (3) special time category, such as nights, weekends, and swing shift; and
- (4) reason that the child care is needed.

(d) Each resource and referral program shall make available the following information as an educational aid to parents:

(1) information on aspects of evaluating the quality and suitability of child care services, including licensing regulation, financial assistance available, child abuse reporting procedures, appropriate child development information;

(2) information on available parent, early childhood, and family education programs in the community.

(e) On or after one year of operation a resource and referral program shall provide technical assistance to employers and existing and potential providers of all types of child care services. This assistance shall include:

(1) information on all aspects of initiating new child care services including licensing, zoning, program and budget development, and assistance in finding information from other sources;

(2) information and resources which help existing child care providers to maximize their ability to serve the children and parents of their community;

(3) dissemination of information on current public issues affecting the local and state delivery of child care services;

(4) facilitation of communication between existing child care providers and child-related services in the community served;

(5) recruitment of licensed providers; and

(6) options, and the benefits available to employers utilizing the various options, to expand child care services to employees.

Services prescribed by this section must be designed to maximize parental choice in the selection of child care and to facilitate the maintenance and development of child care services and resources.

(f) Child care resource and referral information must be provided to all persons requesting services and to all types of child care providers and employers.

(g) Each resource and referral program shall coordinate early childhood training for child care providers in that program's service delivery area. The resource and referral program shall convene an early childhood care and education training advisory committee to assist in the following activities:

(1) assess the early childhood care and education training needs of child care center staff and family and group family child care providers;

(2) coordinate existing early childhood care and education training;

(3) develop new early childhood care and education training opportunities; and

(4) publicize all early childhood training classes and workshops to child care center staff and family and group family child care providers in the service delivery area.

(h) Public or private entities may apply to the commissioner for funding. A local match of up to 25 percent is required.

Sec. 39. Minnesota Statutes 1994, section 257.3571, subdivision 1, is amended to read:

Subdivision 1. [PRIMARY SUPPORT GRANTS.] The commissioner shall establish direct grants to Indian tribes ~~and~~, Indian organizations, and tribal social service agency programs located ~~off-reservation that serve Indian children and their families to provide primary support for Indian child welfare programs to implement the Indian family preservation act.~~

Sec. 40. Minnesota Statutes 1994, section 257.3572, is amended to read:

257.3572 [GRANT APPLICATIONS.]

A tribe ~~or~~, Indian organization, or tribal social service agency program located off-reservation may apply for primary support grants under section 257.3571, subdivision 1. A local social service agency, tribe, Indian organization, or other social service organization may apply for special focus grants under section 257.3571, subdivision 2. Civil legal service organizations eligible for grants under section 257.3571, subdivision 2a, may apply for grants under that section. Application may be made alone or in combination with other tribes or Indian organizations.

Sec. 41. Minnesota Statutes 1994, section 257.3577, subdivision 1, is amended to read:

Subdivision 1. [PRIMARY SUPPORT GRANTS.] (a) The amount available for grants established under section 257.3571, subdivision 1, to tribes ~~and~~, Indian ~~organization~~ grants organizations, and tribal social service agency programs located off-reservation is four-fifths of the total annual appropriation for Indian child welfare grants.

(b) The commissioner shall award tribes at least 70 percent of the amount set in paragraph (a) for primary support grants. Each tribe shall be awarded a base amount of five percent of the total amount set in this paragraph. In addition, each tribe shall be allocated a proportion of the balance of the amount set in this paragraph, less the total base amounts for all reservations. This proportion must equal the ratio of the tribe's on-reservation population to the state's total on-reservation population. Population data must be based on the most recent federal census data according to the state demographer's office.

(c) The commissioner shall award Indian organizations and tribal social service agency programs located off-reservation that serve Indian children and families up to 30 percent of the amount set in paragraph (a) for primary support grants. A maximum of four multiservice Indian

organizations and tribal social service agency programs located off-reservation may be awarded grants under this paragraph. "Multiservice Indian organizations" means Indian organizations recognized by the Indian community as providing a broad continuum of social, educational, or cultural services, including Indian child welfare services designed to meet the unique needs of the Indian communities in Minneapolis, St. Paul, and Duluth. Grants may be awarded to programs that submit acceptable proposals, comply with the goals and the application process of the program, and have budgets that reflect appropriate and efficient use of funds. To maintain continuity of service in Indian communities, primary support grants awarded under this paragraph which meet the grant criteria and have demonstrated satisfactory performance as established by the commissioner may be awarded on a noncompetitive basis. The commissioner may revoke or deny funding for Indian organizations or tribal social service agencies failing to meet the grant criteria established by the commissioner, and the commissioner may request new proposals from Indian organizations or tribal social service agencies to the extent that funding is available.

Sec. 42. [KINSHIP CAREGIVER INFORMATION.]

The commissioner of human services shall develop an informational brochure which describes the laws and services that may be applicable to and available to grandparents and other kinship caregivers to assist them in caring for the minor kinship children who are in their care. The brochure must also indicate how a kinship caregiver can receive further information. The brochure must be distributed to county social service agencies, area agencies on aging, the ombudsperson for families, and other known community organizations that may have contact with kinship caregivers. For purposes of this section, "kinship caregiver" means any of the following persons related to the child by marriage, blood, or adoption: grandparent, great grandparent, brother, sister, stepparent, stepsister, stepbrother, niece, nephew, uncle, great uncle, aunt, or great aunt.

Sec. 43. [DIFFICULTY OF CARE STUDY.]

The commissioner of human services shall study and report to the house health and human services finance division, and to the senate health care and family services finance division, on the advisability of continuing to reimburse for foster care services on the basis of difficulty of care factors. The report shall be submitted no later than January 1, 1996, and shall include specific recommendations as to whether the difficulty of care reimbursement system should be retained, modified, or abandoned. In preparing this report, the commissioner shall consult with public and private foster care agencies and with foster care providers, and shall consider the differential impact, if any, on the child from receiving foster care reimbursement through the difficulty of care reimbursement system versus through an alternative reimbursement mechanism. The report must also identify the legal and institutional barriers, if any, to changing from a difficulty of care reimbursement system to another type of reimbursement system.

Sec. 44. [REPEALER.]

Minnesota Statutes 1994, sections 256F.05, subdivisions 2a and 4a; 256F.06, subdivision 3; 256F.09, subdivision 4; and 256H.03, subdivisions 2 and 5, are repealed.

Sec. 45. [EFFECTIVE DATE.]

Section 2 (256.8711, subdivisions 1 to 10) is effective October 1, 1995.

Sections 5 (256F.01), 6 (256F.02), 7 and 8 (256F.03, subdivisions 5 and 10), 9 and 10 (256F.04, subdivisions 1 and 2), 11 to 17 (256F.05, subdivisions 1a, 2, 3, 4, 5, 7, and 8), and 18 and 19 (256F.06, subdivisions 1 and 2) are effective January 1, 1996.

ARTICLE 5

ECONOMIC SELF-SUFFICIENCY

Section 1. Minnesota Statutes 1994, section 256.12, subdivision 14, is amended to read:

Subd. 14. [DEPENDENT CHILD.] (a) "Dependent child," as used in sections 256.72 to 256.87, means a child under the age of 18 years, or a child under the age of 19 years who is regularly attending as a full-time student, and is expected to complete before reaching age 19, a high school or a secondary level course of vocational or technical training designed to fit students for gainful

employment, who is found to be deprived of parental support or care by reason of the death, continued absence from the home, physical or mental incapacity of a parent, or who is a child of an unemployed parent as that term is defined by the commissioner of human services, such definition to be consistent with and not to exceed minimum standards established by the Congress of the United States and the Secretary of Health and Human Services. When defining "unemployed parent," the commissioner shall count up to four calendar quarters of full-time attendance in any of the following toward the requirement that a principal earner have six or more quarters of work in any 13 calendar quarter period ending within one year before application for aid to families with dependent children:

- (1) an elementary or secondary school;
- (2) a federally approved vocational or technical training course designed to prepare the parent for gainful employment; or
- (3) full-time participation in an education or training program established under the job training partnership act.

(b) Dependent child also means a child:

(1) whose relatives are liable under the law for the child's support and are not able to provide adequate care and support of the child; and

(2) who is living with ~~father, mother, grandfather, grandmother, brother, sister, stepfather, stepmother, stepbrother, stepsister, uncle, aunt, first cousin, nephew, or niece~~ a parent or a person in one of the groups listed under Code of Federal Regulations, title 45, section 233.90(c)(1)(v)(A) in a place of residence maintained by one or more of these relatives as a home.

(c) Dependent child also means a child who has been removed from the home of a relative after a judicial determination that continuance in the home would be contrary to the welfare and best interests of the child and whose care and placement in a foster home, a different relative's home, or a private licensed child care institution is, in accordance with the rules of the commissioner, the responsibility of the state or county agency under sections 256.72 to 256.87. ~~This child is eligible for benefits only through the foster care and adoption assistance program contained in Title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 676, and is not entitled to benefits under sections 256.72 to 256.87.~~

Sec. 2. Minnesota Statutes 1994, section 256.73, subdivision 2, is amended to read:

Subd. 2. [ALLOWANCE BARRED BY OWNERSHIP OF PROPERTY.] Ownership by an assistance unit of property as follows is a bar to any allowance under sections 256.72 to 256.87:

(1) The value of real property other than the homestead, which when combined with other assets exceeds the limits of paragraph (2), unless the assistance unit is making a good faith effort to sell the nonexcludable real property. The time period for disposal must not exceed nine consecutive months. The assistance unit must sign an agreement to dispose of the property and to ~~repay assistance received during the nine months that would not have been paid had the property been sold at the beginning of such period, but not to exceed the amount of the net sale proceeds. The family has five working days from the date it realizes cash from the sale of the property to repay the overpayment. If the property is not sold within the required time or the assistance unit becomes ineligible for any reason during the nine month period, the amount payable under the agreement will not be determined and recovery will not begin until the property is in fact sold.~~ give the local agency a lien to secure repayment of benefits received by the assistance unit during the nine-month period covered by the agreement. The provisions of section 514.981, subdivision 2, clauses (a)(1), (a)(3), (a)(4), (a)(5), and (e); subdivisions 4 and 5, clauses (a)(2), (b)(3) (b)(4), and (d); and subdivision 6; section 514.982, subdivision 1, clauses (1), (2), and (4); and subdivision 2; and sections 514.983 and 514.984, regarding medical assistance liens, shall apply to AFDC liens under this section, except that the filing fees paid by the county agency under this section shall be deducted from recoveries made under this lien provision. For purposes of this paragraph, all references in sections 514.981 to 514.984, to medical assistance liens and to medical assistance benefits shall be construed to be references to AFDC liens and to AFDC benefits, respectively. If the property is intentionally sold at less than fair market value or if a good faith

effort to sell the property is not being made, the overpayment amount shall be computed using the fair market value determined at the beginning of the nine-month period. For the purposes of this section, "homestead" means the home that is owned by, and is the usual residence of, the child, relative, or other member of the assistance unit together with the surrounding property which is not separated from the home by intervening property owned by others. "Usual residence" includes the home from which the child, relative, or other members of the assistance unit is temporarily absent due to an employability development plan approved by the local human service agency, which includes education, training, or job search within the state but outside of the immediate geographic area. Public rights-of-way, such as roads which run through the surrounding property and separate it from the home, will not affect the exemption of the property; or

(2) Personal property of an equity value in excess of \$1,000 for the entire assistance unit, exclusive of personal property used as the home, one motor vehicle of an equity value not exceeding \$1,500 or the entire equity value of a motor vehicle determined to be necessary for the operation of a self-employment business, one burial plot for each member of the assistance unit, one prepaid burial contract with an equity value of no more than \$1,000 for each member of the assistance unit, clothing and necessary household furniture and equipment and other basic maintenance items essential for daily living, in accordance with rules promulgated by and standards established by the commissioner of human services.

Sec. 3. Minnesota Statutes 1994, section 256.73, subdivision 3a, is amended to read:

Subd. 3a. [PERSONS INELIGIBLE.] No assistance shall be given under sections 256.72 to 256.87:

(1) on behalf of any person who is receiving supplemental security income under title XVI of the Social Security Act unless permitted by federal regulations;

(2) for any month in which the assistance unit's gross income, without application of deductions or disregards, exceeds 185 percent of the standard of need for a family of the same size and composition; except that the earnings of a dependent child who is a full-time student may be disregarded for six months per calendar year and the earnings of a dependent child that are derived from the jobs training and partnership act (JTPA) may be disregarded for six months per calendar year. These two earnings disregards cannot be combined to allow more than a total of six months per calendar year when the earned income of a full-time student is derived from participation in a program under the JTPA. If a stepparent's income is taken into account in determining need, the disregards specified in section 256.74, subdivision 1a, shall be applied to determine income available to the assistance unit before calculating the unit's gross income for purposes of this paragraph; If a stepparent's needs are included in the assistance unit as specified in section 256.74, subdivision 1, the disregards specified in section 256.74, subdivision 1, shall be applied.

(3) to any assistance unit for any month in which any caretaker relative with whom the child is living is, on the last day of that month, participating in a strike;

(4) on behalf of any other individual in the assistance unit, nor shall the individual's needs be taken into account for any month in which, on the last day of the month, the individual is participating in a strike;

(5) on behalf of any individual who is the principal earner in an assistance unit whose eligibility is based on the unemployment of a parent when the principal earner, without good cause, fails or refuses to accept employment, or to register with a public employment office, unless the principal earner is exempt from these work requirements.

Sec. 4. Minnesota Statutes 1994, section 256.736, subdivision 3, is amended to read:

Subd. 3. [REGISTRATION.] (a) To the extent permissible under federal law, every caretaker or child is required to register for employment and training services, as a condition of receiving AFDC, unless the caretaker or child is:

(1) a child who is under age 16, a child age 16 or 17 who is attending elementary or secondary school or a secondary level vocational or technical school full time;

(2) ill, incapacitated, or age 60 or older;

(3) a person for whom participation in an employment and training service would require a round trip commuting time by available transportation of more than two hours;

(4) a person whose presence in the home is required because of illness or incapacity of another member of the household;

(5) a caretaker or other caretaker relative of a child under the age of three who personally provides full-time care for the child. In AFDC-UP cases, only one parent or other relative may qualify for this exemption;

(6) a caretaker or other caretaker relative personally providing care for a child under six years of age, except that when child care is arranged for or provided, the caretaker or caretaker relative may be required to register and participate in employment and training services up to a maximum of 20 hours per week. In AFDC-UP cases, only one parent or other relative may qualify for this exemption;

(7) a pregnant woman, if it has been medically verified that the child is expected to be born within the next six months; ~~or~~

(8) employed at least 30 hours per week; or

(9) an individual added to an assistance unit as an essential person under section 256.74, subdivision 1, who does not meet the definition of a "caretaker" as defined in subdivision 1a, paragraph (c).

(b) To the extent permissible by federal law, applicants for benefits under the AFDC program are registered for employment and training services by signing the application form. Applicants must be informed that they are registering for employment and training services by signing the form. Persons receiving benefits on or after July 1, 1987, shall register for employment and training services to the extent permissible by federal law. The caretaker has a right to a fair hearing under section 256.045 with respect to the appropriateness of the registration.

Sec. 5. Minnesota Statutes 1994, section 256.736, subdivision 13, is amended to read:

Subd. 13. [STATE SHARE.] The state must pay 75 percent of the nonfederal share of costs incurred by counties under subdivision 11.

Beginning July 1, 1991, the state will reimburse counties, up to the limit of state appropriations, according to the payment schedule in section 256.025, for the county share of county agency expenditures made under subdivision 11 from January 1, 1991, ~~on~~ to June 30, 1995. Payment to counties under this subdivision is subject to the provisions of section 256.017.

Beginning July 1, 1995, the state must pay 100 percent of the nonfederal share incurred by counties under subdivision 11, up to the limit of state appropriations. If the state appropriation is not sufficient to fund the cost of case management services for all caretakers identified in subdivision 2a, the commissioner must define a statewide subgroup of caretakers which includes all caretakers in subdivision 2a, clause (1), and as many caretakers as possible from subdivision 2a, clauses (2) and (3).

Sec. 6. Minnesota Statutes 1994, section 256.74, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT.] The amount of assistance which shall be granted to or on behalf of any dependent child and ~~mother parent~~ or other needy eligible relative caring for the dependent child shall be determined by the county agency in accordance with rules promulgated by the commissioner and shall be sufficient, when added to all other income and support available to the child, to provide the child with a reasonable subsistence compatible with decency and health. To the extent permissible under federal law, an eligible relative caretaker or parent shall have the option to include in the assistance unit the needs, income, and resources of the following essential persons who are not otherwise eligible for AFDC because they do not qualify as a caretaker or as a dependent child:

(1) a parent or relative caretaker's spouse and stepchildren; or

(2) blood or legally adopted relatives who are under the age of 18 or under the age of 19 years who are regularly attending as a full-time student, and are expected to complete before or during the month of their 19th birthday, a high school or secondary level course of vocational or technical training designed to prepare students for gainful employment. The amount shall be based on the method of budgeting required in Public Law Number 97-35, section 2315, United States Code, title 42, section 602, as amended and federal regulations at Code of Federal Regulations, title 45, section 233. Nonrecurring lump sum income received by an AFDC family must be budgeted in the normal retrospective cycle. When the family's income, after application of the applicable disregards, exceeds the need standard for the family because of receipt of earned or unearned lump sum income, the family will be ineligible for the full number of months derived by dividing the sum of the lump sum income and other income by the monthly need standard for a family of that size. Any income remaining from this calculation is income in the first month following the period of ineligibility. The first month of ineligibility is the payment month that corresponds with the budget month in which the lump sum income was received. For purposes of applying the lump sum provision, family includes those persons defined in the Code of Federal Regulations, title 45, section 233.20(a)(3)(ii)(F). A period of ineligibility must be shortened when the standard of need increases and the amount the family would have received also changes, an amount is documented as stolen, an amount is unavailable because a member of the family left the household with that amount and has not returned, an amount is paid by the family during the period of ineligibility to cover a cost that would otherwise qualify for emergency assistance, or the family incurs and pays for medical expenses which would have been covered by medical assistance if eligibility existed. In making its determination the county agency shall disregard the following from family income:

(1) all the earned income of each dependent child applying for AFDC if the child is a full-time student and all of the earned income of each dependent child receiving AFDC who is a full-time student or is a part-time student who is not a full-time employee. A student is one who is attending a school, college, or university, or a course of vocational or technical training designed to fit students for gainful employment and includes a participant in the Job Corps program under the Job Training Partnership Act (JTPA). The county agency shall also disregard all income of each dependent child applying for or receiving AFDC when the income is derived from a program carried out under JTPA, except that disregard of earned income may not exceed six months per calendar year;

(2) all educational grants and loans assistance, except the county agency shall count graduate student teaching assistantships, fellowships, and other similar paid work as earned income and, after allowing deductions for any unmet and necessary educational expenses, shall count scholarships or grants awarded to graduate students that do not require teaching or research as unearned income;

(3) the first \$90 of each individual's earned income. For self-employed persons, the expenses directly related to producing goods and services and without which the goods and services could not be produced shall be disregarded pursuant to rules promulgated by the commissioner;

(4) thirty dollars plus one-third of each individual's earned income for individuals found otherwise eligible to receive aid or who have received aid in one of the four months before the month of application. With respect to any month, the county welfare agency shall not disregard under this clause any earned income of any person who has: (a) reduced earned income without good cause within 30 days preceding any month in which an assistance payment is made; (b) refused without good cause to accept an offer of suitable employment; (c) left employment or reduced earnings without good cause and applied for assistance so as to be able later to return to employment with the advantage of the income disregard; or (d) failed without good cause to make a timely report of earned income in accordance with rules promulgated by the commissioner of human services. Persons who are already employed and who apply for assistance shall have their needs computed with full account taken of their earned and other income. If earned and other income of the family is less than need, as determined on the basis of public assistance standards, the county agency shall determine the amount of the grant by applying the disregard of income provisions. The county agency shall not disregard earned income for persons in a family if the total monthly earned and other income exceeds their needs, unless for any one of the four preceding months their needs were met in whole or in part by a grant payment. The disregard of \$30 and one-third of earned income in this clause shall be applied to the individual's income for a period not to exceed four consecutive months. Any month in which the individual loses this

disregard because of the provisions of subclauses (a) to (d) shall be considered as one of the four months. An additional \$30 work incentive must be available for an eight-month period beginning in the month following the last month of the combined \$30 and one-third work incentive. This period must be in effect whether or not the person has earned income or is eligible for AFDC. To again qualify for the earned income disregards under this clause, the individual must not be a recipient of aid for a period of 12 consecutive months. When an assistance unit becomes ineligible for aid due to the fact that these disregards are no longer applied to income, the assistance unit shall be eligible for medical assistance benefits for a 12-month period beginning with the first month of AFDC ineligibility;

(5) an amount equal to the actual expenditures for the care of each dependent child or incapacitated individual living in the same home and receiving aid, not to exceed: (a) \$175 for each individual age two and older, and \$200 for each individual under the age of two. The dependent care disregard must be applied after all other disregards under this subdivision have been applied;

(6) the first \$50 per assistance unit of the monthly support obligation collected by the support and recovery (IV-D) unit. The first \$50 of periodic support payments collected by the public authority responsible for child support enforcement from a person with a legal obligation to pay support for a member of the assistance unit must be paid to the assistance unit within 15 days after the end of the month in which the collection of the periodic support payments occurred and must be disregarded when determining the amount of assistance. A review of a payment decision under this clause must be requested within 30 days after receiving the notice of collection of assigned support or within 90 days after receiving the notice if good cause can be shown for not making the request within the 30-day limit;

(7) that portion of an insurance settlement earmarked and used to pay medical expenses, funeral and burial costs, or to repair or replace insured property; and

(8) all earned income tax credit payments received by the family as a refund of federal income taxes or made as advance payments by an employer.

All payments made pursuant to a court order for the support of children not living in the assistance unit's household shall be disregarded from the income of the person with the legal obligation to pay support, provided that, if there has been a change in the financial circumstances of the person with the legal obligation to pay support since the support order was entered, the person with the legal obligation to pay support has petitioned for a modification of the support order.

Sec. 7. Minnesota Statutes 1994, section 256D.05, subdivision 7, is amended to read:

Subd. 7. [INELIGIBILITY FOR GENERAL ASSISTANCE.] No person ~~disqualified from any federally aided assistance program~~ shall be eligible for general assistance during ~~the a period covered by the disqualification sanction of disqualification because of sanctions, from any federally aided assistance program; or if the person could be considered an essential person under section 256.74, subdivision 1.~~

Sec. 8. Minnesota Statutes 1994, section 256D.36, subdivision 1, is amended to read:

Subdivision 1. [STATE PARTICIPATION.] (a) ~~[ELIGIBILITY.] Commencing January 1, 1974, the commissioner shall certify to each county agency the names of all county residents who were eligible for and did receive aid during December, 1973, pursuant to a categorical aid program of old age assistance, aid to the blind, or aid to the disabled. The amount of supplemental aid for each individual eligible under this section shall be calculated according to the formula in title II, section 212(a) (3) of Public Law Number 93-66, as amended.~~

(b) ~~[DIVISION COSTS.] From and after January 1, 1980, until January 1, 1981, the state shall pay 70 percent and the county shall pay 30 percent of the supplemental aid calculated for each county resident certified under this section who is an applicant for or recipient of supplemental security income. After December 31, 1980, The state share of aid paid shall be 85 percent and the county share shall be 15 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 in section 256.025 for the county share of county agency expenditures for financial benefits to individuals under this subdivision from January 1, 1991, on. Payment to counties under this subdivision is subject to the provisions of section 256.017.

Sec. 9. Minnesota Statutes 1994, section 256D.385, is amended to read:

256D.385 [RESIDENCE.]

To be eligible for Minnesota supplemental aid, a person must be a resident of Minnesota and (1) a citizen of the United States, or (2) ~~an alien lawfully admitted to the United States for permanent residence, or (3) otherwise permanently residing in the United States under color of law as defined by an alien eligible to receive benefits from the supplemental security income program.~~

Sec. 10. Minnesota Statutes 1994, section 256D.405, subdivision 3, is amended to read:

Subd. 3. [REPORTS.] Recipients must report changes in circumstances that affect eligibility or assistance payment amounts within ten days of the change. ~~Recipients with earned income, and recipients who do not receive SSI because of excess income must complete a monthly report form if they have earned income, if they have income allocated deemed to them from a financially responsible relative with whom the recipient resides, must complete a monthly household report form or if they have income deemed to them by a sponsor.~~ If the report form is not received before the end of the month in which it is due, the county agency must terminate assistance. The termination shall be effective on the first day of the month following the month in which the report was due. If a complete report is received within the month the assistance was terminated, the assistance unit is considered to have continued its application for assistance, effective the first day of the month the assistance was terminated.

Sec. 11. Minnesota Statutes 1994, section 256D.425, subdivision 1, is amended to read:

Subdivision 1. [PERSONS ENTITLED TO RECEIVE AID.] ~~A person who is aged, blind, or 18 years of age or older and disabled, whose income is less than the standards of assistance in section 256D.44 and whose resources are less than the limits in subdivision 2 is eligible for and entitled to Minnesota supplemental aid. A person found eligible by the Social Security Administration for supplemental security income under Title XVI on the basis of age, blindness, or disability meets these requirements. A person who would be eligible for the supplemental security income program except for income that exceeds the limit of that program but that A person receiving supplemental security benefits under Title XVI on the basis of age, blindness, or disability (or would be eligible for such benefits except for excess income) is eligible for a payment under the Minnesota supplemental aid program, if the person's net income is less than the standards in section 256D.44. Persons who are not receiving supplemental security income benefits under Title XVI of the Social Security Act or disability insurance benefits under Title II of the Social Security Act due to exhausting time limited benefits are not eligible to receive benefits under the MSA program. Persons who are not receiving social security or other maintenance benefits for failure to meet or comply with the social security or other maintenance program requirements are not eligible to receive benefits under the MSA program. Persons who are found ineligible for supplemental security income because of excess income, but whose income is within the limits of the Minnesota supplemental aid program, must have blindness or disability determined by the state medical review team.~~

Sec. 12. Minnesota Statutes 1994, section 256D.435, subdivision 1, is amended to read:

Subdivision 1. [EXCLUSIONS INCOME.] ~~The following is excluded from income in determining eligibility for Minnesota supplemental aid:~~

- ~~(1) the value of food stamps;~~
- ~~(2) home-produced food used by the household;~~
- ~~(3) Indian claim payments made by the United States Congress to compensate members of Indian tribes for the taking of tribal lands by the federal government;~~
- ~~(4) cash payments to displaced persons who face relocation as a result of the Housing Act of~~

~~1965, the Housing and Urban Development Act of 1965, or the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;~~

- ~~(5) one third of child support payments received by an eligible child from an absent parent;~~
- ~~(6) displaced homemaker payments;~~
- ~~(7) reimbursement received for maintenance costs of providing foster care to adults or children;~~
- ~~(8) benefits received under Title IV and Title VII of the Older Americans Act of 1965;~~
- ~~(9) Minnesota renter or homeowner property tax refunds;~~
- ~~(10) infrequent, irregular income that does not total more than \$20 per person in a month;~~
- ~~(11) reimbursement payments received from the VISTA program;~~
- ~~(12) in kind income;~~
- ~~(13) payments received for providing volunteer services under Title I, Title II, and Title III of the Domestic Volunteer Service Act of 1973;~~
- ~~(14) loans that have to be repaid;~~
- ~~(15) federal low income heating assistance program payments;~~
- ~~(16) any other type of funds excluded as income by state law;~~
- ~~(17) student financial aid, as allowed for the supplemental security income program; and~~
- ~~(18) other income excluded by the supplemental security income program. For persons receiving supplemental security income benefits, the countable income used to determine eligibility and benefits for Minnesota supplemental aid is the gross amount of the Federal Benefit Rate (FBR) after allowing for the general income disregard in subdivision 5. For persons who have been denied a supplemental security income benefit due to excess income, and have had their blindness or disability determined through the state medical review team, the countable income is the gross amount of earned and unearned income, minus the exclusions and disregards listed in subdivisions 4a, 5, and 6.~~

Sec. 13. Minnesota Statutes 1994, section 256D.435, subdivision 3, is amended to read:

~~Subd. 3. [APPLICATION FOR FEDERALLY FUNDED BENEFITS.] Persons for whom the applicant or recipient has financial responsibility and who have unmet needs. Persons who live with the applicant or recipient, who have unmet needs and for whom the applicant or recipient has financial responsibility, must apply for and, if eligible, accept AFDC and other federally funded benefits. If the persons are determined potentially eligible for AFDC by the county agency, the applicant or recipient may not allocate earned or unearned income to those persons while an AFDC application is pending, or after the persons are determined eligible for AFDC. If the persons are determined potentially eligible for other federal benefits, the applicant or recipient may only allocate income to those persons until they are determined eligible for those other benefits unless the amount of those benefits is less than the amount in subdivision 4.~~

Sec. 14. Minnesota Statutes 1994, section 256D.435, subdivision 4, is amended to read:

~~Subd. 4. [ALLOCATION AND DEEMING OF INCOME.] The rate of allocation to relatives for whom the applicant or recipient is financially responsible is one half the individual supplemental security income standard of assistance, except as restricted in subdivision 3.~~

~~If the applicant or recipient shares a residence with another person who has financial responsibility for the applicant or recipient, the income of that person is considered available to the applicant or recipient after allowing: (1) the deductions in subdivisions 7 and 8; and (2) a deduction for the needs of the financially responsible relative and others in the household for whom that relative is financially responsible. The rate allowed to meet the needs of each of these people is one half the individual supplemental security income standard. The county agency shall~~

apply the supplemental security income rules regarding financial responsibility when determining the amount of income to allocate or deem.

Sec. 15. Minnesota Statutes 1994, section 256D.435, is amended by adding a subdivision to read:

Subd. 4a. [EXCLUSIONS.] The income exclusions used to determine eligibility for Minnesota supplemental aid are those used to determine benefits for supplemental security income.

Sec. 16. Minnesota Statutes 1994, section 256D.435, subdivision 5, is amended to read:

Subd. 5. [GENERAL INCOME DISREGARD.] The county agency shall disregard the first \$20 of the assistance unit's unearned or earned income from the assistance unit's gross earned income.

Sec. 17. Minnesota Statutes 1994, section 256D.435, subdivision 6, is amended to read:

Subd. 6. [EARNED INCOME DISREGARDS.] From the assistance unit's gross earned income, the county agency shall disregard \$65 plus one half of the remaining income. The earned income disregards used to determine eligibility for Minnesota supplemental aid are those used to determine benefits for supplemental security income.

Sec. 18. Minnesota Statutes 1994, section 256D.44, subdivision 1, is amended to read:

Subdivision 1. [USE OF STANDARDS; INCREASES.] The state standards of assistance for shelter, basic needs, and plus special need items that establish the total amount of maintenance need for an applicant for or recipient of Minnesota supplemental aid, are used to determine the assistance unit's eligibility for Minnesota supplemental aid. The state standards of assistance for basic needs must increase by an amount equal to the dollar value, rounded up to the nearest dollar, of any cost of living increases in the supplemental security income program.

Sec. 19. Minnesota Statutes 1994, section 256D.44, subdivision 2, is amended to read:

Subd. 2. [STANDARD OF ASSISTANCE FOR SHELTER PERSONS ELIGIBLE FOR MEDICAL ASSISTANCE WAIVERS OR AT RISK OF PLACEMENT IN A GROUP RESIDENTIAL HOUSING FACILITY.] The state standard of assistance for shelter provides for the recipient's shelter costs. The monthly state standard of assistance for shelter must be determined according to paragraphs (a) to (f).

(a) If an applicant or recipient does not reside with another person or persons, the state standard of assistance is the actual cost for shelter items or \$124, whichever is less.

(b) If an applicant married couple or recipient married couple, who live together, does not reside with others, the state standard of assistance is the actual cost for shelter items or \$186, whichever is less.

(c) If an applicant or recipient resides with another person or persons, the state standard of assistance is the actual cost for shelter items or \$93, whichever is less.

(d) If an applicant married couple or recipient married couple, who live together, resides with others, the state standard of assistance is the actual cost for shelter items or \$124, whichever is less.

(e) Actual shelter costs for applicants or recipients, who reside with others, are determined by dividing the total monthly shelter costs by the number of persons who share the residence.

(f) Married couples, living together and receiving MSA on January 1, 1994, and whose eligibility has not been terminated for a full calendar month, are exempt from the standards in paragraphs (b) and (d). The state standard of assistance for a person who is eligible for a medical assistance home and community-based services waiver or a person who has been determined by the local agency to meet the plan requirements for placement in a group residential housing facility under section 256I.04, subdivision 1a, is the standard established in subdivision 3, paragraph (a) or (b).

Sec. 20. Minnesota Statutes 1994, section 256D.44, subdivision 3, is amended to read:

Subd. 3. [STANDARD OF ASSISTANCE FOR BASIC NEEDS.] ~~The state standard of assistance for basic needs provides for the applicant's or recipient's maintenance needs, other than actual shelter costs.~~ Except as provided in subdivision 4, the monthly state standard of assistance for basic needs is as follows:

(a) If an applicant or recipient does not reside with another person or persons, the state standard of assistance is ~~\$374~~ \$519.

(b) If an applicant married couple or recipient married couple who live together, does not reside with others, the state standard of assistance is ~~\$557~~ \$778.

(c) If an applicant or recipient resides with another person or persons, the state standard of assistance is ~~\$286~~ \$395.

(d) If an applicant married couple or recipient married couple who live together, resides with others, the state standard of assistance is ~~\$374~~ \$519.

(e) Married couples, living together who do not reside with others and were receiving MSA ~~on~~ prior to January 1, 1994, and whose eligibility has not been terminated a full calendar month, ~~are exempt from the standards in paragraphs (b) and (d)~~ the state standard of assistance is \$793.

(f) Married couples living together who reside with others and were receiving MSA prior to January 1, 1994, and whose eligibility has not been terminated a full calendar month, the state standard of assistance is \$682.

(g) For an individual who is a resident of a nursing home, a regional treatment center or a group residential housing facility, the state standard of assistance is the personal needs allowance for medical assistance recipients under section 256B.35.

Sec. 21. Minnesota Statutes 1994, section 256D.44, subdivision 4, is amended to read:

Subd. 4. [TEMPORARY ABSENCE DUE TO ILLNESS.] For the purposes of this subdivision, "home" means a residence owned or rented by a recipient or the recipient's spouse. Home does not include a ~~negotiated rate~~ group residential housing facility. Assistance payments for recipients who are temporarily absent from their home due to hospitalization for illness must continue at the same level of payment during their absence if the following criteria are met:

(1) a physician certifies that the absence is not expected to continue for more than three months;

(2) a physician certifies that the recipient will be able to return to independent living; and

(3) the recipient has expenses associated with maintaining a residence in the community.

Sec. 22. Minnesota Statutes 1994, section 256D.44, subdivision 5, is amended to read:

Subd. 5. [SPECIAL NEEDS.] ~~Notwithstanding~~ In addition to the state standards of assistance established in subdivisions 1 to 4, payments are allowed for the following special needs of recipients of Minnesota supplemental aid who are not residents of a nursing home, a regional treatment center, or a group residential housing facility:

(a) The county agency shall pay a monthly allowance for medically prescribed diets payable under the AFDC program if the cost of those additional dietary needs cannot be met through some other maintenance benefit.

(b) Payment for nonrecurring special needs must be allowed for necessary home repairs or necessary repairs or replacement of household furniture and appliances using the payment standard of the AFDC program for these expenses, as long as other funding sources are not available.

(c) A fee for guardian or conservator service is allowed at a reasonable rate negotiated by the county or approved by the court. This rate shall not exceed five percent of the assistance unit's

gross monthly income up to a maximum of \$100 per month. If the guardian or conservator is a member of the county agency staff, no fee is allowed.

(d) The county agency shall continue to pay a monthly allowance of \$68 for restaurant meals for a person who was receiving a restaurant meal allowance on June 1, 1990, and who eats two or more meals in a restaurant daily. The allowance must continue until the person has not received Minnesota supplemental aid for one full calendar month or until the person's living arrangement changes and the person no longer meets the criteria for the restaurant meal allowance, whichever occurs first.

(e) A fee of ten percent of the recipients gross income or \$25, whichever is less, is allowed for representative payee services provided by an agency that meets the requirements under SSI regulations to charge a fee for representative payee services. This special need is available to all recipients of Minnesota supplemental aid regardless of their living arrangement.

Sec. 23. Minnesota Statutes 1994, section 256D.44, subdivision 6, is amended to read:

Subd. 6. [COUNTY AGENCY STANDARDS OF ASSISTANCE.] The county agency may establish standards of assistance for ~~shelter~~, basic needs, special needs, and clothing and personal needs, ~~and negotiated rates~~ that exceed the corresponding state standards of assistance. State aid is not available for costs above state standards.

Sec. 24. Minnesota Statutes 1994, section 256D.45, subdivision 1, is amended to read:

Subdivision 1. [~~PROSPECTIVE BUDGETING.~~] ~~A calendar month is~~ The payment period and budgeting cycle for Minnesota supplemental aid. ~~The monthly payment to a recipient must be determined prospectively~~ are those of the supplemental security income program.

Sec. 25. Minnesota Statutes 1994, section 256D.46, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] Emergency Minnesota supplemental aid must be granted if the recipient is without adequate resources to resolve an emergency that, if unresolved, will threaten the health or safety of the recipient. For the purposes of this section, the term "recipient" includes persons for whom a group residential housing benefit is being paid under sections 256I.01 to 256I.06.

Sec. 26. Minnesota Statutes 1994, section 256D.46, subdivision 2, is amended to read:

Subd. 2. [INCOME AND RESOURCE TEST.] All income and resources available to the recipient ~~during the month in which the need for emergency Minnesota supplemental aid arises~~ must be considered in determining the recipient's ability to meet the emergency need. Property that can be liquidated in time to resolve the emergency and income (excluding Minnesota supplemental aid issued for current month's need) that is normally disregarded or excluded under the Minnesota supplemental aid program must be considered available to meet the emergency need.

Sec. 27. Minnesota Statutes 1994, section 256D.48, subdivision 1, is amended to read:

Subdivision 1. [NEED FOR PROTECTIVE PAYEE.] The county agency shall determine whether a recipient needs a protective payee when a physical or mental condition renders the recipient unable to manage funds and when payments to the recipient would be contrary to the recipient's welfare. Protective payments must be issued when there is evidence of: (1) repeated inability to plan the use of income to meet necessary expenditures; (2) repeated observation that the recipient is not properly fed or clothed; (3) repeated failure to meet obligations for rent, utilities, food, and other essentials; (4) evictions or a repeated incurrence of debts; ~~or~~ (5) lost or stolen checks; or (6) use of emergency Minnesota supplemental aid more than twice in a calendar year. The determination of representative payment by the Social Security Administration for the recipient is sufficient reason for protective payment of Minnesota supplemental aid payments.

Sec. 28. Minnesota Statutes 1994, section 256I.03, subdivision 5, is amended to read:

Subd. 5. [MSA EQUIVALENT RATE.] "MSA equivalent rate" means an amount equal to the total of:

(1) the combined maximum shelter and basic needs standards for MSA recipients living alone specified in section 256D.44, subdivisions 2, paragraph (a); and 3, paragraph (a); plus

(2) ~~for persons who are not eligible to receive food stamps due to living arrangement~~, the maximum allotment authorized by the federal Food Stamp Program for a single individual which is in effect on the first day of July each year; less

(3) the personal needs allowance authorized for medical assistance recipients under section 256B.35.

The MSA equivalent rate is to be adjusted on the first day of July each year to reflect changes in any of the component rates under clauses (1) to (3).

Sec. 29. Minnesota Statutes 1994, section 256I.03, is amended by adding a subdivision to read:

Subd. 7. [COUNTABLE INCOME.] "Countable income" means all income received by an applicant or recipient less any applicable exclusions or disregards. For a recipient of any cash benefit from the SSI program, countable income means the SSI benefit limit in effect at the time the person is in a GRH setting less \$20, less the medical assistance personal needs allowance. If the SSI limit has been reduced for a person due to events occurring prior to the persons entering the GRH setting, countable income means actual income less any applicable exclusions and disregards.

Sec. 30. Minnesota Statutes 1994, section 256I.04, subdivision 2b, is amended to read:

Subd. 2b. [GROUP RESIDENTIAL HOUSING AGREEMENTS.] Agreements between county agencies and providers of group residential housing must be in writing and must specify the name and address under which the establishment subject to the agreement does business and under which the establishment, or service provider, if different from the group residential housing establishment, is licensed by the department of health or the department of human services; the specific license or registration from the department of health or the department of human services held by the provider and the number of beds subject to that license; the address of the location or locations at which group residential housing is provided under this agreement; the per diem and monthly rates that are to be paid from group residential housing funds for each eligible resident at each location; the number of beds at each location which are subject to the group residential housing agreement; whether the license holder is a not-for-profit corporation under section 501(c)(3) of the Internal Revenue Code; and a statement that the agreement is subject to the provisions of sections 256I.01 to 256I.06 and subject to any changes to those sections.

Sec. 31. Minnesota Statutes 1994, section 256I.04, subdivision 3, is amended to read:

Subd. 3. [MORATORIUM ON THE DEVELOPMENT OF GROUP RESIDENTIAL HOUSING BEDS.] (a) County agencies shall not enter into agreements for new group residential housing beds with total rates in excess of the MSA equivalent rate except: (1) for group residential housing establishments meeting the requirements of subdivision 2a, clause (2) with department approval; (2) for group residential housing establishments 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) 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)-; or (5) notwithstanding the provisions of subdivision 2a, for up to 180 supportive housing units in Anoka, Dakota, Hennepin, or Ramsey county for homeless adults with a mental illness, a history of substance abuse, or human immunodeficiency virus or acquired immunodeficiency syndrome. For purposes of this section, "homeless adult" means a person who is living on the street or in a shelter or is evicted from a dwelling unit or discharged from a regional treatment center, community hospital, or residential treatment program and has no appropriate housing available and lacks the resources and support necessary to access appropriate housing. At least 70 percent of

the supportive housing units must serve homeless adults with mental illness, substance abuse problems, or human immunodeficiency virus or acquired immunodeficiency syndrome who are about to be discharged from a regional treatment center, or a state-contracted psychiatric bed in a community hospital, or a residential mental health or chemical dependency treatment program. If a person meets the requirements of subdivision 1, paragraph (a), the group residential housing rate for that person is limited to the supplementary rate under section 256I.05, subdivision 1a, and is determined by subtracting the amount of the person's countable income that exceeds the MSA equivalent rate from the group residential housing supplementary rate. Service funding under section 256I.05, subdivision 1a, must end June 30, 1997. Effective July 1, 1997, services to persons in these settings must be provided through a managed care entity. This provision is subject to the availability of matching federal funds.

(b) A county agency may enter into a group residential housing agreement for beds with rates in excess of the MSA equivalent rate in addition to those currently covered under a group residential housing agreement if the additional beds are only a replacement of beds with rates in excess of the MSA equivalent rate which have been made available due to closure of a setting, a change of licensure or certification which removes the beds from group residential housing payment, or as a result of the downsizing of a group residential housing setting. The transfer of available beds from one county to another can only occur by the agreement of both counties.

~~(c) Group residential housing beds which become available as a result of downsizing settings which have a license issued under Minnesota Rules, parts 9520.0500 to 9520.0690, must be permanently removed from the group residential housing census and not replaced.~~

Sec. 32. Minnesota Statutes 1994, section 256I.05, subdivision 1, is amended to read:

Subdivision 1. [MAXIMUM RATES.] ~~(a)~~ Monthly room and board rates negotiated by a county agency for a recipient living in group residential housing must not exceed the MSA equivalent rate specified under section 256I.03, subdivision 5, with the exception that a county agency may negotiate a room and board rate that exceeds the MSA equivalent rate by up to \$426.37 for recipients of waiver services under title XIX of the Social Security Act. This exception is subject to the following conditions:

(1) that the Secretary of Health and Human Services has not approved a state request to include room and board costs which exceed the MSA equivalent rate in an individual's set of waiver services under title XIX of the Social Security Act; or

(2) that the Secretary of Health and Human Services has approved the inclusion of room and board costs which exceed the MSA equivalent rate, but in an amount that is insufficient to cover costs which are included in a group residential housing agreement in effect on June 30, 1994; and

(3) the amount of the rate that is above the MSA equivalent rate has been approved by the commissioner. The county agency may at any time negotiate a lower room and board rate than the rate that would otherwise be paid under this subdivision.

~~(b) The maximum monthly rate for an establishment that enters into an initial group residential housing agreement with a county agency on or after June 1, 1989, may not exceed 90 percent of the maximum rate established under this subdivision. This is effective until June 30, 1994.~~

Sec. 33. Minnesota Statutes 1994, section 256I.05, subdivision 1a, is amended to read:

Subd. 1a. [SUPPLEMENTARY RATES.] In addition to the room and board rate specified in subdivision 1, the county agency may negotiate a payment not to exceed \$426.37 for other services necessary to provide room and board provided by the group residence if the residence is licensed by or registered by the department of health, or licensed by the department of human services to provide services in addition to room and board, and if the ~~recipient~~ provider of services is not also concurrently receiving funding for services for a recipient under a home and community-based waiver under title XIX of the Social Security Act or residing in a setting which receives funding under Minnesota Rules, parts 9535.2000 to 9535.3000. If funding is available for other necessary services through a home and community-based waiver, then the GRH rate is limited to the rate set in subdivision 1. The registration and licensure requirement does not apply to establishments which are exempt from state licensure because they are located on Indian

reservations and for which the tribe has prescribed health and safety requirements. Service payments under this section may be prohibited under rules to prevent the supplanting of federal funds with state funds. The commissioner shall pursue the feasibility of obtaining the approval of the Secretary of Health and Human Services to provide home and community-based waiver services under title XIX of the Social Security Act for residents who are not eligible for an existing home and community-based waiver due to a primary diagnosis of mental illness or chemical dependency and shall apply for a waiver if it is determined to be cost-effective.

Sec. 34. Minnesota Statutes 1994, section 256I.05, subdivision 5, is amended to read:

Subd. 5. [ADULT FOSTER CARE RATES.] The commissioner shall annually establish statewide maintenance and difficulty of care rates limits for adults in foster care. ~~The commissioner shall adopt rules to implement statewide rates. In adopting rules, the commissioner shall consider existing maintenance and difficulty of care rates so that, to the extent possible, an adult for whom a maintenance or difficulty of care rate is established will not be adversely affected.~~

Sec. 35. Minnesota Statutes 1994, section 256I.06, subdivision 2, is amended to read:

Subd. 2. [TIME OF PAYMENT.] A county agency may make payments to a group residence in advance for an individual whose stay in the group residence is expected to last beyond the calendar month for which the payment is made and who does not expect to receive countable earned income during the month for which the payment is made. Group residential housing payments made by a county agency on behalf of an individual who is not expected to remain in the group residence beyond the month for which payment is made must be made subsequent to the individual's departure from the group residence. Group residential housing payments made by a county agency on behalf of an individual with countable earned income must be made subsequent to receipt of a monthly household report form.

Sec. 36. Minnesota Statutes 1994, section 256I.06, subdivision 6, is amended to read:

Subd. 6. [REPORTS.] Recipients must report changes in circumstances that affect eligibility or group residential housing payment amounts within ten days of the change. Recipients with countable earned income must complete a monthly household report form. If the report form is not received before the end of the month in which it is due, the county agency must terminate eligibility for group residential housing payments. The termination shall be effective on the first day of the month following the month in which the report was due. If a complete report is received within the month eligibility was terminated, the individual is considered to have continued an application for group residential housing payment effective the first day of the month the eligibility was terminated.

Sec. 37. Minnesota Statutes 1994, section 393.07, subdivision 10, is amended to read:

Subd. 10. [FEDERAL FOOD STAMP PROGRAM.] (a) The local social services agency shall establish and administer the food stamp program pursuant to rules of the commissioner of human services, the supervision of the commissioner as specified in section 256.01, and all federal laws and regulations. The commissioner of human services shall monitor food stamp program delivery on an ongoing basis to ensure that each county complies with federal laws and regulations. Program requirements to be monitored include, but are not limited to, number of applications, number of approvals, number of cases pending, length of time required to process each application and deliver benefits, number of applicants eligible for expedited issuance, length of time required to process and deliver expedited issuance, number of terminations and reasons for terminations, client profiles by age, household composition and income level and sources, and the use of phone certification and home visits. The commissioner shall determine the county-by-county and statewide participation rate.

(b) On July 1 of each year, the commissioner of human services shall determine a statewide and county-by-county food stamp program participation rate. The commissioner may designate a different agency to administer the food stamp program in a county if the agency administering the program fails to increase the food stamp program participation rate among families or eligible individuals, or comply with all federal laws and regulations governing the food stamp program. The commissioner shall review agency performance annually to determine compliance with this paragraph.

(c) A person who commits any of the following acts has violated section 256.98 or 609.821, or both, and is subject to both the criminal and civil penalties provided under those sections:

(1) obtains or attempts to obtain, or aids or abets any person to obtain by means of a willfully false statement or representation, or intentional concealment of a material fact, food stamps to which the person is not entitled or in an amount greater than that to which that person is entitled; or

(2) presents or causes to be presented, coupons for payment or redemption knowing them to have been received, transferred or used in a manner contrary to existing state or federal law;

(3) willfully uses, possesses, or transfers food stamp coupons or authorization to purchase cards in any manner contrary to existing state or federal law, rules, or regulations; or

(4) buys or sells food stamp coupons, authorization to purchase cards or other assistance transaction devices for cash or consideration other than eligible food.

(d) A peace officer or welfare fraud investigator may confiscate food stamps, authorization to purchase cards, or other assistance transaction devices found in the possession of any person who is neither a recipient of the food stamp program nor otherwise authorized to possess and use such materials. Confiscated property shall be disposed of as the commissioner may direct and consistent with state and federal food stamp law. The confiscated property must be retained for a period of not less than 30 days to allow any affected person to appeal the confiscation under section 256.045.

(e) Food stamp overpayment claims which are due in whole or in part to client error shall be established by the county agency for a period of six years from the date of any resultant overpayment.

(f) With regard to the federal tax revenue offset program only, recovery incentives authorized by the federal food and consumer service shall be retained at the rate of 50 percent by the state agency and 50 percent by the certifying county agency.

Sec. 38. [RAMSEY COUNTY ELECTRONIC BENEFIT SERVICE.]

Notwithstanding the requirements for state contracts contained in Minnesota Statutes, chapter 16B, or Laws 1993, First Special Session chapter 1, article 1, section 2, subdivision 5, or any other law to the contrary, the commissioner, under terms and conditions approved by the attorney general, may accept assignment from Ramsey county of any existing contract, license agreement, or similar transactional document related to the Ramsey county electronic benefit system. The term of any contract, agreement, or other document assigned to the state, including the agreement arising from the Ramsey county electronic benefit services pilot project, may not extend beyond June 30, 1997, and the commissioner must publish a request for proposals for succeeding electronic benefits services, including services required for statewide expansion in the State Register before January 1, 1996.

Sec. 39. Laws 1993, First Special Session chapter 1, article 8, section 30, subdivision 2, is amended to read:

Subd. 2. Sections 1 to 3, 8, 9, 13 to 17, 22, 23, and 26 to 29 are effective July 1, 1994, contingent upon federal recognition that group residential housing payments qualify as optional state supplement payments to the supplemental security income program under title XVI of the Social Security Act and confer categorical eligibility for medical assistance under the state plan for medical assistance. The amendments and repeals by Laws 1993, First Special Session chapter 1, article 8, sections 1 to 3, 8, 9, 13 to 17, 22, 23, 26, and 29, are effective July 1, 1994.

Sec. 40. [REPEALER.]

Minnesota Statutes 1994, sections 256.851; 256D.35, subdivisions 14 and 19; 256D.36, subdivision 1a; 256D.37; 256D.425, subdivision 3; 256D.435, subdivisions 2, 7, 8, 9, and 10; and 256D.44, subdivision 7, are repealed.

Sec. 41. [EFFECTIVE DATES.]

Section 31 (256I.04, subdivision 3) is effective July 1, 1996.

ARTICLE 6
MA AND GAMC

Section 1. Minnesota Statutes 1994, section 144.0721, is amended by adding a subdivision to read:

Subd. 3. [LEVEL OF CARE CRITERIA; MODIFICATIONS.] The commissioner shall seek appropriate federal waivers to implement this subdivision. Notwithstanding any laws or rules to the contrary, effective July 1, 1996, Minnesota's level of care criteria for admission of any person to a nursing facility licensed under chapter 144A, or a boarding care home licensed under sections 144.50 to 144.56, are modified as follows:

(1) the resident reimbursement classifications and terminology established by rule under sections 256B.41 to 256B.48 are the basis for applying the level of care criteria changes;

(2) an applicant to a certified nursing facility or certified boarding care home who is dependent in one or two case mix activities of daily living, is classified as a case mix A, and is independent in orientation and self-preservation, is reclassified as a high function class A person and is not eligible for admission to Minnesota certified nursing facilities or certified boarding care homes;

(3) applicants in clause (2) who are eligible for assistance as determined under sections 256B.055 and 256B.056 or meet eligibility criteria for section 256B.0913 are eligible for a service allowance under section 256B.0913, subdivision 15, and are not eligible for services under sections 256B.0913, subdivisions 1 to 14, and 256B.0915. Applicants in clause (2) shall have the option of receiving personal care assistant and home health aide services under section 256B.0625, if otherwise eligible, or of receiving the service allowance option, but not both. Applicants in clause (2) shall have the option of residing in community settings under sections 256I.01 to 256I.06, if otherwise eligible, or receiving the services allowance option under section 256B.0913, subdivision 15, but not both;

(4) residents of a certified nursing facility or certified boarding care home who were admitted before July 1, 1996, or individuals receiving services under section 256B.0913, subdivisions 1 to 14, or 256B.0915, before July 1, 1996, are not subject to the new level of care criteria unless the resident is discharged home or to another service setting other than a certified nursing facility or certified boarding care home and applies for admission to a certified nursing facility or certified boarding care home after June 30, 1996;

(5) the local screening teams under section 256B.0911 shall make preliminary determinations concerning the existence of extraordinary circumstances and may authorize an admission for a short-term stay at a certified nursing facility or certified boarding care home in accordance with a treatment and discharge plan for up to 30 days per year; and

(6) an individual deemed ineligible for admission to Minnesota certified nursing facilities is entitled to an appeal under section 256.045.

If the commissioner determines upon appeal that an applicant in clause (2) presents extraordinary circumstances including but not limited to the absence or inaccessibility of suitable alternatives, contravening family circumstances, and protective service issues, the applicant may be eligible for admission to Minnesota certified nursing facilities or certified boarding care homes.

Sec. 2. Minnesota Statutes 1994, section 144.0721, is amended by adding a subdivision to read:

Subd. 3a. [EXCEPTION.] Subdivision 3 does not apply to a facility whose rates are subject to section 256I.05, subdivision 2.

Sec. 3. Minnesota Statutes 1994, section 144.702, subdivision 2, is amended to read:

Subd. 2. [APPROVAL OF ORGANIZATION'S REPORTING PROCEDURES.] The commissioner of health may approve voluntary reporting procedures consistent with written operating requirements for the voluntary, nonprofit reporting organization which shall be established annually by the commissioner. These written operating requirements shall specify

reports, analyses, and other deliverables to be produced by the voluntary, nonprofit reporting organization, and the dates on which those deliverables must be submitted to the commissioner. These written operating requirements shall specify deliverable dates sufficient to enable the commissioner of health to process and report health care cost information system data to the commissioner of human services by August 15 of each year. The commissioner of health shall, by rule, prescribe standards for submission of data by hospitals and outpatient surgical centers to the voluntary, nonprofit reporting organization or to the commissioner. These standards shall provide for:

- (a) The filing of appropriate financial information with the reporting organization;
- (b) Adequate analysis and verification of that financial information; and
- (c) Timely publication of the costs, revenues, and rates of individual hospitals and outpatient surgical centers prior to the effective date of any proposed rate increase. The commissioner of health shall annually review the procedures approved pursuant to this subdivision.

Sec. 4. Minnesota Statutes 1994, section 252.27, subdivision 1, is amended to read:

Subdivision 1. [COUNTY OF FINANCIAL RESPONSIBILITY.] Whenever any child who has mental retardation or a related condition, or a physical disability or emotional disturbance is in 24-hour care outside the home including respite care, in a facility licensed by the commissioner of human services, the cost of services shall be paid by the county of financial responsibility determined pursuant to chapter 256G. If the child's parents or guardians do not reside in this state, the cost shall be paid by the responsible governmental agency in the state from which the child came, by the parents or guardians of the child if they are financially able, or, if no other payment source is available, by the commissioner of human services.

Sec. 5. Minnesota Statutes 1994, section 252.27, subdivision 1a, is amended to read:

Subd. 1a. [DEFINITIONS.] ~~A person has a "related condition" if that person has~~ is a condition that is found to be closely related to mental retardation, including, but not limited to, cerebral palsy, epilepsy, autism, and Prader-Willi syndrome and that meets all of the following criteria: (a) is severe, and chronic disability that meets all of the following conditions: (a) is attributable to cerebral palsy, epilepsy, autism, Prader-Willi syndrome, or any other condition, other than mental illness as defined under section 245.462, subdivision 20, or an emotional disturbance, as defined under section 245.4871, subdivision 15, found to be closely related to mental retardation because the condition; (b) results in impairment of general intellectual functioning or adaptive behavior similar to that of persons with mental retardation and; (c) requires treatment or services similar to those required for persons with mental retardation; ~~(b) (d)~~ (d) is manifested before the person reaches 22 years of age; ~~(e)~~ (e) is likely to continue indefinitely; and ~~(d)~~ (f) results in substantial functional limitations in three or more of the following areas of major life activity: (1) self-care, (2) understanding and use of language, (3) learning, (4) mobility, (5) self-direction, (6) capacity for independent living; and (g) is not attributable to mental illness as defined in section 245.462, subdivision 20, or an emotional disturbance as defined in section 245.4871, subdivision 15. For purposes of clause (g), notwithstanding section 245.462, subdivision 20, or 245.4871, subdivision 15, "mental illness" does not include autism or other pervasive developmental disorders.

Sec. 6. Minnesota Statutes 1994, section 252.27, subdivision 2a, is amended to read:

Subd. 2a. [CONTRIBUTION AMOUNT.] (a) The natural or adoptive parents of a minor child, including a child determined eligible for medical assistance without consideration of parental income, must contribute monthly to the cost of services, unless the child is married or has been married, parental rights have been terminated, or the child's adoption is subsidized according to section 259.67 or through title IV-E of the Social Security Act.

(b) The parental contribution shall be the greater of a minimum monthly fee of \$25 for households with adjusted gross income of \$30,000 and over, or an amount to be computed by applying to the adjusted gross income of the natural or adoptive parents that exceeds 200 150 percent of the federal poverty guidelines for the applicable household size, the following schedule of rates:

(1) on the amount of adjusted gross income over ~~200~~ 150 percent of poverty, but not over \$50,000, ten percent;

(2) on the amount of adjusted gross income over ~~200~~ 150 percent of poverty and over \$50,000 but not over \$60,000, 12 percent;

(3) on the amount of adjusted gross income over ~~200~~ 150 percent of poverty, and over \$60,000 but not over \$75,000, 14 percent; and

(4) on all adjusted gross income amounts over ~~200~~ 150 percent of poverty, and over \$75,000, 15 percent.

If the child lives with the parent, the parental contribution is reduced by \$200, except that the parent must pay the minimum monthly \$25 fee under this paragraph. If the child resides in an institution specified in section 256B.35, the parent is responsible for the personal needs allowance specified under that section in addition to the parental contribution determined under this section. The parental contribution is reduced by any amount required to be paid directly to the child pursuant to a court order, but only if actually paid.

(c) The household size to be used in determining the amount of contribution under paragraph (b) includes natural and adoptive parents and their dependents under age 21, including the child receiving services. Adjustments in the contribution amount due to annual changes in the federal poverty guidelines shall be implemented on the first day of July following publication of the changes.

(d) For purposes of paragraph (b), "income" means the adjusted gross income of the natural or adoptive parents determined according to the previous year's federal tax form.

(e) The contribution shall be explained in writing to the parents at the time eligibility for services is being determined. The contribution shall be made on a monthly basis effective with the first month in which the child receives services. Annually upon redetermination or at termination of eligibility, if the contribution exceeded the cost of services provided, the local agency or the state shall reimburse that excess amount to the parents, either by direct reimbursement if the parent is no longer required to pay a contribution, or by a reduction in or waiver of parental fees until the excess amount is exhausted.

(f) The monthly contribution amount must be reviewed at least every 12 months; when there is a change in household size; and when there is a loss of or gain in income from one month to another in excess of ten percent. The local agency shall mail a written notice 30 days in advance of the effective date of a change in the contribution amount. A decrease in the contribution amount is effective in the month that the parent verifies a reduction in income or change in household size.

(g) Parents of a minor child who do not live with each other shall each pay the contribution required under paragraph (a), except that a court-ordered child support payment actually paid on behalf of the child receiving services shall be deducted from the contribution of the parent making the payment.

(h) The contribution under paragraph (b) shall be increased by an additional five percent if the local agency determines that insurance coverage is available but not obtained for the child. For purposes of this section, "available" means the insurance is a benefit of employment for a family member at an annual cost of no more than five percent of the family's annual income. For purposes of this section, insurance means health and accident insurance coverage, enrollment in a nonprofit health service plan, health maintenance organization, self-insured plan, or preferred provider organization.

Parents who have more than one child receiving services shall not be required to pay more than the amount for the child with the highest expenditures. There shall be no resource contribution from the parents. The parent shall not be required to pay a contribution in excess of the cost of the services provided to the child, not counting payments made to school districts for education-related services. Notice of an increase in fee payment must be given at least 30 days before the increased fee is due.

Sec. 7. Minnesota Statutes 1994, section 252.27, is amended by adding a subdivision to read:

Subd. 5. [DETERMINATION; REDETERMINATION; NOTICE.] A determination order and notice of parental fee shall be mailed to the parent at least annually, or more frequently as provided in Minnesota Rules, parts 9550.6220 to 9550.6229. The determination order and notice shall contain the following information: (1) the amount the parent is required to contribute; (2) notice of the right to a redetermination and appeal; and (3) the telephone number of the division at the department of human services that is responsible for redeterminations.

Sec. 8. Minnesota Statutes 1994, section 252.27, is amended by adding a subdivision to read:

Subd. 6. [APPEALS.] A parent may appeal the determination or redetermination of an obligation to make a contribution under this section, according to section 256.045. The parent must make a request for a hearing in writing within 30 days of the date the determination or redetermination order is mailed, or within 90 days of such written notice if the parent shows good cause why the request was not submitted within the 30-day time limit. The commissioner must provide the parent with a written notice that acknowledges receipt of the request and notifies the parent of the date of the hearing. While the appeal is pending, the parent has the rights regarding making payment that are provided in Minnesota Rules, part 9550.6235. If the commissioner's determination or redetermination is affirmed, the parent shall, within 90 calendar days after the date an order is issued under section 256.045, subdivision 5, pay the total amount due from the effective date of the notice of determination or redetermination that was appealed by the parent. If the commissioner's order under this subdivision results in a decrease in the parental fee amount, any payments made by the parent that result in an overpayment shall be credited to the parent as provided in Minnesota Rules, part 9550.6235, subpart 3.

Sec. 9. Minnesota Statutes 1994, section 256.015, subdivision 1, is amended to read:

Subdivision 1. [STATE AGENCY HAS LIEN.] When the state agency provides, pays for, or becomes liable for medical care or furnishes subsistence or other payments to a person, the agency has a lien for the cost of the care and payments on all causes of action that accrue to the person to whom the care or payments were furnished, or to the person's legal representatives, as a result of the occurrence that necessitated the medical care, subsistence, or other payments. For purposes of this section, "state agency" includes authorized agents of the state agency.

Sec. 10. Minnesota Statutes 1994, section 256.015, subdivision 2, is amended to read:

Subd. 2. [PERFECTION; ENFORCEMENT.] The state agency may perfect and enforce its lien under sections 514.69, 514.70, and 514.71, and must file the verified lien statement with the appropriate court administrator in the county of financial responsibility. The verified lien statement must contain the following: the name and address of the person to whom medical care, subsistence, or other payment was furnished; the date of injury; the name and address of vendors furnishing medical care; the dates of the service or payment; the amount claimed to be due for the care or payment; and to the best of the state agency's knowledge, the names and addresses of all persons, firms, or corporations claimed to be liable for damages arising from the injuries.

This section does not affect the priority of any attorney's lien. The state agency is not subject to any limitations period referred to in section 514.69 or 514.71 and has one year from the date notice is first received by it under subdivision 4, paragraph (c), even if the notice is untimely, or one year from the date medical bills are first paid by the state agency, whichever is later, to file its verified lien statement. The state agency may commence an action to enforce the lien within one year of (1) the date the notice required by subdivision 4, paragraph (c), is received, or (2) the date the person's cause of action is concluded by judgment, award, settlement, or otherwise, whichever is later.

Sec. 11. Minnesota Statutes 1994, section 256.015, subdivision 7, is amended to read:

Subd. 7. [COOPERATION REQUIRED.] Upon the request of the department of human services, any state agency or third party payer shall cooperate with the department in furnishing information to help establish a third party liability. Upon the request of the department of human services or county child support or human service agencies, any employer or third party payer shall cooperate in furnishing information about group health insurance plans or medical benefit plans available to its employees. The department of human services and county agencies shall limit its use of information gained from agencies and, third party payers, and employers to

purposes directly connected with the administration of its public assistance and child support programs. The provision of information by agencies ~~and, third party payers, and employers to the~~ department under this subdivision is not a violation of any right of confidentiality or data privacy.

Sec. 12. Minnesota Statutes 1994, section 256.9353, subdivision 8, is amended to read:

Subd. 8. [LIEN.] When the state agency provides, pays for, or becomes liable for covered health services, the agency shall have a lien for the cost of the covered health services upon any and all causes of action accruing to the enrollee, or to the enrollee's legal representatives, as a result of the occurrence that necessitated the payment for the covered health services. All liens under this section shall be subject to the provisions of section 256.015. For purposes of this subdivision, "state agency" includes authorized agents of the state agency.

Sec. 13. Minnesota Statutes 1994, section 256.9365, is amended to read:

256.9365 [PURCHASE OF CONTINUATION COVERAGE FOR AIDS PATIENTS.]

Subdivision 1. [PROGRAM ESTABLISHED.] The commissioner of human services shall establish a program to pay private health plan premiums for persons who have contracted human immunodeficiency virus (HIV) to enable them to continue coverage under a group or individual health plan. If a person is determined to be eligible under subdivision 2, the commissioner shall: ~~(1) pay the eligible person's group plan premium for the period of continuation coverage provided in the Consolidated Omnibus Budget Reconciliation Act of 1985; or (2) pay the eligible person's individual plan premium for 24 months~~ pay the portion of the group plan premium for which the individual is responsible, if the individual is responsible for at least 50 percent of the cost of the premium, or pay the individual plan premium. The commissioner shall not pay for that portion of a premium that is attributable to other family members or dependents.

Subd. 2. [ELIGIBILITY REQUIREMENTS.] To be eligible for the program, an applicant must satisfy the following requirements:

(1) the applicant must provide a physician's statement verifying that the applicant is infected with HIV and is, or within three months is likely to become, too ill to work in the applicant's current employment because of HIV-related disease;

(2) the applicant's monthly gross family income must not exceed 300 percent of the federal poverty guidelines, after deducting medical expenses and insurance premiums;

(3) the applicant must not own assets with a combined value of more than \$25,000; and

(4) if applying for payment of group plan premiums, the applicant must be covered by an employer's or former employer's group insurance plan ~~and be eligible to purchase continuation coverage; and~~

~~(5) if applying for payment of individual plan premiums, the applicant must be covered by an individual health plan whose coverage and premium costs satisfy additional requirements established by the commissioner in rule.~~

Subd. 3. [RULES COST-EFFECTIVE COVERAGE.] ~~The commissioner shall establish rules as necessary to implement the program. Special Requirements for the payment of individual plan premiums under subdivision 2, clause (5), must be designed to ensure that the state cost of paying an individual plan premium over a two-year period does not exceed the estimated state cost that would otherwise be incurred in the medical assistance or general assistance medical care program. The commissioner shall purchase the most cost-effective coverage available for eligible individuals.~~

Sec. 14. Minnesota Statutes 1994, section 256.9657, subdivision 3, is amended to read:

Subd. 3. [HEALTH MAINTENANCE ORGANIZATION; INTEGRATED SERVICE NETWORK SURCHARGE.] (a) Effective October 1, 1992, each health maintenance organization with a certificate of authority issued by the commissioner of health under chapter 62D and each integrated service network and community integrated service network licensed by the commissioner under chapter 62N shall pay to the commissioner of human services a surcharge

equal to six-tenths of one percent of the total premium revenues of the health maintenance organization, integrated service network, or community integrated service network as reported to the commissioner of health according to the schedule in subdivision 4.

(b) For purposes of this subdivision, total premium revenue means:

(1) premium revenue recognized on a prepaid basis from individuals and groups for provision of a specified range of health services over a defined period of time which is normally one month, excluding premiums paid to a health maintenance organization, integrated service network, or community integrated service network from the Federal Employees Health Benefit Program;

(2) premiums from Medicare wrap-around subscribers for health benefits which supplement Medicare coverage;

(3) Medicare revenue, as a result of an arrangement between a health maintenance organization, an integrated service network, or a community integrated service network and the health care financing administration of the federal Department of Health and Human Services, for services to a Medicare beneficiary; and

(4) medical assistance revenue, as a result of an arrangement between a health maintenance organization, integrated service network, or community integrated service network and a Medicaid state agency, for services to a medical assistance beneficiary.

If advance payments are made under clause (1) or (2) to the health maintenance organization, integrated service network, or community integrated service network for more than one reporting period, the portion of the payment that has not yet been earned must be treated as a liability.

(c) When a health maintenance organization or an integrated service network or community integrated service network merges or consolidates with or is acquired by another health maintenance organization, integrated service network, or community integrated service network, the surviving corporation or the new corporation shall be responsible for the annual surcharge originally imposed on each of the entities or corporations subject to the merger, consolidation, or acquisition, regardless of whether one of the entities or corporations does not retain a certificate of authority under chapter 62D or a license under chapter 62N.

(d) Effective July 1 of each year, the surviving corporation's or the new corporation's surcharge shall be based on the revenues earned in the second previous calendar year by all of the entities or corporations subject to the merger, consolidation, or acquisition regardless of whether one of the entities or corporations does not retain a certificate of authority under chapter 62D or a license under chapter 62N until the total premium revenues of the surviving corporation include the total premium revenues of all the merged entities as reported to the commissioner of health.

(e) When a health maintenance organization, integrated service network, or community integrated service network, which is subject to liability for the surcharge under this chapter, transfers, assigns, sells, leases, or disposes of all or substantially all of its property or assets, liability for the surcharge imposed by this chapter is imposed on the transferee, assignee, or buyer of the health maintenance organization, integrated service network, or community integrated service network.

(f) In the event a health maintenance organization, integrated service network, or community integrated service network converts its licensure to a different type of entity subject to liability for the surcharge under this chapter, but survives in the same or substantially similar form, the surviving entity remains liable for the surcharge regardless of whether one of the entities or corporations does not retain a certificate of authority under chapter 62D or a license under chapter 62N.

(g) The surcharge assessed to a health maintenance organization, integrated service network, or community integrated service network ends when the entity ceases providing services for premiums and the cessation is not connected with a merger, consolidation, acquisition, or conversion.

Sec. 15. Minnesota Statutes 1994, section 256.9657, subdivision 4, is amended to read:

Subd. 4. [PAYMENTS INTO THE ACCOUNT.] (a) Payments to the commissioner under subdivisions 1 to 3 must be paid in monthly installments due on the 15th of the month beginning 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 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.

(b) Effective October 1, 1995, and each October 1 thereafter, the payments in subdivisions 2 and 3 must be based on revenues earned in the previous calendar year.

(c) If the commissioner of health does not provide by August 15 of any year data needed to update the base year for the hospital and health maintenance organization surcharges, the commissioner of human services may estimate base year revenue and use that estimate for the purposes of this section until actual data is provided by the commissioner of health.

Sec. 16. Minnesota Statutes 1994, section 256.9685, subdivision 1b, is amended to read:

Subd. 1b. [APPEAL OF RECONSIDERATION.] Notwithstanding section 256B.72, the commissioner may recover inpatient hospital payments for services that have been determined to be medically unnecessary after the reconsideration and determinations. A physician or hospital may appeal the result of the reconsideration process by submitting a written request for review to the commissioner within 30 days after receiving notice of the action. The commissioner shall review the medical record and information submitted during the reconsideration process and the medical review agent's basis for the determination that the services were not medically necessary for inpatient hospital services. The commissioner shall issue an order upholding or reversing the decision of the reconsideration process based on the review. ~~A hospital or physician who is aggrieved by an order of the commissioner may appeal the order to the district court of the county in which the physician or hospital is located by serving a written copy of the notice of appeal upon the commissioner within 30 days after the date the commissioner issued the order.~~

Sec. 17. Minnesota Statutes 1994, section 256.9685, is amended by adding a subdivision to read:

Subd. 1c. [JUDICIAL REVIEW.] A hospital or physician aggrieved by an order of the commissioner under subdivision 1b may appeal the order to the district court of the county in which the physician or hospital is located by:

(1) serving a written copy of a notice of appeal upon the commissioner within 30 days after the date the commissioner issued the order; and

(2) filing the original notice of appeal and proof of service with the court administrator of the district court. The appeal shall be treated as a dispositive motion under the Minnesota General Rules of Practice, rule 115. The district court scope of review shall be as set forth in section 14.69.

Sec. 18. Minnesota Statutes 1994, section 256.9685, is amended by adding a subdivision to read:

Subd. 1d. [TRANSMITTAL OF RECORD.] Within 30 days after being served with the notice of appeal, the commissioner shall transmit to the district court the original or certified copy of the entire record considered by the commissioner in making the final agency decision. The district court shall not consider evidence that was not included in the record before the commissioner.

Sec. 19. Minnesota Statutes 1994, 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 change in the Consumer Price Index-All Items (United States city average) (CPI-U) forecasted by Data Resources, Inc. The commissioner shall use the indices as forecasted~~

in the third quarter of the calendar year prior to the rate year. The hospital cost index 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 and shall be limited to five percent under the medical assistance program for admissions occurring during the biennium ending June 30, 1995.

(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, nor under general assistance medical care, except that the inflation adjustments under paragraph (a) for medical assistance, excluding general assistance medical care, shall apply for the biennium ending June 30, 1997. 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. 20. Minnesota Statutes 1994, section 256.969, subdivision 2b, is amended to read:

Subd. 2b. [OPERATING PAYMENT RATES.] In determining operating payment rates for admissions occurring on or after the rate year beginning January 1, 1991, and every two years after, or more frequently as determined by the commissioner, the commissioner shall obtain operating data from an updated base year and establish operating payment rates per admission for each hospital based on the cost-finding methods and allowable costs of the Medicare program in effect during the base year. Rates under the general assistance medical care program shall not be rebased to more current data on January 1, 1997. The base year operating payment rate per admission is standardized by the case mix index and adjusted by the hospital cost index, relative values, and disproportionate population adjustment. The cost and charge data used to establish operating rates shall only reflect inpatient services covered by medical assistance and shall not include property cost information and costs recognized in outlier payments.

Sec. 21. Minnesota Statutes 1994, section 256.969, is amended by adding a subdivision to read:

Subd. 8a. [UNUSUAL SHORT LENGTH OF STAY.] Except as provided in subdivision 13, for admissions occurring on or after July 1, 1995, payment shall be determined as follows and shall be included in the base year for rate setting purposes.

(1) For an admission that is categorized to a neonatal diagnostic related group in which the length of stay is less than 50 percent of the average length of stay for the category in the base year and the patient at admission is equal to or greater than the age of one, payments shall be established according to the methods of subdivision 14.

(2) For an admission that is categorized to a diagnostic category that includes neonatal respiratory distress syndrome, the hospital must have a level II or level III nursery and the patient must receive treatment in that unit or payment will be made without regard to the syndrome condition.

Sec. 22. Minnesota Statutes 1994, section 256.969, subdivision 9, is amended to read:

Subd. 9. [DISPROPORTIONATE NUMBERS OF LOW-INCOME PATIENTS SERVED.] (a) For admissions occurring on or after October 1, 1992, through December 31, 1992, the medical assistance disproportionate population adjustment shall comply with federal law 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 paragraph. The commissioner shall specifically report on the adjustments received by public hospitals and public hospital corporations located in cities of the first class.

(b) For admissions occurring on or after July 1, 1993, the medical assistance disproportionate population adjustment shall comply with federal law 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;

(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. 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 paragraph. The commissioner shall specifically report on the adjustments received by public hospitals and public hospital corporations located in cities of the first class; and

(3) for a hospital that ~~(i)~~ had medical assistance fee-for-service payment volume during calendar year 1991 in excess of 13 percent of total medical assistance fee-for-service payment volume; ~~or (ii),~~ a medical assistance disproportionate population adjustment shall be paid in addition to any other disproportionate payment due under this subdivision as follows: \$1,515,000 due on the 15th of each month after noon, beginning July 15, 1995. For a hospital that had medical assistance fee-for-service payment volume during calendar year 1991 in excess of eight percent of total medical assistance fee-for-service payment volume and is affiliated with the University of Minnesota, a medical assistance disproportionate population adjustment shall be paid in addition to any other disproportionate payment due under this subdivision as follows: \$1,010,000 \$505,000 due on the 15th of each month after noon, beginning July 15, 1993 1995.

(c) The commissioner shall adjust rates paid to a health maintenance organization under contract with the commissioner to reflect rate increases provided in paragraph (b), clauses (1) and (2), on a nondiscounted hospital-specific basis but shall not adjust those rates to reflect payments provided in clause (3).

(d) If federal matching funds are not available for all adjustments under paragraph (b), the commissioner shall reduce payments under paragraph (b), clauses (1) and (2), on a pro rata basis so that all adjustments under paragraph (b) qualify for federal match.

(e) For purposes of this subdivision, medical assistance does not include general assistance medical care.

Sec. 23. Minnesota Statutes 1994, section 256.969, subdivision 10, is amended to read:

Subd. 10. [SEPARATE BILLING BY CERTIFIED REGISTERED NURSE

ANESTHETISTS.] Hospitals may exclude certified registered nurse anesthetist costs from the operating payment rate as allowed by section 256B.0625, subdivision 11. To be eligible, a hospital must notify the commissioner in writing by October 1 of the year preceding the rate year of the request to exclude certified registered nurse anesthetist costs. The hospital must agree that all hospital claims for the cost and charges of certified registered nurse anesthetist services will not be included as part of the rates for inpatient services provided during the rate year. In this case, the operating payment rate shall be adjusted to exclude the cost of certified registered nurse anesthetist services. ~~Payments made through separate claims for certified registered nurse anesthetist services shall not be paid directly through the hospital provider number or indirectly by the certified registered nurse anesthetist to the hospital or related organizations.~~

For admissions occurring on or after July 1, 1991, and until the expiration date of section 256.9695, subdivision 3, services of certified registered nurse anesthetists provided on an inpatient basis may be paid as allowed by section 256B.0625, subdivision 11, when the hospital's base year did not include the cost of these services. To be eligible, a hospital must notify the commissioner in writing by July 1, 1991, of the request and must comply with all other requirements of this subdivision.

Sec. 24. Minnesota Statutes 1994, section 256.969, subdivision 16, is amended to read:

Subd. 16. [INDIAN HEALTH SERVICE FACILITIES.] Indian health service facilities are exempt from the rate establishment methods required by this section and shall be reimbursed at charges as limited to the amount allowed under federal law. ~~This exemption is not effective for payments under general assistance medical care.~~

Sec. 25. Minnesota Statutes 1994, section 256.969, is amended by adding a subdivision to read:

Subd. 25. [LONG-TERM HOSPITAL RATES.] For admissions occurring on or after April 1, 1995, a long-term hospital as designated by Medicare that does not have admissions in the base year shall have inpatient rates established at the average of other hospitals with the same designation. For subsequent rate-setting periods in which base years are updated, the hospital's base year shall be the first Medicare cost report filed with the long-term hospital designation and shall remain in effect until it falls within the same period as other hospitals.

Sec. 26. Minnesota Statutes 1994, section 256B.042, subdivision 2, is amended to read:

Subd. 2. [LIEN ENFORCEMENT.] The state agency may perfect and enforce its lien by following the procedures set forth in sections 514.69, 514.70 and 514.71, and its verified lien statement shall be filed with the appropriate court administrator in the county of financial responsibility. The verified lien statement shall contain the following: the name and address of the person to whom medical care was furnished, the date of injury, the name and address of the vendor or vendors furnishing medical care, the dates of the service, the amount claimed to be due for the care, and, to the best of the state agency's knowledge, the names and addresses of all persons, firms, or corporations claimed to be liable for damages arising from the injuries. This section shall not affect the priority of any attorney's lien. The state agency is not subject to any limitations period referred to in section 514.69 or 514.71 and has one year from the date notice is first received by it under subdivision 4, paragraph (c), even if the notice is untimely, or one year from the date medical bills are first paid by the state agency, whichever is later, to file its verified lien statement. The state agency may commence an action to enforce the lien within one year of (1) the date the notice required by subdivision 4, paragraph (c), is received or (2) the date the recipient's cause of action is concluded by judgment, award, settlement, or otherwise, whichever is later. For purposes of this section, "state agency" includes authorized agents of the state agency.

Sec. 27. Minnesota Statutes 1994, section 256B.055, subdivision 12, is amended to read:

Subd. 12. [DISABLED CHILDREN.] (a) A person is eligible for medical assistance if the person is under age 19 and qualifies as a disabled individual under United States Code, title 42, section 1382c(a), and would be eligible for medical assistance under the state plan if residing in a medical institution, and ~~who~~ the child requires a level of care provided in a hospital, skilled nursing facility, ~~intermediate care facility,~~ or intermediate care facility for persons with mental retardation or related conditions, for whom home care is appropriate, provided that the cost to medical assistance ~~for home care services~~ under this section is not more than the amount that

medical assistance would pay for appropriate institutional care if the child resides in an institution. Eligibility under this section must be determined annually.

(b) For purposes of this subdivision, "hospital" means an acute care institution as defined in section 144.696, subdivision 3, 144.55, subdivision 3, or Minnesota Rules, part 4640.3600, and licensed pursuant to sections 144.50 to 144.58, which is appropriate if a person is technology dependent or has a chronic health condition which requires frequent intervention by a health care professional to avoid death. For purposes of this subdivision, a child requires a level of care provided in a hospital if the child is determined by the commissioner to need an extensive array of health services, including mental health services, for an undetermined period of time, whose health condition requires frequent monitoring and treatment by a health care professional or by a person supervised by a health care professional, who would reside in a hospital or require frequent hospitalization if these services were not provided, and the daily care needs are more complex than a nursing facility level of care.

A child with serious emotional disturbance requires a level of care provided in a hospital if the commissioner determines that the individual requires 24-hour supervision because the person exhibits recurrent or frequent suicidal or homicidal ideation or behavior, recurrent or frequent psychosomatic disorders or somatopsychic disorders that may become life threatening, recurrent or frequent severe socially unacceptable behavior associated with psychiatric disorder, ongoing and chronic psychosis or severe, ongoing and chronic developmental problems requiring continuous skilled observation, or severe disabling symptoms for which office-centered outpatient treatment is not adequate, and which overall severely impact the individual's ability to function.

(c) For purposes of this subdivision, "skilled nursing facility" and "intermediate care facility" means a facility which provides nursing care as defined in section 144A.01, subdivision 5, licensed pursuant to sections 144A.02 to 144A.10, which is appropriate if a person is in active restorative treatment; is in need of special treatments provided or supervised by a licensed nurse; or has unpredictable episodes of active disease processes requiring immediate judgment by a licensed nurse. For purposes of this subdivision, a child requires the level of care provided in a nursing facility if the child is determined by the commissioner to meet the requirements of the preadmission screening assessment document under section 256B.0911 and the home care independent rating document under section 256B.0627, subdivision 5, paragraph (f), item (iii), adjusted to address age-appropriate standards for children age 18 and under, pursuant to section 256B.0627, subdivision 5, paragraph (d), clause (2).

(d) For purposes of this subdivision, "intermediate care facility for the mentally retarded persons with mental retardation or related conditions" or "ICF/MR" means a program licensed to provide services to persons with mental retardation under section 252.28, and chapter 245A, and a physical plant licensed as a supervised living facility under chapter 144, which together are certified by the Minnesota department of health as meeting the standards in Code of Federal Regulations, title 42, part 483, for an intermediate care facility which provides services for persons with mental retardation or persons with related conditions who require 24-hour supervision and active treatment for medical, behavioral, or habilitation needs. For purposes of this subdivision, a child requires a level of care provided in an ICF/MR if the commissioner finds that the child has mental retardation or a related condition in accordance with section 256B.092, is in need of a 24-hour plan of care and active treatment similar to persons with mental retardation, and there is a reasonable indication that the child will need ICF/MR services.

(e) For purposes of this subdivision, a person "requires a level of care provided in a hospital, skilled nursing facility, intermediate care facility, or intermediate care facility for persons with mental retardation or related conditions" if the person requires 24-hour supervision because the person exhibits suicidal or homicidal ideation or behavior, psychosomatic disorders or somatopsychic disorders that may become life threatening, severe socially unacceptable behavior associated with psychiatric disorder, psychosis or severe developmental problems requiring continuous skilled observation, or disabling symptoms that do not respond to office-centered outpatient treatment. The determination of the level of care needed by the child shall be made by the commissioner based on information supplied to the commissioner by the case manager if the child has one, the parent or guardian, the child's physician or physicians or, if available, the screening information obtained under section 256B.092, and other professionals as requested by the commissioner. The commissioner shall establish a screening team to conduct the level of care determinations according to this subdivision.

(f) If a child meets the conditions in paragraph (b), (c), or (d), the commissioner must assess the case to determine whether:

(1) the child qualifies as a disabled individual under United States Code, title 42, section 1382c(a) and would be eligible for medical assistance if residing in a medical institution; and

(2) the cost of medical assistance services for the child, if eligible under this subdivision, would not be more than the cost to medical assistance if the child resides in a medical institution to be determined as follows:

(i) for a child who requires a level of care provided in an ICF/MR, the cost of care for the child in an institution shall be determined using the average payment rate established for the regional treatment centers that are certified as ICFs/MR;

(ii) for a child who requires a level of care provided in an inpatient hospital setting according to paragraph (b), cost-effectiveness shall be determined according to Minnesota Rules, part 9505.3520, items F and G; and

(iii) for a child who requires a level of care provided in a nursing facility according to paragraph (c), cost-effectiveness shall be determined according to Minnesota Rules, part 9505.3040, except that the nursing facility average rate shall be adjusted to reflect rates which would be paid for children under age 16. The commissioner may authorize an amount up to the amount medical assistance would pay for a child referred to the commissioner by the preadmission screening team under section 256B.0911.

(g) Children eligible for medical assistance services under section 256B.055, subdivision 12, as of June 30, 1995, must be screened according to the criteria in this subdivision prior to January 1, 1996. Children found to be ineligible may not be removed from the program until January 1, 1996.

Sec. 28. Minnesota Statutes 1994, section 256B.056, is amended by adding a subdivision to read:

Subd. 3b. [TREATMENT OF TRUSTS.] (a) A "medical assistance qualifying trust" is a revocable or irrevocable trust, or similar legal device, established on or before August 10, 1993, by a person or the person's spouse under the terms of which the person receives or could receive payments from the trust principal or income and the trustee has discretion in making payments to the person from the trust principal or income. Notwithstanding that definition, a medical assistance qualifying trust does not include: (1) a trust set up by will; (2) a trust set up before April 7, 1986, solely to benefit a person with mental retardation living in an intermediate care facility for persons with mental retardation; or (3) a trust set up by a person with payments made by the Social Security Administration pursuant to the United States Supreme Court decision in Sullivan v. Zebley, 110 S. Ct. 885 (1990). The maximum amount of payments that a trustee of a medical assistance qualifying trust may make to a person under the terms of the trust is considered to be available assets to the person, without regard to whether the trustee actually makes the maximum payments to the person and without regard to the purpose for which the medical assistance qualifying trust was established.

(b) Trusts established after August 10, 1993, are treated according to section 13611(b) of the Omnibus Budget Reconciliation Act of 1993 (OBRA), Public Law Number 103-66.

Sec. 29. Minnesota Statutes 1994, section 256B.056, subdivision 4, is amended to read:

Subd. 4. [INCOME.] To be eligible for medical assistance, a person must not have, or anticipate receiving, semiannual income in excess of 120 percent of the income standards by family size used in the aid to families with dependent children program, except that families and children may have an income up to 133-1/3 percent of the AFDC income standard. In computing income to determine eligibility of persons who are not residents of long-term care facilities, the commissioner shall disregard increases in income as required by Public Law Numbers 94-566, section 503; 99-272; and 99-509. Veterans aid and attendance benefits are considered income to the recipient.

Sec. 30. Minnesota Statutes 1994, section 256B.0575, is amended to read:

256B.0575 [AVAILABILITY OF INCOME FOR INSTITUTIONALIZED PERSONS.]

When an institutionalized person is determined eligible for medical assistance, the income that exceeds the deductions in paragraphs (a) and (b) must be applied to the cost of institutional care.

(a) The following amounts must be deducted from the institutionalized person's income in the following order:

(1) the personal needs allowance under section 256B.35 or, for a veteran who does not have a spouse or child, or a surviving spouse of a veteran having no child, the amount of an improved pension received from the veteran's administration not exceeding \$90 per month;

(2) the personal allowance for disabled individuals under section 256B.36;

(3) if the institutionalized person has a legally appointed guardian or conservator, five percent of the recipient's gross monthly income up to \$100 as reimbursement for guardianship or conservatorship services;

(4) a monthly income allowance determined under section 256B.058, subdivision 2, but only to the extent income of the institutionalized spouse is made available to the community spouse;

(5) a monthly allowance for children under age 18 which, together with the net income of the children, would provide income equal to the medical assistance standard for families and children according to section 256B.056, subdivision 4, for a family size that includes only the minor children. This deduction applies only if the children do not live with the community spouse ~~and only if the children resided with the institutionalized person immediately prior to admission;~~

(6) a monthly family allowance for other family members, equal to one-third of the difference between 122 percent of the federal poverty guidelines and the monthly income for that family member;

(7) reparations payments made by the Federal Republic of Germany and reparations payments made by the Netherlands for victims of Nazi persecution between 1940 and 1945; and

(8) amounts for reasonable expenses incurred for necessary medical or remedial care for the institutionalized spouse that are not medical assistance covered expenses and that are not subject to payment by a third party.

For purposes of clause (6), "other family member" means a person who resides with the community spouse and who is a minor or dependent child, dependent parent, or dependent sibling of either spouse. "Dependent" means a person who could be claimed as a dependent for federal income tax purposes under the Internal Revenue Code.

(b) Income shall be allocated to an institutionalized person for a period of up to three calendar months, in an amount equal to the medical assistance standard for a family size of one if:

(1) a physician certifies that the person is expected to reside in the long-term care facility for three calendar months or less;

(2) if the person has expenses of maintaining a residence in the community; and

(3) if one of the following circumstances apply:

(i) the person was not living together with a spouse or a family member as defined in paragraph (a) when the person entered a long-term care facility; or

(ii) the person and the person's spouse become institutionalized on the same date, in which case the allocation shall be applied to the income of one of the spouses.

For purposes of this paragraph, a person is determined to be residing in a licensed nursing home, regional treatment center, or medical institution if the person is expected to remain for a period of one full calendar month or more.

Sec. 31. Minnesota Statutes 1994, section 256B.059, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) "Community spouse" means the spouse of an institutionalized person spouse.

(c) "Spousal share" means one-half of the total value of all assets, to the extent that either the institutionalized spouse or the community spouse had an ownership interest at the time of institutionalization.

(d) "Assets otherwise available to the community spouse" means assets individually or jointly owned by the community spouse, other than assets excluded by subdivision 5, paragraph (c).

(e) "Community spouse asset allowance" is the value of assets that can be transferred under subdivision 3.

(f) "Institutionalized spouse" means a person who is:

(1) in a hospital, nursing facility, or intermediate care facility for persons with mental retardation, or receiving home and community-based services under section 256B.0915 or 256B.49, and is expected to remain in the facility or institution or receive the home and community-based services for at least 30 consecutive days; and

(2) married to a person who is not in a hospital, nursing facility, or intermediate care facility for persons with mental retardation, and is not receiving home and community-based services under section 256B.0915 or 256B.49.

Sec. 32. Minnesota Statutes 1994, section 256B.059, subdivision 3, is amended to read:

Subd. 3. [COMMUNITY SPOUSE ASSET ALLOWANCE.] An institutionalized spouse may transfer assets to the community spouse solely for the benefit of the community spouse. Except for increased amounts allowable under subdivision 4, the maximum amount of assets allowed to be transferred is the amount which, when added to the assets otherwise available to the community spouse, is as follows:

(1) prior to July 1, 1994, the greater of:

(i) \$14,148;

(ii) the lesser of the spousal share or \$70,740; or

(iii) the amount required by court order to be paid to the community spouse; and

(2) for persons ~~who begin~~ whose date of initial determination of eligibility for medical assistance following their first continuous period of institutionalization occurs on or after July 1, 1994, the greater of:

(i) \$20,000;

(ii) the lesser of the spousal share or \$70,740; or

(iii) the amount required by court order to be paid to the community spouse.

If the assets available to the community spouse are already at the limit permissible under this section, or the higher limit attributable to increases under subdivision 4, no assets may be transferred from the institutionalized spouse to the community spouse. The transfer must be made as soon as practicable after the date the institutionalized spouse is determined eligible for medical assistance, or within the amount of time needed for any court order required for the transfer. On January 1, 1994, and every January 1 thereafter, the limits in this subdivision shall be adjusted by the same percentage change in the consumer price index for all urban consumers (all items; United States city average) between the two previous Septembers. These adjustments shall also be applied to the limits in subdivision 5.

Sec. 33. Minnesota Statutes 1994, section 256B.059, subdivision 5, is amended to read:

Subd. 5. [ASSET AVAILABILITY.] (a) At the time of ~~application~~ initial determination of eligibility for medical assistance benefits following the first continuous period of institutionalization, assets considered available to the institutionalized spouse shall be the total value of all assets in which either spouse has an ownership interest, reduced by the following:

(1) prior to July 1, 1994, the greater of:

(i) \$14,148;

(ii) the lesser of the spousal share or \$70,740; or

(iii) the amount required by court order to be paid to the community spouse;

(2) for persons ~~who begin~~ whose date of initial determination of eligibility for medical assistance following their first continuous period of institutionalization occurs on or after July 1, 1994, the greater of:

(i) \$20,000;

(ii) the lesser of the spousal share or \$70,740; or

(iii) the amount required by court order to be paid to the community spouse. If the community spouse asset allowance has been increased under subdivision 4, then the assets considered available to the institutionalized spouse under this subdivision shall be further reduced by the value of additional amounts allowed under subdivision 4.

(b) An institutionalized spouse may be found eligible for medical assistance even though assets in excess of the allowable amount are found to be available under paragraph (a) if the assets are owned jointly or individually by the community spouse, and the institutionalized spouse cannot use those assets to pay for the cost of care without the consent of the community spouse, and if: (i) the institutionalized spouse assigns to the commissioner the right to support from the community spouse under section 256B.14, subdivision 3; (ii) the institutionalized spouse lacks the ability to execute an assignment due to a physical or mental impairment; or (iii) the denial of eligibility would cause an imminent threat to the institutionalized spouse's health and well-being.

(c) After the month in which the institutionalized spouse is determined eligible for medical assistance, during the continuous period of institutionalization, no assets of the community spouse are considered available to the institutionalized spouse, unless the institutionalized spouse has been found eligible under ~~clause~~ paragraph (b).

(d) Assets determined to be available to the institutionalized spouse under this section must be used for the health care or personal needs of the institutionalized spouse.

(e) For purposes of this section, assets do not include assets excluded under ~~section 256B.056, without regard to the limitations on total value in that section~~ the supplemental security income program.

Sec. 34. Minnesota Statutes 1994, section 256B.0595, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED TRANSFERS.] (a) For transfers of assets made on or before August 10, 1993, if a person or the person's spouse has given away, sold, or disposed of, for less than fair market value, any asset or interest therein, except assets other than the homestead that are excluded under section 256B.056, subdivision 3 the supplemental security program, within 30 months before or any time after the date of institutionalization if the person has been determined eligible for medical assistance, or within 30 months before or any time after the date of the first approved application for medical assistance if the person has not yet been determined eligible for medical assistance, the person is ineligible for long-term care services for the period of time determined under subdivision 2.

(b) Effective for transfers made on or after July 1, 1993, or upon federal approval, whichever is later August 10, 1993, a person, a person's spouse, or a person's authorized representative any person, court, or administrative body with legal authority to act in place of, on behalf of, at the direction of, or upon the request of the person or person's spouse, may not give away, sell, or

dispose of, for less than fair market value, any asset or interest therein, except assets other than the homestead that are excluded under the supplemental security income program, for the purpose of establishing or maintaining medical assistance eligibility. For purposes of determining eligibility for medical assistance long-term care services, any transfer of an asset such as assets within 60 36 months preceding application before or any time after an institutionalized person applies for medical assistance or during the period of medical assistance eligibility, including assets excluded under section 256B.056, subdivision 3, or 36 months before or any time after a medical assistance recipient becomes institutionalized, for less than fair market value may be considered. Any such transfer for less than fair market value made within 60 months preceding application for medical assistance or during the period of medical assistance eligibility is presumed to have been made for the purpose of establishing or maintaining medical assistance eligibility and the person is ineligible for medical assistance long-term care services for the period of time determined under subdivision 2, unless the person furnishes convincing evidence to establish that the transaction was exclusively for another purpose, or unless the transfer is permitted under subdivisions subdivision 3 or 4. Notwithstanding the provisions of this paragraph, in the case of payments from a trust or portions of a trust that are considered transfers of assets under federal law, any transfers made within 60 months before or any time after an institutionalized person applies for medical assistance and within 60 months before or any time after a medical assistance recipient becomes institutionalized, may be considered.

(c) This section applies to transfers, for less than fair market value, of income or assets, including assets that are considered income in the month received, such as inheritances, court settlements, and retroactive benefit payments or income to which the person or the person's spouse is entitled but does not receive due to action by the person, the person's spouse, or any person, court, or administrative body with legal authority to act in place of, on behalf of, at the direction of, or upon the request of the person or the person's spouse.

(d) This section applies to payments for care or personal services provided by a relative, unless the compensation was stipulated in a notarized, written agreement which was in existence when the service was performed, the care or services directly benefited the person, and the payments made represented reasonable compensation for the care or services provided. A notarized written agreement is not required if payment for the services was made within 60 days after the service was provided.

(e) This section applies to the portion of any asset or interest that a person or, a person's spouse transfers, or any person, court, or administrative body with legal authority to act in place of, on behalf of, at the direction of, or upon the request of the person or the person's spouse, to an irrevocable any trust, annuity, or other instrument, that exceeds the value of the benefit likely to be returned to the person or spouse while alive, based on estimated life expectancy using the life expectancy tables employed by the supplemental security income program to determine the value of an agreement for services for life. The commissioner may adopt rules reducing life expectancies based on the need for long-term care.

(f) For purposes of this section, long-term care services include services in a nursing facility, services that are eligible for payment according to section 256B.0625, subdivision 2, because they are provided in a swing bed, intermediate care facility for persons with mental retardation, and home and community-based services provided pursuant to section 256B.491 sections 256B.0915, 256B.092, and 256B.49. For purposes of this subdivision and subdivisions 2, 3, and 4, "institutionalized person" includes a person who is an inpatient in a nursing facility, or in a swing bed, or intermediate care facility for persons with mental retardation or who is receiving home and community-based services under section 256B.491 sections 256B.0915, 256B.092, and 256B.49.

(g) Effective for transfers made on or after July 1, 1995, or upon federal approval, whichever is later, a person, a person's spouse, or any person, court, or administrative body with legal authority to act in place of, on behalf of, at the direction of, or upon the request of the person or person's spouse, may not give away, sell, or dispose of, for less than fair market value, any asset or interest therein, for the purpose of establishing or maintaining medical assistance eligibility. For purposes of determining eligibility for long-term care services, any transfer of such assets within 60 months before, or any time after, an institutionalized person applies for medical assistance, or 60 months before, or any time after, a medical assistance recipient becomes institutionalized, for less than fair market value may be considered. Any such transfer is presumed to have been made for the

purpose of establishing or maintaining medical assistance eligibility and the person is ineligible for long-term care services for the period of time determined under subdivision 2, unless the person furnishes convincing evidence to establish that the transaction was exclusively for another purpose, or unless the transfer is permitted under subdivision 3 or 4.

Sec. 35. Minnesota Statutes 1994, section 256B.0595, subdivision 2, is amended to read:

Subd. 2. [PERIOD OF INELIGIBILITY.] (a) For any uncompensated transfer occurring on or before August 10, 1993, the number of months of ineligibility for long-term care services shall be the lesser of 30 months, or the uncompensated transfer amount divided by the average medical assistance rate for nursing facility services in the state in effect on the date of application. The amount used to calculate the average medical assistance payment rate shall be adjusted each July 1 to reflect payment rates for the previous calendar year. The period of ineligibility begins with the month in which the assets were transferred. If the transfer was not reported to the local agency at the time of application, and the applicant received long-term care services during what would have been the period of ineligibility if the transfer had been reported, a cause of action exists against the transferee for the cost of long-term care services provided during the period of ineligibility, or for the uncompensated amount of the transfer, whichever is less. The action may be brought by the state or the local agency responsible for providing medical assistance under chapter 256G. The uncompensated transfer amount is the fair market value of the asset at the time it was given away, sold, or disposed of, less the amount of compensation received.

~~(b) For uncompensated transfers made on or after July 1, August 10, 1993, or upon federal approval, whichever is later, the number of months of ineligibility, including partial months, for medical assistance long-term care services shall be the total uncompensated value of the resources transferred divided by the average medical assistance rate for nursing facility services in the state in effect on the date of application. If a calculation of a penalty period results in a partial month, payments for medical assistance services will be reduced in an amount equal to the fraction, except that in calculating the value of uncompensated transfers, uncompensated transfers not to exceed \$1,000 in total value per month shall be disregarded for each month prior to the month of application for medical assistance. The amount used to calculate the average medical assistance payment rate shall be adjusted each July 1 to reflect payment rates for the previous calendar year. The period of ineligibility begins with the month in which the assets were transferred except that if one or more uncompensated transfers are made during a period of ineligibility, the total assets transferred during the ineligibility period shall be combined and a penalty period calculated to begin in the month the first uncompensated transfer was made. The penalty in this paragraph shall not apply to uncompensated transfers of assets not to exceed a total of \$1,000 per month during a medical assistance eligibility certification period. If the transfer was not reported to the local agency at the time of application, and the applicant received medical assistance services during what would have been the period of ineligibility if the transfer had been reported, a cause of action exists against the transferee for the cost of medical assistance services provided during the period of ineligibility, or for the uncompensated amount of the transfer, whichever is less. The action may be brought by the state or the local agency responsible for providing medical assistance under chapter 256G. The uncompensated transfer amount is the fair market value of the asset at the time it was given away, sold, or disposed of, less the amount of compensation received.~~

(c) If the total value of all uncompensated transfers made in a month exceeds \$1,000, the disregards allowed under paragraph (b) do not apply. If a calculation of a penalty period results in a partial month, payments for long-term care services shall be reduced in an amount equal to the fraction, except that in calculating the value of uncompensated transfers, if the total value of all uncompensated transfers made in a month does not exceed \$1,000, then such transfers shall be disregarded for each month prior to the month of application for or during receipt of medical assistance.

Sec. 36. Minnesota Statutes 1994, section 256B.0595, subdivision 3, is amended to read:

Subd. 3. [HOMESTEAD EXCEPTION TO TRANSFER PROHIBITION.] (a) An institutionalized person is not ineligible for long-term care services due to a transfer of assets for less than fair market value if the asset transferred was a homestead and:

(1) title to the homestead was transferred to the individual's

(i) spouse;

(ii) child who is under age 21;

(iii) blind or permanently and totally disabled child as defined in the supplemental security income program;

(iv) sibling who has equity interest in the home and who was residing in the home for a period of at least one year immediately before the date of the individual's admission to the facility; or

(v) son or daughter who was residing in the individual's home for a period of at least two years immediately before the date of the individual's admission to the facility, and who provided care to the individual that permitted the individual to reside at home rather than in an institution or facility;

(2) a satisfactory showing is made that the individual intended to dispose of the homestead at fair market value or for other valuable consideration; or

(3) the local agency grants a waiver of the excess resources created by the uncompensated transfer because denial of eligibility would cause undue hardship for the individual, based on imminent threat to the individual's health and well-being.

(b) When a waiver is granted under paragraph (a), clause (3), a cause of action exists against the person to whom the homestead was transferred for that portion of long-term care services granted within:

(1) 30 months of the a transfer made on or before August 10, 1993;

(2) 60 months if the homestead was transferred after August 10, 1993, to a trust or portion of a trust that is considered a transfer of assets under federal law; or

(3) 36 months if transferred in any other manner after August 10, 1993,

or the amount of the uncompensated transfer, whichever is less, together with the costs incurred due to the action. The action may be brought by the state or the local agency responsible for providing medical assistance under chapter 256G.

~~(c) Effective for transfers made on or after July 1, 1993, or upon federal approval, whichever is later, an institutionalized person is not ineligible for medical assistance services due to a transfer of assets for less than fair market value if the asset transferred was a homestead and:~~

~~(1) title to the homestead was transferred to the individual's~~

~~(i) spouse;~~

~~(ii) child who is under age 21;~~

~~(iii) blind or permanently and totally disabled child as defined in the supplemental security income program;~~

~~(iv) sibling who has equity interest in the home and who was residing in the home for a period of at least one year immediately before the date of the individual's admission to the facility; or~~

~~(v) son or daughter who was residing in the individual's home for a period of at least two years immediately before the date of the individual's admission to the facility, and who provided care to the individual that permitted the individual to reside at home rather than in an institution or facility;~~

~~(2) a satisfactory showing is made that the individual intended to dispose of the homestead at fair market value or for other valuable consideration; or~~

~~(3) the local agency grants a waiver of the excess resources created by the uncompensated transfer because denial of eligibility would cause undue hardship for the individual, based on imminent threat to the individual's health and well-being.~~

~~(d) When a waiver is granted under paragraph (c), clause (3), a cause of action exists against the person to whom the homestead was transferred for that portion of medical assistance services granted during the period of ineligibility under subdivision 2, or the amount of the uncompensated transfer, whichever is less, together with the costs incurred due to the action. The action may be brought by the state or the local agency responsible for providing medical assistance under chapter 256G.~~

Sec. 37. Minnesota Statutes 1994, section 256B.0595, subdivision 4, is amended to read:

Subd. 4. [OTHER EXCEPTIONS TO TRANSFER PROHIBITION.] ~~(a)~~ An institutionalized person who has made, or whose spouse has made a transfer prohibited by subdivision 1, is not ineligible for long-term care services if one of the following conditions applies:

~~(1) the assets were transferred to the community individual's spouse, as defined in section 256B.059 or to another for the sole benefit of the spouse; or~~

~~(2) the institutionalized spouse, prior to being institutionalized, transferred assets to a spouse, provided that the spouse to whom the assets were transferred does not then transfer those assets to another person for less than fair market value. (At the time when one spouse is institutionalized, assets must be allocated between the spouses as provided under section 256B.059); or~~

~~(3) the assets were transferred to the individual's child who is blind or permanently and totally disabled as determined in the supplemental security income program; or~~

~~(4) a satisfactory showing is made that the individual intended to dispose of the assets either at fair market value or for other valuable consideration; or~~

~~(5) the local agency determines that denial of eligibility for long-term care services would work an undue hardship and grants a waiver of excess assets. When a waiver is granted, a cause of action exists against the person to whom the assets were transferred for that portion of long-term care services granted within:~~

~~(i) 30 months of the a transfer made on or before August 10, 1993;~~

~~(ii) 60 months of a transfer if the assets were transferred after August 30, 1993, to a trust or portion of a trust that is considered a transfer of assets under federal law; or~~

~~(iii) 36 months of a transfer if transferred in any other manner after August 10, 1993, or the amount of the uncompensated transfer, whichever is less, together with the costs incurred due to the action. The action may be brought by the state or the local agency responsible for providing medical assistance under this chapter; or~~

~~(6) for transfers occurring after August 10, 1993, the assets were transferred by the person or person's spouse: (i) into a trust established solely for the benefit of a son or daughter of any age who is blind or disabled as defined by the Supplemental Security Income program; or (ii) into a trust established solely for the benefit of an individual who is under 65 years of age who is disabled as defined by the Supplemental Security Income program.~~

~~(b) Effective for transfers made on or after July 1, 1993, or upon federal approval, whichever is later, an institutionalized person who has made, or whose spouse has made a transfer prohibited by subdivision 1, is not ineligible for medical assistance services if one of the following conditions applies:~~

~~(1) the assets were transferred to the community spouse, as defined in section 256B.059; or~~

~~(2) the institutionalized spouse, prior to being institutionalized, transferred assets to a spouse, provided that the spouse to whom the assets were transferred does not then transfer those assets to another person for less than fair market value. (At the time when one spouse is institutionalized, assets must be allocated between the spouses as provided under section 256B.059); or~~

~~(3) the assets were transferred to the individual's child who is blind or permanently and totally disabled as determined in the supplemental security income program; or~~

~~(4) a satisfactory showing is made that the individual intended to dispose of the assets either at fair market value or for other valuable consideration; or~~

~~(5) the local agency determines that denial of eligibility for medical assistance services would work an undue hardship and grants a waiver of excess assets. When a waiver is granted, a cause of action exists against the person to whom the assets were transferred for that portion of medical assistance services granted during the period of ineligibility determined under subdivision 2 or the amount of the uncompensated transfer, whichever is less, together with the costs incurred due to the action. The action may be brought by the state or the local agency responsible for providing medical assistance under this chapter.~~

Sec. 38. Minnesota Statutes 1994, section 256B.06, subdivision 4, is amended to read:

Subd. 4. [CITIZENSHIP REQUIREMENTS.] Eligibility for medical assistance is limited to citizens of the United States and aliens lawfully admitted for permanent residence or otherwise permanently residing in the United States under the color of law. Aliens who are seeking legalization under the Immigration Reform and Control Act of 1986, Public Law Number 99-603, who are under age 18, over age 65, blind, disabled, or Cuban or Haitian, and who meet the eligibility requirements of medical assistance under subdivision 1 and sections 256B.055 to 256B.062 are eligible to receive medical assistance. Pregnant women who are aliens seeking legalization under the Immigration Reform and Control Act of 1986, Public Law Number 99-603, and who meet the eligibility requirements of medical assistance under subdivision 1 are eligible for payment of care and services through the period of pregnancy and six weeks postpartum. Payment shall also be made for care and services that are furnished to an alien, regardless of immigration status, who otherwise meets the eligibility requirements of this section if such care and services are necessary for the treatment of an emergency medical condition, except for organ transplants and related care and services. For purposes of this subdivision, the term "emergency medical condition" means a medical condition, including labor and delivery, that if not immediately treated could cause a person physical or mental disability, continuation of severe pain, or death.

Sec. 39. Minnesota Statutes 1994, section 256B.0625, subdivision 5, is amended to read:

Subd. 5. [COMMUNITY MENTAL HEALTH CENTER SERVICES.] Medical assistance covers community mental health center services, ~~as defined in rules adopted by the commissioner pursuant to section 256B.04, subdivision 2, and provided by a community mental health center as defined in section 245.62, subdivision 2~~ that meets the requirements in paragraphs (a) to (j).

(a) The provider is licensed under Minnesota Rules, parts 9520.0750 to 9520.0870.

(b) The provider provides mental health services under the clinical supervision of a mental health professional who is licensed for independent practice at the doctoral level or by a board-certified psychiatrist or a psychiatrist who is eligible for board certification. Clinical supervision has the meaning given in Minnesota Rules, part 9505.0323, subpart 1, item F.

(c) The provider must be a private nonprofit corporation or a governmental agency and have a community board of directors as specified by section 245.66.

(d) The provider must have a sliding fee scale that meets the requirements in Minnesota Rules, part 9550.0060, and agree to serve within the limits of its capacity all individuals residing in its service delivery area.

(e) At a minimum, the provider must provide the following outpatient mental health services: diagnostic assessment; explanation of findings; family, group, and individual psychotherapy, including crisis intervention psychotherapy services, multiple family group psychotherapy, psychological testing, and medication management. In addition, the provider must provide or be capable of providing upon request of the local mental health authority day treatment services and professional home-based mental health services. The provider must have the capacity to provide such services to specialized populations such as the elderly, families with children, persons who are seriously and persistently mentally ill, and children who are seriously emotionally disturbed.

(f) The provider must be capable of providing the services specified in paragraph (e) to

individuals who are diagnosed with both mental illness or emotional disturbance, and chemical dependency, and to individuals dually diagnosed with a mental illness or emotional disturbance and mental retardation or a related condition.

(g) The provider must provide 24-hour emergency care services or demonstrate the capacity to assist recipients in need of such services to access such services on a 24-hour basis.

(h) The provider must have a contract with the local mental health authority to provide one or more of the services specified in paragraph (e).

(i) The provider must agree, upon request of the local mental health authority, to enter into a contract with the county to provide mental health services not reimbursable under the medical assistance program.

(j) The provider may not be enrolled with the medical assistance program as both a hospital and a community mental health center. The community mental health center's administrative, organizational, and financial structure must be separate and distinct from that of the hospital.

Sec. 40. Minnesota Statutes 1994, section 256B.0625, subdivision 8, is amended to read:

Subd. 8. [PHYSICAL THERAPY.] Medical assistance covers physical therapy and related services. 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.

Sec. 41. Minnesota Statutes 1994, section 256B.0625, subdivision 8a, is amended to read:

Subd. 8a. [OCCUPATIONAL THERAPY.] Medical assistance covers occupational therapy and related services. 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 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.

Sec. 42. Minnesota Statutes 1994, 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, or by a physician or a nurse practitioner employed by or under contract with a community health board as defined in section 145A.02, subdivision 5, for the purposes of communicable disease control. The commissioner, after receiving recommendations from professional medical associations and professional pharmacist associations, shall designate a formulary committee to advise the commissioner on the names of drugs for which payment is made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve three-year terms and shall serve without compensation. Members may be reappointed once.

(b) The commissioner shall establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the administrative procedure act, but the formulary committee shall review and comment on the formulary contents. The formulary committee shall review and recommend drugs which require prior authorization. The formulary committee may recommend drugs for prior authorization directly to the commissioner, as long as opportunity for

public input is provided. Prior authorization may be requested by the commissioner based on medical and clinical criteria before certain drugs are eligible for payment. Before a drug may be considered for prior authorization at the request of the commissioner:

(1) the drug formulary committee must develop criteria to be used for identifying drugs; the development of these criteria is not subject to the requirements of chapter 14, but the formulary committee shall provide opportunity for public input in developing criteria;

(2) the drug formulary committee must hold a public forum and receive public comment for an additional 15 days; and

(3) the commissioner must provide information to the formulary committee on the impact that placing the drug on prior authorization will have on the quality of patient care and information regarding whether the drug is subject to clinical abuse or misuse. Prior authorization may be required by the commissioner before certain formulary drugs are eligible for payment. The formulary shall not include:

(i) drugs or products for which there is no federal funding;

(ii) over-the-counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, products for the treatment of lice, vitamins for adults with documented vitamin deficiencies, and vitamins for children under the age of seven and pregnant or nursing women;

(iii) any other over-the-counter drug identified by the commissioner, in consultation with the drug formulary committee, as necessary, appropriate, and cost-effective for the treatment of certain specified chronic diseases, conditions or disorders, and this determination shall not be subject to the requirements of chapter 14;

(iv) anorectics; and

(v) drugs for which medical value has not been established.

The commissioner shall publish conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

(c) The basis for determining the amount of payment shall be the lower of the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner; the maximum allowable cost set by the federal government or by the commissioner plus the fixed dispensing fee; or the usual and customary price charged to the public. The pharmacy dispensing fee shall be \$3.85. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. The actual acquisition cost of a drug shall be estimated by the commissioner, at average wholesale price minus 7.6 nine percent effective January 1, 1994. The maximum allowable cost of a multisource drug may be set by the commissioner and it shall be comparable to, but no higher than, the maximum amount paid by other third-party payors in this state who have maximum allowable cost programs. Establishment of the amount of payment for drugs shall not be subject to the requirements of the administrative procedure act. An additional dispensing fee of \$.30 may be added to the dispensing fee paid to pharmacists for legend drug prescriptions dispensed to residents of long-term care facilities when a unit dose blister card system, approved by the department, is used. Under this type of dispensing system, the pharmacist must dispense a 30-day supply of drug. The National Drug Code (NDC) from the drug container used to fill the blister card must be identified on the claim to the department. The unit dose blister card containing the drug must meet the packaging standards set forth in Minnesota Rules, part 6800.2700, that govern the return of unused drugs to the pharmacy for reuse. The pharmacy provider will be required to credit the department for the actual acquisition cost of all unused drugs that are eligible for reuse. Over-the-counter medications must be dispensed in the manufacturer's unopened package. The commissioner may permit the drug clozapine to be dispensed in a quantity that is less than a 30-day supply. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifically indicates "dispense as written - brand necessary" on the prescription as required by section 151.21, subdivision 2. Implementation of any change in the fixed dispensing fee that has not been subject to the administrative procedure act is limited to not more than 180 days, unless, during that time, the commissioner initiates rulemaking through the administrative procedure act.

~~(d) Until the date the on-line, real-time Medicaid Management Information System (MMIS) upgrade is successfully implemented, as determined by the commissioner of administration, a pharmacy provider may require individuals who seek to become eligible for medical assistance under a one-month spenddown, as provided in section 256B.056, subdivision 5, to pay for services to the extent of the spenddown amount at the time the services are provided. A pharmacy provider choosing this option shall file a medical assistance claim for the pharmacy services provided. If medical assistance reimbursement is received for this claim, the pharmacy provider shall return to the individual the total amount paid by the individual for the pharmacy services reimbursed by the medical assistance program. If the claim is not eligible for medical assistance reimbursement because of the provider's failure to comply with the provisions of the medical assistance program, the pharmacy provider shall refund to the individual the total amount paid by the individual. Pharmacy providers may choose this option only if they apply similar credit restrictions to private pay or privately insured individuals. A pharmacy provider choosing this option must inform individuals who seek to become eligible for medical assistance under a one-month spenddown of (1) their right to appeal the denial of services on the grounds that they have satisfied the spenddown requirement, and (2) their potential eligibility for the MinnesotaCare program or the children's health plan.~~

Sec. 43. Minnesota Statutes 1994, section 256B.0625, subdivision 13a, is amended to read:

Subd. 13a. [DRUG UTILIZATION REVIEW BOARD.] A ~~12 member~~ nine-member drug utilization review board is established. The board is comprised of ~~six~~ at least three but no more than four licensed physicians actively engaged in the practice of medicine in Minnesota; ~~five~~ at least three licensed pharmacists actively engaged in the practice of pharmacy in Minnesota; and one consumer representative; the remainder to be made up of health care professionals who are licensed in their field and have recognized knowledge in the clinically appropriate prescribing, dispensing, and monitoring of covered outpatient drugs. The board shall be staffed by an employee of the department who shall serve as an ex officio nonvoting member of the board. The members of the board shall be appointed by the commissioner and shall serve three-year terms. The ~~physician~~ members shall be selected from lists submitted by professional ~~medical~~ associations. ~~The pharmacist members shall be selected from lists submitted by professional pharmacist associations.~~ The commissioner shall appoint the initial members of the board for terms expiring as follows: ~~four~~ three members for terms expiring June 30, ~~1995~~ 1996; ~~four~~ three members for terms expiring June 30, ~~1994~~ 1997; and ~~four~~ three members for terms expiring June 30, ~~1993~~ 1998. Members may be reappointed once. The board shall annually elect a chair from among the members.

The commissioner shall, with the advice of the board:

- (1) implement a medical assistance retrospective and prospective drug utilization review program as required by United States Code, title 42, section 1396r-8(g)(3);
- (2) develop and implement the predetermined criteria and practice parameters for appropriate prescribing to be used in retrospective and prospective drug utilization review;
- (3) develop, select, implement, and assess interventions for physicians, pharmacists, and patients that are educational and not punitive in nature;
- (4) establish a grievance and appeals process for physicians and pharmacists under this section;
- (5) publish and disseminate educational information to physicians and pharmacists regarding the board and the review program;
- (6) adopt and implement procedures designed to ensure the confidentiality of any information collected, stored, retrieved, assessed, or analyzed by the board, staff to the board, or contractors to the review program that identifies individual physicians, pharmacists, or recipients;
- (7) establish and implement an ongoing process to (i) receive public comment regarding drug utilization review criteria and standards, and (ii) consider the comments along with other scientific and clinical information in order to revise criteria and standards on a timely basis; and
- (8) adopt any rules necessary to carry out this section.

The board may establish advisory committees. The commissioner may contract with appropriate organizations to assist the board in carrying out the board's duties. The commissioner may enter into contracts for services to develop and implement a retrospective and prospective review program.

The board shall report to the commissioner annually on ~~December 1~~ the date the Drug Utilization Review Annual Report is due to the Health Care Financing Administration. This report is to cover the preceding federal fiscal year. The commissioner shall make the report available to the public upon request. The report must include information on the activities of the board and the program; the effectiveness of implemented interventions; administrative costs; and any fiscal impact resulting from the program. An honorarium of \$50 per meeting shall be paid to each board member in attendance.

Sec. 44. Minnesota Statutes 1994, section 256B.0625, is amended by adding a subdivision to read:

Subd. 13b. [PHARMACY COPAYMENT REQUIREMENTS.] A copayment of \$1 per prescription shall be required under the medical assistance and general assistance medical care programs according to paragraphs (a) to (d):

(a) A copayment shall not be required of children, pregnant women through the postpartum period, recipients whose only available income is a personal needs allowance in the amount established under section 256B.35 or 256B.36, recipients residing in a setting which receives funding under sections 256I.01 to 256I.06, or institutionalized recipients or, under medical assistance only, from any other persons required to be exempted under federal law;

(b) A copayment shall not be required for family planning services or supplies, psychotropic drugs or emergency services;

(c) A provider may not deny a prescription to a recipient because the recipient is unable to pay the copayment;

(d) A lower copayment shall be collected, under medical assistance only, up to the maximum permitted by federal law, for prescriptions on which federal law prohibits a \$1 copayment;

(e) The amount of the copayment under this subdivision shall be subtracted from the payment under subdivision 13; and

(f) This subdivision does not apply to services under the MinnesotaCare program.

Sec. 45. Minnesota Statutes 1994, 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 certifying that the recipient is so mentally or physically impaired as to be unable to safely access and use a bus, taxi, other commercial transportation, or private automobile. 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 \$14 for the base rate and \$1.10 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. 46. Minnesota Statutes 1994, section 256B.0625, subdivision 18, is amended to read:

Subd. 18. [BUS OR TAXICAB TRANSPORTATION.] To the extent authorized by rule of the state agency, medical assistance covers costs of ~~bus or taxicab~~ the most appropriate and cost-effective form of transportation incurred by any ambulatory eligible person for obtaining nonemergency medical care.

Sec. 47. Minnesota Statutes 1994, section 256B.0625, is amended by adding a subdivision to read:

Subd. 18a. [PAYMENT FOR MEALS AND LODGING.] (a) Medical assistance reimbursement for meals for persons traveling to receive medical care may not exceed \$5.50 for breakfast, \$6.50 for lunch, or \$8 for dinner.

(b) Medical assistance reimbursement for lodging for persons traveling to receive medical care may not exceed \$50 per day unless prior authorized by the local agency.

(c) Medical assistance direct mileage reimbursement to the eligible person or the eligible person's driver may not exceed 20 cents per mile.

Sec. 48. Minnesota Statutes 1994, 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. To qualify for personal care services recipients ~~who can direct their own care, or persons who cannot direct their own care when authorized by the responsible party,~~ may use must be able to identify their needs, direct and evaluate task accomplishment, and assure their health and safety. Approved hours may be used 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. Total hours for services, whether actually performed inside or outside the recipient's home, cannot exceed that which is otherwise allowed for personal care services in an in-home setting according to section 256B.0627. Medical assistance does not cover personal care services for residents of a hospital, nursing facility, intermediate care facility, health care facility licensed by the commissioner of health, or unless a resident who is otherwise eligible is on leave from the facility and the facility either pays for the personal care services or forgoes the facility per diem for the leave days that personal care services are used ~~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 or legal guardian of the recipient or the parent of a recipient under age 18, ~~the responsible party or the foster care provider of a recipient who cannot direct the recipient's own care or the recipient's legal guardian unless, in the case of a foster provider, a county or state case manager visits the recipient as needed, but no less than every six months, to monitor the health and safety of the recipient and to ensure the goals of the care plan are 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 not the recipient's legal guardian and are granted a waiver under section 256B.0627.

Sec. 49. Minnesota Statutes 1994, section 256B.0625, is amended by adding a subdivision to read:

Subd. 38. [PAYMENTS FOR MENTAL HEALTH SERVICES.] Payments for mental health services covered under the medical assistance program that are provided by masters-prepared mental health professionals shall be 80 percent of the rate paid to doctoral-prepared professionals. Payments for mental health services covered under the medical assistance program that are provided by masters-prepared mental health professionals employed by community mental health centers shall be 100 percent of the rate paid to doctoral-prepared professionals.

Sec. 50. Minnesota Statutes 1994, section 256B.0625, is amended by adding a subdivision to read:

Subd. 39. [CHILDHOOD IMMUNIZATIONS.] Providers who administer pediatric vaccines within the scope of their licensure, and who are enrolled as a medical assistance provider, must enroll in the pediatric vaccine administration program established by section 13631 of the

Omnibus Budget Reconciliation Act of 1993. Medical assistance shall pay an \$8.50 fee per dose for administration of the vaccine to children eligible for medical assistance. Medical assistance does not pay for vaccines that are available at no cost from the pediatric vaccine administration program.

Sec. 51. Minnesota Statutes 1994, section 256B.0625, is amended by adding a subdivision to read:

Subd. 40. [TUBERCULOSIS RELATED SERVICES.] (a) For persons infected with tuberculosis, medical assistance covers case management services and direct observation of the intake of drugs prescribed to treat tuberculosis.

(b) "Case management services" means services furnished to assist persons infected with tuberculosis in gaining access to needed medical services. Case management services include at a minimum:

- (1) assessing a person's need for medical services to treat tuberculosis;
- (2) developing a care plan that addresses the needs identified in clause (1);
- (3) assisting the person in accessing medical services identified in the care plan; and

(4) monitoring the person's compliance with the care plan to ensure completion of tuberculosis therapy. Medical assistance covers case management services under this subdivision only if the services are provided by a certified public health nurse who is employed by a community health board as defined in section 145A.02, subdivision 5.

(c) To be covered by medical assistance, direct observation of the intake of drugs prescribed to treat tuberculosis must be provided by a community outreach worker, licensed practical nurse, registered nurse who is trained and supervised by a public health nurse employed by a community health board as defined in section 145A.02, subdivision 5, or a public health nurse employed by a community health board.

Sec. 52. Minnesota Statutes 1994, section 256B.0627, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] (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 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) "Assessment" means a review and evaluation of a recipient's need for home care services conducted in person. Assessments for private duty nursing shall be conducted by a private duty nurse. Assessments for home health agency services shall be conducted by a home health agency nurse. Assessments for personal care services shall be conducted by the county public health nurse or a certified public health nurse under contract with the county. Assessments must be completed on forms provided by the commissioner within 30 days of a request for home care services by a recipient or responsible party.

(e) "Care plan" (d) "Service plan" means a written description of the services needed which is based on the assessment developed by the supervisory nurse who conducts the assessment together with the recipient or responsible party and includes a detailed. The service plan shall include a description of the covered home care services, who is providing the services, frequency and duration of services, and expected outcomes and goals. The provider must give the recipient or responsible party recipient and the provider chosen by the recipient or responsible party must be given a copy of the completed care service plan within 30 calendar days of beginning home care services. of the request for home care services by the recipient or responsible party.

(e) "Care plan" means a written description of personal care assistant services developed by the

agency nurse with the recipient or responsible party to be used by the personal care assistant with a copy provided to the recipient or responsible party.

(d) "Responsible party" means an individual residing with a recipient of personal care services who is capable of providing the supportive care necessary to assist the recipient to live in the community, is at least 18 years old, and is not a personal care assistant. 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 while serving as the responsible party. Foster care license holders may be designated the responsible party for residents of the foster care home if case management is provided as required in section 256B.0625, subdivision 19a. For persons who, as of April 1, 1992, are sharing personal care services in order to obtain the availability of 24 hour coverage, an employee of the personal care provider organization may be designated as the responsible party if case management is provided as required in section 256B.0625, subdivision 19a. (f) "Personal care assistant" means a person who: (1) is at least 18 years old; (2) is able to read, write, and speak English, or communicate with sign language, as well as communicate with the recipient; (3) effective July 1, 1996, has completed one of the training requirements as specified in Minnesota Rules, part 9505.0335, subpart 3, items A to D; (4) has the ability to, and provides covered personal care services according to the recipient's care plan; (5) is not a consumer of personal care services; and (6) is subject to criminal background checks. An individual who has ever been convicted of a crime specified in Minnesota Rules, part 4668.0020, subpart 14, or a comparable crime in another jurisdiction is disqualified from being a personal care assistant.

(g) "Personal care provider organization" means an organization enrolled to provide personal care services under the medical assistance program that complies with the following: (1) owners who have a five percent interest or more are subject to a criminal history check as provided in section 245A.04 at the time of application. An organization will be barred from enrollment if an owner or managerial official of the organization has ever been convicted of a crime specified in Minnesota Rules, part 4668.0020, subpart 14, or a comparable crime in another jurisdiction; (2) the organization must maintain a surety bond and liability insurance throughout the duration of enrollment and provides proof thereof. The insurer must notify the department of human services of the cancellation or lapse of policy; and (3) the organization must maintain documentation of services as specified in Minnesota Rules, part 9505.2175, subpart 7, as well as evidence of compliance with personal care assistant training requirements.

Sec. 53. Minnesota Statutes 1994, section 256B.0627, subdivision 2, is amended to read:

Subd. 2. [SERVICES COVERED.] Home care services covered under this section include:

- (1) nursing services under section 256B.0625, subdivision 6a;
- (2) private duty nursing services under section 256B.0625, subdivision 7;
- (3) home health aide services under section 256B.0625, subdivision 6a;
- (4) personal care services under section 256B.0625, subdivision 19a; and
- (5) nursing supervision of personal care services under section 256B.0625, subdivision 19a; and

(6) assessments by county public health nurses for services under section 256B.0625, subdivision 19a.

Sec. 54. Minnesota Statutes 1994, 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) delegated therapy tasks specific to maintaining a recipient's optimal level of functioning, including repetitive maintenance range of motion and muscle strengthening exercises specific to maintaining a recipient's optimal level of function;~~

(4) respiratory assistance;

(5) transfers and ambulation;

(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~~ eating and meal preparation and necessary grocery shopping;

(13) accompanying a recipient to obtain medical diagnosis or treatment; and

~~(14) assisting, monitoring, or prompting the recipient to complete the services in clauses (1) to (13);~~

~~(15) redirection, monitoring, and observation that are medically necessary and an integral part of completing the personal cares described in clauses (1) to (14);~~

~~(16) redirection and intervention for behavior, including observation and monitoring;~~

~~(17) interventions for seizure disorders including monitoring and observation if the recipient has had a seizure that requires intervention within the past three months; and~~

(18) incidental household services that are an integral part of a personal care service described in clauses (1) to ~~(17)~~ (13).

~~For purposes of this subdivision, monitoring and observation means watching for outward visible signs that are likely to occur and for which there is a covered personal care service or an appropriate personal care intervention.~~

(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~~ ordered by the physician;

~~(2) assessments by personal care provider organizations or by independently enrolled registered nurses;~~

~~(3) services that are not supervised by the registered nurse in the service plan;~~

~~(3) (4) services provided by the recipient's spouse, legal guardian for an adult or child recipient, or parent of a minor child~~ recipient under age 18;

~~(4) services provided by a foster care provider of a recipient who cannot direct their own care, unless monitored by a county or state case manager under section 256B.0625, subdivision 19a;~~

(5) services provided by the residential or program license holder in a residence for more than four persons;

(6) services that are the responsibility of a residential or program license holder under the terms of a service agreement and administrative rules;

(7) sterile procedures;

(8) injections of fluids into veins, muscles, or skin;

(9) services provided by parents of adult recipients, adult children, or adult siblings of the recipient, 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;

(10) homemaker services that are not an integral part of a personal care services; and

(11) home maintenance, or chore services;

(12) services not specified under paragraph (a); and

(13) services not authorized by the commissioner or the commissioner's designee.

Sec. 55. Minnesota Statutes 1994, section 256B.0627, subdivision 5, is amended to read:

Subd. 5. [LIMITATION ON PAYMENTS.] Medical assistance payments for home care services shall be limited according to this subdivision.

~~(a) [EXEMPTION FROM PAYMENT LIMITATIONS.] The level, or the number of hours or visits of a specific service, of home care services to a recipient that began before and is continued without increase on or after December 1987, shall be exempt from the payment limitations of this section, as long as the services are medically necessary.~~

(b) [LIMITS ON SERVICES WITHOUT PRIOR AUTHORIZATION.] A recipient may receive the following amounts of home care services during a calendar year:

(1) a total of 40 home health aide visits or skilled nurse visits under section 256B.0625, subdivision 6a; and

~~(2) up to two assessments by a supervising registered nurse assessments and reassessments done to determine a recipient's need for personal care services, develop a care plan, and obtain prior authorization. Additional visits may be authorized by the commissioner if there are circumstances that necessitate a change in provider.~~

(c) (b) [PRIOR AUTHORIZATION; EXCEPTIONS.] All home care services above the limits in paragraph (b) (a) 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;

(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; or

(4) the commissioner has determined that a county or state human services agency has made an error.

~~(d) (c) [RETROACTIVE AUTHORIZATION.] A request for retroactive authorization under paragraph (e) 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 waived 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) (d) [ASSESSMENT AND CARE SERVICE PLAN.] The home care provider Assessments under section 256B.0627, subdivision 1, paragraph (c), shall ~~conduct~~ be conducted initially, and at least annually thereafter, a face to face assessment of the recipient and complete a care plan in person with the recipient and result in a completed service 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, Within 30 days of recipient or responsible party request for home care services, the assessment, the service 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 shall be submitted to the commissioner. For personal care services:~~

~~(1) The amount and type of service authorized based upon the assessment and service plan will follow the recipient if the recipient chooses to change providers.~~

~~(2) If the recipient's medical need changes, the recipient's provider may assess the need for a change in service authorization and request the change from the county public health nurse. Within 30 days of the request, the public health nurse will determine whether to request the change in services based upon the provider assessment, or conduct a home visit to assess the need and determine whether the change is appropriate.~~

~~(3) To continue to receive home personal care services when the recipient displays no significant change, the supervising nurse county public health nurse has the option to review with the commissioner, or the commissioner's designee, the care service plan on record and receive authorization for up to an additional 12 months.~~

~~(f) (e) [PRIOR AUTHORIZATION.] The commissioner, or the commissioner's designee, shall review the assessment, the care service plan, and any additional information that is submitted. The commissioner shall, within 30 days after receiving a complete request, assessment, and care service 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) (a) 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. When home health services are used in combination with personal care and private duty nursing, the cost of all home care services shall be considered for cost-effectiveness. The commissioner shall limit nurse and home health aide visits to no more than one visit each per day.~~

~~(2) [PERSONAL CARE SERVICES.] (i) All personal care services and registered nurse supervision must be prior authorized by the commissioner or the commissioner's designee except for the limits on supervision assessments established in paragraph (b) (a). The amount of personal care services authorized must be based on the recipient's home care rating. 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~~ 1.75 times the average number of direct care hours provided in nursing facilities for the recipient's comparable case mix level; or

(B) up to ~~three~~ 2.625 times the average number of direct care hours provided in nursing facilities for recipients who have complex medical needs or are dependent in at least seven activities of daily living and need physical assistance with eating or have a neurological diagnosis but in no case shall the dollar amount authorized exceed the statewide weighted average nursing facility payment rate for fiscal year 1995; or

~~(C) up to 60 percent of the average reimbursement rate, as of July 1, 1991, plus any inflation adjustment provided, for care provided in a regional treatment center for recipients who have Level I behavior; or~~

~~(D)~~ up to the amount the commissioner would pay, as of July 1, 1991, plus any inflation adjustment provided for home care services, 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)~~ (D) 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.0911 or 256B.092; and

~~(F)~~ (E) a reasonable amount of time for the necessary provision of nursing supervision of personal care services.

(ii) The number of direct care hours shall be determined according to the annual cost report submitted to the department by nursing facilities. The average number of direct care hours, as established by May 1, 1992 for the report year 1993, as established by July 11, 1994, shall be calculated and incorporated into the home care limits on July 1, 1992 1996. These limits shall be calculated to the nearest quarter hour.

(iii) The home care rating shall be determined by the commissioner or the commissioner's designee based on information submitted to the commissioner by the ~~personal care provider~~ county public health nurse on forms specified by the commissioner. The home care rating 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~~ recipients 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, 1994~~ and shall use an advisory group, including representatives of recipients, providers, and counties, for consultation in establishing and revising the forms and protocols.

(iv) A recipient shall qualify as having complex medical needs if the care required is difficult to perform and because of recipient's medical condition requires more time than community-based standards allow or requires more skill than would ordinarily be required and the recipient needs or has one or more of the following:

(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;

(G) quadriplegia; or

(H) other comparable medical conditions or treatments the commissioner determines would otherwise require institutional care.

~~(v) A recipient shall qualify as having Level I behavior if there is reasonable supporting evidence that the recipient exhibits, or that without supervision, observation, or redirection would exhibit, one or more of the following behaviors that cause, or have the potential to cause:~~

~~(A) injury to his or her own body;~~

~~(B) physical injury to other people; or~~

~~(C) destruction of property.~~

~~(vi) Time authorized for personal care relating to Level I behavior in subclause (v), items (A) to (C), shall be based on the predictability, frequency, and amount of intervention required.~~

~~(vii) A recipient shall qualify as having Level II behavior if the recipient exhibits on a daily basis one or more of the following behaviors that interfere with the completion of personal care services under subdivision 4, paragraph (a):~~

~~(A) unusual or repetitive habits;~~

~~(B) withdrawn behavior; or~~

~~(C) offensive behavior.~~

~~(viii) A recipient with a home care rating of Level II behavior in subclause (vii), items (A) to (C), shall be rated as comparable to a recipient with complex medical needs under subclause (iv). If a recipient has both complex medical needs and Level II behavior, the home care rating shall be the next complex category up to the maximum rating under subclause (i), item (B).~~

(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:

(A) up to two times the average amount of direct care hours provided in nursing facilities statewide for case mix classification "K" as established by the annual cost report submitted to the department by nursing facilities in May 1992;

(B) private duty nursing in combination with other home care services up to the total cost allowed under clause (2);

(C) up to 16 hours per day if the recipient requires more nursing than the maximum number of direct care hours as established in item (A) and the recipient meets the hospital admission criteria established under Minnesota Rules, parts 9505.0500 to 9505.0540.

The commissioner may authorize up to 16 hours per day of medically necessary private duty nursing services or up to 24 hours per day of medically necessary 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

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)~~ (f) [PRIOR AUTHORIZATION; TIME LIMITS.] The commissioner or the commissioner's designee shall determine the time period for which a prior authorization shall be effective. 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, other than the exceptions in ~~subdivision 5, paragraph (e)~~ (b), shall a prior authorization be valid prior to the date the commissioner receives the request or for more than 12 months. A recipient who appeals a reduction in previously authorized home care services may continue previously authorized services, other than temporary services under paragraph ~~(i)~~ (h), pending an appeal under section 256.045. The commissioner must provide a detailed explanation of why the authorized services are reduced in amount from those requested by the home care provider.

~~(h)~~ (g) [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, the cost-effectiveness of services, 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 cost of services, 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)~~ (h) [PRIOR AUTHORIZATION REQUESTS; TEMPORARY SERVICES.] ~~Providers~~ The agency nurse, the independently enrolled private duty nurse, or county public health nurse may request a temporary authorization for home care services by telephone. The commissioner may approve a temporary level of home care services based on the assessment and service or care plan information provided by an appropriately licensed nurse. Authorization for a temporary level of home care services including nurse supervision is limited to the time specified by the commissioner, but shall not exceed 45 days, unless extended because the county public health nurse has not completed the required assessment and service plan, or the commissioner's determination has not been made. The level of services authorized under this provision shall have no bearing on a future prior authorization.

~~(j)~~ (i) [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) (a).

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 case management is provided as required in section 256B.0625, subdivision 19a;~~

~~(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 case management is provided as required in section 256B.0625, subdivision 19a;~~

~~(4) home care services when the number of foster care residents is greater than four unless the county responsible for the recipient's foster placement made the placement prior to April 1, 1992, requests that home care services be provided, and case management is provided as required in section 256B.0625, subdivision 19a; or~~

~~(5) (3) home care services when combined with foster care payments, other than room and board payments plus the cost of home and community based waived services unless the costs of home care services and waived services are combined and managed under the waiver program, that exceed the total amount that public funds would pay for the recipient's care in a medical institution.~~

Sec. 56. Minnesota Statutes 1994, section 256B.0628, subdivision 2, is amended to read:

Subd. 2. [DUTIES.] (a) The commissioner may contract with or employ qualified registered nurses and necessary support staff, or contract with qualified agencies, to provide home care prior authorization and review services for medical assistance recipients who are receiving home care services.

(b) Reimbursement for the prior authorization function shall be made through the medical assistance administrative authority. The state shall pay the nonfederal share. The functions will be to:

(1) assess the recipient's individual need for services required to be cared for safely in the community;

(2) ensure that a care service plan that meets the recipient's needs is developed by the appropriate agency or individual;

(3) ensure cost-effectiveness of medical assistance home care services;

(4) recommend the approval or denial of the use of medical assistance funds to pay for home care services ~~when home care services exceed thresholds established by the commissioner under Minnesota Rules, parts 9505.0170 to 9505.0475;~~

(5) reassess the recipient's need for and level of home care services at a frequency determined by the commissioner; and

(6) conduct on-site assessments when determined necessary by the commissioner and recommend changes to care plans that will provide more efficient and appropriate home care.

(c) In addition, the commissioner or the commissioner's designee may:

(1) review care service plans and reimbursement data for utilization of services that exceed community-based standards for home care, inappropriate home care services, medical necessity, home care services that do not meet quality of care standards, or unauthorized services and make appropriate referrals within the department or to other appropriate entities based on the findings;

(2) assist the recipient in obtaining services necessary to allow the recipient to remain safely in or return to the community;

(3) coordinate home care services with other medical assistance services under section 256B.0625;

(4) assist the recipient with problems related to the provision of home care services; and

(5) assure the quality of home care services.

(d) For the purposes of this section, "home care services" means medical assistance services defined under section 256B.0625, subdivisions 6a, 7, and 19a.

Sec. 57. Minnesota Statutes 1994, section 256B.0911, subdivision 2, is amended to read:

Subd. 2. [PERSONS REQUIRED TO BE SCREENED; EXEMPTIONS.] All applicants to Medicaid certified nursing facilities must be screened prior to admission, regardless of income, assets, or funding sources, except the following:

(1) patients who, having entered acute care facilities from certified nursing facilities, are returning to a certified nursing facility;

(2) residents transferred from other certified nursing facilities located within the state of Minnesota;

(3) individuals who have a contractual right to have their nursing facility care paid for indefinitely by the veteran's administration; ~~or~~

(4) individuals who are enrolled in the Ebenezer/Group Health social health maintenance organization project, or enrolled in a demonstration project under section 256B.69, subdivision 18, at the time of application to a nursing home; or

(5) individuals previously screened and currently being served under the alternative care program or under a home and community-based services waiver authorized under section 1915(c) of the Social Security Act.

Regardless of the exemptions in clauses (2) to (4), persons who have a diagnosis or possible diagnosis of mental illness, mental retardation, or a related condition must be screened before admission unless the admission prior to screening is authorized by the local mental health authority or the local developmental disabilities case manager, or unless authorized by the county agency according to Public Law Number 101-508.

Before admission to a Medicaid certified nursing home or boarding care home, all persons must be screened and approved for admission through an assessment process. The nursing facility is authorized to conduct case mix assessments which are not conducted by the county public health nurse under Minnesota Rules, part 9549.0059. The designated county agency is responsible for distributing the quality assurance and review form for all new applicants to nursing homes.

Other persons who are not applicants to nursing facilities must be screened if a request is made for a screening.

Sec. 58. Minnesota Statutes 1994, section 256B.0911, subdivision 2a, is amended to read:

Subd. 2a. [SCREENING REQUIREMENTS.] Persons may be screened by telephone or in a face-to-face consultation. The screener will identify each individual's needs according to the following categories: (1) needs no face-to-face screening; (2) needs an immediate face-to-face screening interview; or (3) needs a face-to-face screening interview after admission to a certified nursing facility or after a return home. The screener shall confer with the screening team to ensure that the health and social needs of the individual are assessed. Persons who are not admitted to a Medicaid certified nursing facility must be screened within ten working days after the date of referral. Persons admitted on a nonemergency basis to a Medicaid certified nursing facility must be screened prior to the certified nursing facility admission. Persons admitted to the Medicaid certified nursing facility from the community on an emergency basis or from an acute care facility on a nonworking day must be screened the first working day after admission and the reason for the emergency admission must be certified by the attending physician in the person's medical record.

Sec. 59. Minnesota Statutes 1994, section 256B.0911, subdivision 3, is amended to read:

Subd. 3. [PERSONS RESPONSIBLE FOR CONDUCTING THE PREADMISSION SCREENING.] (a) A local screening team shall be established by the county board of commissioners. Each local screening team shall consist of screeners who are a social worker and a public health nurse from their respective county agencies. If a county does not have a public health nurse available, it may request approval from the commissioner to assign a county registered nurse with at least one year experience in home care to participate on the team. The screening team members must confer regarding the most appropriate care for each individual screened. Two or more counties may collaborate to establish a joint local screening team or teams.

(b) In assessing a person's needs, screeners shall have a physician available for consultation and shall consider the assessment of the individual's attending physician, if any. The individual's physician shall be included if the physician chooses to participate. Other personnel may be included on the team as deemed appropriate by the county agencies.

Sec. 60. Minnesota Statutes 1994, section 256B.0911, subdivision 4, is amended to read:

Subd. 4. [RESPONSIBILITIES OF THE COUNTY AND THE SCREENING TEAM.] (a) The county shall:

(1) provide information and education to the general public regarding availability of the preadmission screening program;

(2) accept referrals from individuals, families, human service and health professionals, and hospital and nursing facility personnel;

(3) assess the health, psychological, and social needs of referred individuals and identify services needed to maintain these persons in the least restrictive environments;

(4) determine if the individual screened needs nursing facility level of care;

(5) assess specialized service needs based upon an evaluation by:

(i) a qualified independent mental health professional for persons with a primary or secondary diagnosis of a serious mental illness; and

(ii) a qualified mental retardation professional for persons with a primary or secondary diagnosis of mental retardation or related conditions. For purposes of this clause, a qualified mental retardation professional must meet the standards for a qualified mental retardation professional in Code of Federal Regulations, title 42, section 483.430;

(6) make recommendations for individuals screened regarding cost-effective community services which are available to the individual;

(7) make recommendations for individuals screened regarding nursing home placement when there are no cost-effective community services available;

(8) develop an individual's community care plan and provide follow-up services as needed; and

(9) prepare and submit reports that may be required by the commissioner of human services.

(b) The screener shall document that the most cost-effective alternatives available were offered to the individual or the individual's legal representative. For purposes of this section, "cost-effective alternatives" means community services and living arrangements that cost the same or less than nursing facility care.

(c) Screeners shall adhere to the level of care criteria for admission to a certified nursing facility established under section 144.0721.

(d) For persons who are eligible for medical assistance or who would be eligible within 180 days of admission to a nursing facility and who are admitted to a nursing facility, the nursing facility must include a screener or the case manager in the discharge planning process for those individuals who the team has determined have discharge potential. The screener or the case manager must ensure a smooth transition and follow-up for the individual's return to the community.

Screeners shall cooperate with other public and private agencies in the community, in order to offer a variety of cost-effective services to the disabled and elderly. The screeners shall encourage the use of volunteers from families, religious organizations, social clubs, and similar civic and service organizations to provide services.

Sec. 61. Minnesota Statutes 1994, section 256B.0911, subdivision 7, is amended to read:

Subd. 7. [REIMBURSEMENT FOR CERTIFIED NURSING FACILITIES.] (a) Medical assistance reimbursement for nursing facilities shall be authorized for a medical assistance recipient only if a preadmission screening has been conducted prior to admission or the local county agency has authorized an exemption. Medical assistance reimbursement for nursing facilities shall not be provided for any recipient who the local screener has determined does not meet the level of care criteria for nursing facility placement or, if indicated, has not had a level II

PASARR evaluation completed unless an admission for a recipient with mental illness is approved by the local mental health authority or an admission for a recipient with mental retardation or related condition is approved by the state mental retardation authority. The county preadmission screening team may deny certified nursing facility admission using the level of care criteria established under section 144.0721 and deny medical assistance reimbursement for certified nursing facility care. Persons receiving care in a certified nursing facility or certified boarding care home who are reassessed and no longer meet the level of care criteria for a certified nursing facility or certified boarding care home may no longer remain a resident in the certified nursing facility or certified boarding care home and must be relocated to the community if the persons were admitted on or after July 1, 1996. Persons receiving services under section 256B.0913, subdivisions 1 to 14, or 256B.0915 who are reassessed and found to not meet the level of care criteria for admission to a certified nursing facility or certified boarding care home may no longer receive these services after July 1, 1996. The commissioner shall make a request to the health care financing administration for a waiver allowing screening team approval of Medicaid payments for certified nursing facility care. An individual has a choice and makes the final decision between nursing facility placement and community placement after the screening team's recommendation, except as provided in paragraphs (b) and (c).

(b) The local county mental health authority or the state mental retardation authority under Public Law Numbers 100-203 and 101-508 may prohibit admission to a nursing facility, if the individual does not meet the nursing facility level of care criteria or needs specialized services as defined in Public Law Numbers 100-203 and 101-508. For purposes of this section, "specialized services" for a person with mental retardation or a related condition means "active treatment" as that term is defined in Code of Federal Regulations, title 42, section 483.440(a)(1).

(c) Upon the receipt by the commissioner of approval by the Secretary of Health and Human Services of the waiver requested under paragraph (a), the local screener shall deny medical assistance reimbursement for nursing facility care for an individual whose long-term care needs can be met in a community-based setting and whose cost of community-based home care services is less than 75 percent of the average payment for nursing facility care for that individual's case mix classification, and who is either:

- (i) a current medical assistance recipient being screened for admission to a nursing facility; or
- (ii) an individual who would be eligible for medical assistance within 180 days of entering a nursing facility and who meets a nursing facility level of care.

(d) Appeals from the screening team's recommendation or the county agency's final decision shall be made according to section 256.045, subdivision 3.

Sec. 62. [256B.0912] [ALTERNATIVE CARE AND WAIVERED SERVICE PROGRAMS.]

Subdivision 1. [RESTRUCTURING PLAN.] By January 1, 1996, the commissioner shall present a plan to the legislature to restructure administration of the alternative care, elderly waiver, and disabled waiver programs. The plan must demonstrate cost neutrality and provide counties with the flexibility, authority, and accountability to administer home and community-based service programs within predetermined fixed budgets. To support this local program administration, the commissioner shall explore options with the health care financing administration to assure flexibility to expand core services within the elderly and disabled waivers as long as cost neutrality is maintained.

Subd. 2. [WAIVER PROGRAM MODIFICATIONS.] The commissioner of human services shall make the following modifications in medical assistance waiver programs, effective for services rendered after June 30, 1995, or, if necessary, after federal approval is granted:

(a) The community alternatives for disabled individuals waiver shall:

(1) if medical supplies and equipment or adaptations are or will be purchased for a waiver services recipient, allow the prorating of costs on a monthly basis throughout the year in which they are purchased. If the monthly cost of a recipient's other waived services exceeds the monthly limit established in this paragraph, the annual cost of the waived services shall be determined. In this event, the annual cost of waived services shall not exceed 12 times the monthly limit calculated in this paragraph;

(2) require client reassessments once every 12 months;

(3) permit the purchase of supplies and equipment costing \$150 or less without prior approval of the commissioner of human services. A county is not required to contract with a provider of supplies and equipment if the monthly cost of supplies and equipment is less than \$250; and

(4) allow the implementation of care plans without the approval of the county of financial responsibility when the client receives services from another county.

(b) The traumatic brain injury waiver shall:

(1) require client reassessments once every 12 months;

(2) permit the purchase of supplies and equipment costing \$250 or less without having a contract with the supplier; and

(3) allow the implementation of care plans without the approval of the county of financial responsibility when the client receives services from another county.

Sec. 63. Minnesota Statutes 1994, section 256B.0913, subdivision 4, is amended to read:

Subd. 4. [ELIGIBILITY FOR FUNDING FOR SERVICES FOR NONMEDICAL ASSISTANCE RECIPIENTS.] (a) Funding for services under the alternative care program is available to persons who meet the following criteria:

(1) the person has been screened by the county screening team or, if previously screened and served under the alternative care program, assessed by the local county social worker or public health nurse;

(2) the person is age 65 or older;

(3) the person would be financially eligible for medical assistance within 180 days of admission to a nursing facility;

(4) the person meets the asset transfer requirements of the medical assistance program;

(5) the screening team would recommend nursing facility admission or continued stay for the person if alternative care services were not available;

(6) the person needs services that are not available at that time in the county through other county, state, or federal funding sources; and

(7) the monthly cost of the alternative care services funded by the program for this person does not exceed 75 percent of the statewide average monthly medical assistance payment for nursing facility care at the individual's case mix classification to which the individual would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059. If medical supplies and equipment or adaptations are or will be purchased for an alternative care services recipient, the costs may be prorated on a monthly basis throughout the year in which they are purchased. If the monthly cost of a recipient's other alternative care services exceeds the monthly limit established in this paragraph, the annual cost of the alternative care services shall be determined. In this event, the annual cost of alternative care services shall not exceed 12 times the monthly limit calculated in this paragraph.

(b) Individuals who meet the criteria in paragraph (a) and who have been approved for alternative care funding are called 180-day eligible clients.

(c) The statewide average payment for nursing facility care is the statewide average monthly nursing facility rate in effect on July 1 of the fiscal year in which the cost is incurred, less the statewide average monthly income of nursing facility residents who are age 65 or older and who are medical assistance recipients in the month of March of the previous fiscal year. This monthly limit does not prohibit the 180-day eligible client from paying for additional services needed or desired.

(d) In determining the total costs of alternative care services for one month, the costs of all

services funded by the alternative care program, including supplies and equipment, must be included.

(e) Alternative care funding under this subdivision is not available for a person who is a medical assistance recipient or who would be eligible for medical assistance without a spenddown ~~if the person applied~~, unless authorized by the commissioner. A person whose application for medical assistance is being processed may be served under the alternative care program for a period up to 60 days. If the individual is found to be eligible for medical assistance, the county must bill medical assistance from the date the individual was found eligible for ~~the medical assistance services provided that are~~ reimbursable under the elderly waiver program.

(f) Alternative care funding is not available for a person who resides in a licensed nursing home or boarding care home, except for case management services which are being provided in support of the discharge planning process.

Sec. 64. Minnesota Statutes 1994, section 256B.0913, subdivision 5, is amended to read:

Subd. 5. [SERVICES COVERED UNDER ALTERNATIVE CARE.] (a) Alternative care funding may be used for payment of costs of:

- (1) adult foster care;
- (2) adult day care;
- (3) home health aide;
- (4) homemaker services;
- (5) personal care;
- (6) case management;
- (7) respite care;
- (8) assisted living;
- (9) residential care services;
- (10) care-related supplies and equipment;
- (11) meals delivered to the home;
- (12) transportation;
- (13) skilled nursing;
- (14) chore services;
- (15) companion services;
- (16) nutrition services; and
- (17) training for direct informal caregivers.

(b) The county agency must ensure that the funds are used only to supplement and not supplant services available through other public assistance or services programs.

(c) Unless specified in statute, the service standards for alternative care services shall be the same as the service standards defined in the elderly waiver. Persons or agencies must be employed by or under a contract with the county agency or the public health nursing agency of the local board of health in order to receive funding under the alternative care program.

(d) The adult foster care rate shall be considered a difficulty of care payment and shall not include room and board. The adult foster care daily rate shall be negotiated between the county agency and the foster care provider. The rate established under this section shall not exceed 75

percent of the state average monthly nursing home payment for the case mix classification to which the individual receiving foster care is assigned, and it must allow for other alternative care services to be authorized by the case manager.

(e) Personal care services may be provided by a personal care provider organization. A county agency may contract with a relative of the client to provide personal care services, but must ensure nursing supervision. Covered personal care services defined in section 256B.0627, subdivision 4, must meet applicable standards in Minnesota Rules, part 9505.0335.

(f) Costs for supplies and equipment that exceed \$150 per item per month must have prior approval from the commissioner. A county may use alternative care funds to purchase supplies and equipment from a non-Medicaid certified vendor if the cost for the items is less than that of a Medicaid vendor. A county is not required to contract with a provider of supplies and equipment if the monthly cost of the supplies and equipment is less than \$250.

(g) For purposes of this section, residential care services are services which are provided to individuals living in residential care homes. Residential care homes are currently licensed as board and lodging establishments and are registered with the department of health as providing special services. Residential care services are defined as "supportive services" and "health-related services." "Supportive services" means the provision of up to 24-hour supervision and oversight. Supportive services includes: (1) transportation, when provided by the residential care center only; (2) socialization, when socialization is part of the plan of care, has specific goals and outcomes established, and is not diversional or recreational in nature; (3) assisting clients in setting up meetings and appointments; (4) assisting clients in setting up medical and social services; (5) providing assistance with personal laundry, such as carrying the client's laundry to the laundry room. Assistance with personal laundry does not include any laundry, such as bed linen, that is included in the room and board rate. Health-related services are limited to minimal assistance with dressing, grooming, and bathing and providing reminders to residents to take medications that are self-administered or providing storage for medications, if requested. Individuals receiving residential care services cannot receive both personal care services and residential care services.

(h) For the purposes of this section, "assisted living" refers to supportive services provided by a single vendor to clients who reside in the same apartment building of three or more units. Assisted living services are defined as up to 24-hour supervision, and oversight, supportive services as defined in clause (1), individualized home care aide tasks as defined in clause (2), and individualized home management tasks as defined in clause (3) provided to residents of a residential center living in their units or apartments with a full kitchen and bathroom. A full kitchen includes a stove, oven, refrigerator, food preparation counter space, and a kitchen utensil storage compartment. Assisted living services must be provided by the management of the residential center or by providers under contract with the management or with the county.

(1) Supportive services include:

(i) socialization, when socialization is part of the plan of care, has specific goals and outcomes established, and is not diversional or recreational in nature;

(ii) assisting clients in setting up meetings and appointments; and

(iii) providing transportation, when provided by the residential center only.

Individuals receiving assisted living services will not receive both assisted living services and homemaking or personal care services. Individualized means services are chosen and designed specifically for each resident's needs, rather than provided or offered to all residents regardless of their illnesses, disabilities, or physical conditions.

(2) Home care aide tasks means:

(i) preparing modified diets, such as diabetic or low sodium diets;

(ii) reminding residents to take regularly scheduled medications or to perform exercises;

(iii) household chores in the presence of technically sophisticated medical equipment or episodes of acute illness or infectious disease;

(iv) household chores when the resident's care requires the prevention of exposure to infectious disease or containment of infectious disease; and

(v) assisting with dressing, oral hygiene, hair care, grooming, and bathing, if the resident is ambulatory, and if the resident has no serious acute illness or infectious disease. Oral hygiene means care of teeth, gums, and oral prosthetic devices.

(3) Home management tasks means:

(i) housekeeping;

(ii) laundry;

(iii) preparation of regular snacks and meals; and

(iv) shopping.

~~A person's eligibility to reside in the building must not be contingent on the person's acceptance or use of the assisted living services.~~ Assisted living services as defined in this section shall not be authorized in boarding and lodging establishments licensed according to sections 157.01 to 157.031.

(i) ~~For the purposes of this section, reimbursement for assisted living services and residential care services shall be made by the lead agency to the vendor as a monthly rate negotiated with and authorized by the county agency. The rate shall not exceed the nonfederal share of the greater of either the statewide or any of the geographic groups' weighted average monthly medical assistance nursing facility payment rate of the case mix resident class to which the 180-day eligible client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059, except.~~ For alternative care assisted living projects established under Laws 1988, chapter 689, article 2, section 256, ~~whose~~ monthly rates may not exceed 65 percent of ~~either the greater of either~~ either statewide or any of the geographic groups' weighted average monthly medical assistance nursing facility payment rate of the case mix resident class to which the 180-day eligible client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059. The rate may not cover rent and direct food costs.

(j) (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) (k) 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. 65. Minnesota Statutes 1994, section 256B.0913, subdivision 8, is amended to read:

Subd. 8. [REQUIREMENTS FOR INDIVIDUAL CARE PLAN.] (a) The case manager shall implement the plan of care for each 180-day eligible client and ensure that a client's service needs and eligibility are reassessed at least every ~~six~~ 12 months. The plan shall include any services prescribed by the individual's attending physician as necessary to allow the individual to remain in a community setting. In developing the individual's care plan, the case manager should include the

use of volunteers from families and neighbors, religious organizations, social clubs, and civic and service organizations to support the formal home care services. The county shall be held harmless for damages or injuries sustained through the use of volunteers under this subdivision including workers' compensation liability. The lead agency shall provide documentation to the commissioner verifying that the individual's alternative care is not available at that time through any other public assistance or service program. The lead agency shall provide documentation in each individual's plan of care and to the commissioner that the most cost-effective alternatives available have been offered to the individual and that the individual was free to choose among available qualified providers, both public and private. The case manager must give the individual a ten-day written notice of any decrease in or termination of alternative care services.

(b) If the county administering alternative care services is different than the county of financial responsibility, the care plan may be implemented without the approval of the county of financial responsibility.

Sec. 66. Minnesota Statutes 1994, section 256B.0913, subdivision 12, is amended to read:

Subd. 12. [CLIENT PREMIUMS.] (a) A premium is required for all 180-day eligible clients to help pay for the cost of participating in the program. The amount of the premium for the alternative care client shall be determined as follows:

(1) when the alternative care client's income less recurring and predictable medical expenses is greater than the medical assistance income standard but less than 150 percent of the federal poverty guideline, and total assets are less than \$6,000, the fee is zero;

(2) when the alternative care client's income less recurring and predictable medical expenses is greater than 150 percent of the federal poverty guideline, and total assets are less than \$6,000, the fee is 25 percent of the cost of alternative care services or the difference between 150 percent of the federal poverty guideline and the client's income less recurring and predictable medical expenses, whichever is less; and

(3) when the alternative care client's total assets are greater than \$6,000, the fee is 25 percent of the cost of alternative care services.

For married persons, total assets are defined as the total marital assets less the estimated community spouse asset allowance, under section 256B.059, if applicable. For married persons, total income is defined as the client's income less the monthly spousal allotment, under section 256B.058.

All alternative care services except case management shall be included in the estimated costs for the purpose of determining 25 percent of the costs.

The monthly premium shall be calculated and be payable in the based on the cost of the first full month in which the of alternative care services begin and shall continue unaltered for six months until the semiannual reassessment unless the actual cost of services falls below the fee until the next reassessment is completed or at the end of 12 months, whichever comes first. Premiums are due and payable each month alternative care services are received unless the actual cost of the services is less than the premium.

(b) The fee shall be waived by the commissioner when:

(1) a person who is residing in a nursing facility is receiving case management only;

(2) a person is applying for medical assistance;

(3) a married couple is requesting an asset assessment under the spousal impoverishment provisions;

(4) a person is a medical assistance recipient, but has been approved for alternative care-funded assisted living services;

(5) a person is found eligible for alternative care, but is not yet receiving alternative care services; or

~~(6) a person is an adult foster care resident for whom alternative care funds are being used to meet a portion of the person's medical assistance spenddown, as authorized in subdivision 4; and~~

~~(7) a person's fee under paragraph (a) is less than \$25.~~

(c) The county agency must collect the premium from the client and forward the amounts collected to the commissioner in the manner and at the times prescribed by the commissioner. Money collected must be deposited in the general fund and is appropriated to the commissioner for the alternative care program. The client must supply the county with the client's social security number at the time of application. If a client fails or refuses to pay the premium due, the county shall supply the commissioner with the client's social security number and other information the commissioner requires to collect the premium from the client. The commissioner shall collect unpaid premiums using the revenue recapture act in chapter 270A and other methods available to the commissioner. The commissioner may require counties to inform clients of the collection procedures that may be used by the state if a premium is not paid.

(d) The commissioner shall begin to adopt emergency or permanent rules governing client premiums within 30 days after July 1, 1991, including criteria for determining when services to a client must be terminated due to failure to pay a premium.

Sec. 67. Minnesota Statutes 1994, section 256B.0913, subdivision 14, is amended to read:

Subd. 14. [REIMBURSEMENT AND RATE ADJUSTMENTS.] (a) Reimbursement for expenditures for the alternative care services as approved by the client's case manager shall be through the invoice processing procedures of the department's Medicaid Management Information System (MMIS), ~~only with the approval of the client's case manager.~~ To receive reimbursement, the county or vendor must submit invoices within ~~120 days~~ 12 months following the ~~month~~ date of service. The county agency and its vendors under contract shall not be reimbursed for services which exceed the county allocation.

(b) If a county collects less than 50 percent of the client premiums due under subdivision 12, the commissioner may withhold up to three percent of the county's final alternative care program allocation determined under subdivisions 10 and 11.

(c) Beginning July 1, 1991, the state will reimburse counties, up to the limits of state appropriations, according to the payment schedule in section 256.025 for the county share of costs incurred under this subdivision on or after January 1, 1991, for individuals who would be eligible for medical assistance within 180 days of admission to a nursing home.

(d) For fiscal years beginning on or after July 1, 1993, the commissioner of human services shall not provide automatic annual inflation adjustments for alternative care services. The commissioner of finance shall include as a budget change request in each biennial detailed expenditure budget submitted to the legislature under section 16A.11 annual adjustments in reimbursement rates for alternative care services based on the forecasted percentage change in the Home Health Agency Market Basket of Operating Costs, for the fiscal year beginning July 1, compared to the previous fiscal year, unless otherwise adjusted by statute. The Home Health Agency Market Basket of Operating Costs is published by Data Resources, Inc. The forecast to be used is the one published for the calendar quarter beginning January 1, six months prior to the beginning of the fiscal year for which rates are set.

(e) The county shall negotiate individual rates with vendors and may be reimbursed for actual costs up to the greater of the county's current approved rate or 60 percent of the maximum rate in fiscal year 1994 and 65 percent of the maximum rate in fiscal year 1995 for each alternative care service. Notwithstanding any other rule or statutory provision to the contrary, the commissioner shall not be authorized to increase rates by an annual inflation factor, unless so authorized by the legislature.

(f) On July 1, 1993, the commissioner shall increase the maximum rate for home delivered meals to \$4.50 per meal.

Sec. 68. Minnesota Statutes 1994, section 256B.0913, is amended by adding a subdivision to read:

Subd. 15. [SERVICE ALLOWANCE FUND AVAILABILITY.] (a) Effective July 1, 1996, the commissioner may use alternative care funds for services to high function class A persons as defined in section 144.0721, subdivision 3, clause (2). The county alternative care grant allocation will be supplemented with a special allocation amount based on the projected number of eligible high function class A's and computed on the basis of \$240 per month per projected eligible person. Individual monthly expenditures under the service allowance option are permitted to be either greater or less than the amount of \$240 per month based on individual need. County allocations shall be adjusted periodically based on the actual provision of services to high function class A persons.

(b) Counties shall have the option of providing services, cash service allowances, vouchers, or a combination of these options to high function class A persons defined in section 144.0721, subdivision 3, clause (2). High function class A persons may choose services from among the categories of services listed under section 256B.0913, subdivision 5, except for case management services.

(c) If the allocation to a county is not sufficient to serve all persons who qualify for alternative care services, the county is not required to provide any alternative care services to a high function class A person but shall establish a waiting list to provide services as funding becomes available.

Sec. 69. Minnesota Statutes 1994, section 256B.0913, is amended by adding a subdivision to read:

Subd. 15a. [REIMBURSEMENT RATE; ANOKA COUNTY.] Notwithstanding subdivision 14, paragraph (e), or any other law to the contrary, for services rendered on or after January 1, 1996, Anoka county may pay vendors, and the commissioner shall reimburse the county, for actual costs up to the rate in effect on December 31, 1995, plus half the difference between that rate and the maximum allowed state rate for home health aide and homemaker services.

Sec. 70. Minnesota Statutes 1994, section 256B.0915, subdivision 2, is amended to read:

Subd. 2. [SPOUSAL IMPOVERISHMENT POLICIES.] The commissioner shall seek to amend the federal waiver and the medical assistance state plan to allow spousal impoverishment criteria as authorized in Code of Federal Regulations, title 42, section 435.726(1924) under United States Code, title 42, section 1396r-5, and as implemented in sections 256B.0575, 256B.058, and 256B.059 to be applied to persons who are screened and determined to need a nursing facility level of care, except that the amendment shall seek to add to the personal needs allowance permitted in section 256B.0575, an amount equivalent to the group residential housing rate as set by section 256I.03, subdivision 5.

Sec. 71. Minnesota Statutes 1994, section 256B.0915, subdivision 3, is amended to read:

Subd. 3. [LIMITS OF CASES, RATES, REIMBURSEMENT, AND FORECASTING.] (a) The number of medical assistance waiver recipients that a county may serve must be allocated according to the number of medical assistance waiver cases open on July 1 of each fiscal year. Additional recipients may be served with the approval of the commissioner.

(b) The monthly limit for the cost of waived services to an individual waiver client shall be the statewide average payment rate of the case mix resident class to which the waiver client would be assigned under the medical assistance case mix reimbursement system. If medical supplies and equipment or adaptations are or will be purchased for an elderly waiver services recipient, the costs may be prorated on a monthly basis throughout the year in which they are purchased. If the monthly cost of a recipient's other waived services exceeds the monthly limit established in this paragraph, the annual cost of the waived services shall be determined. In this event, the annual cost of waived services shall not exceed 12 times the monthly limit calculated in this paragraph. The statewide average payment rate is calculated by determining the statewide average monthly nursing home rate, effective July 1 of the fiscal year in which the cost is incurred, less the statewide average monthly income of nursing home residents who are age 65 or older, and who are medical assistance recipients in the month of March of the previous state fiscal year. The annual cost divided by 12 of elderly or disabled waived services for a person who is a nursing facility resident at the time of requesting a determination of eligibility for elderly or disabled waived services shall not exceed the monthly payment for the resident class assigned under

Minnesota Rules, parts 9549.0050 to 9549.0059, for that resident in the nursing facility where the resident currently resides. The following costs must be included in determining the total monthly costs for the waiver client:

- (1) cost of all waived services, including extended medical supplies and equipment; and
- (2) cost of skilled nursing, home health aide, and personal care services reimbursable by medical assistance.

(c) Medical assistance funding for skilled nursing services, home health aide, and personal care services for waiver recipients must be approved by the case manager and included in the individual care plan.

(d) Expenditures for extended medical supplies and equipment that cost over \$150 per month for both the elderly waiver and the disabled waiver must have the commissioner's prior approval. A county is not required to contract with a provider of supplies and equipment if the monthly cost of the supplies and equipment is less than \$250.

(e) For the fiscal year beginning on July 1, 1993, and for subsequent fiscal years, the commissioner of human services shall not provide automatic annual inflation adjustments for home and community-based waived services. The commissioner of finance shall include as a budget change request in each biennial detailed expenditure budget submitted to the legislature under section 16A.11, annual adjustments in reimbursement rates for home and community-based waived services, based on the forecasted percentage change in the Home Health Agency Market Basket of Operating Costs, for the fiscal year beginning July 1, compared to the previous fiscal year, unless otherwise adjusted by statute. The Home Health Agency Market Basket of Operating Costs is published by Data Resources, Inc. The forecast to be used is the one published for the calendar quarter beginning January 1, six months prior to the beginning of the fiscal year for which rates are set. The adult foster care rate shall be considered a difficulty of care payment and shall not include room and board.

(f) The adult foster care daily rate for the elderly and disabled waivers shall be negotiated between the county agency and the foster care provider. The rate established under this section shall not exceed the state average monthly nursing home payment for the case mix classification to which the individual receiving foster care is assigned, ~~and it;~~ the rate must allow for other waiver and medical assistance home care services to be authorized by the case manager.

(g) The assisted living and residential care service rates for elderly and ~~disabled~~ community alternatives for disabled individuals (CADI) waivers shall be made to the vendor as a monthly rate negotiated with the county agency. The rate shall not exceed the nonfederal share of the greater of either the statewide or any of the geographic groups' weighted average monthly medical assistance nursing facility payment rate of the case mix resident class to which the elderly or disabled client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059, ~~except.~~ For alternative care assisted living projects established under Laws 1988, chapter 689, article 2, section 256, ~~whose~~ monthly rates may not exceed 65 percent of the greater of either the statewide or any of the geographic groups' weighted average monthly medical assistance nursing facility payment rate for the case mix resident class to which the elderly or disabled client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059. The rate may not cover direct rent or food costs.

(h) The county shall negotiate individual rates with vendors and may be reimbursed for actual costs up to the greater of the county's current approved rate or 60 percent of the maximum rate in fiscal year 1994 and 65 percent of the maximum rate in fiscal year 1995 for each service within each program.

(i) On July 1, 1993, the commissioner shall increase the maximum rate for home-delivered meals to \$4.50 per meal.

(j) Reimbursement for the medical assistance recipients under the approved waiver shall be made from the medical assistance account through the invoice processing procedures of the department's Medicaid Management Information System (MMIS), only with the approval of the client's case manager. The budget for the state share of the Medicaid expenditures shall be forecasted with the medical assistance budget, and shall be consistent with the approved waiver.

(k) Beginning July 1, 1991, the state shall reimburse counties according to the payment schedule in section 256.025 for the county share of costs incurred under this subdivision on or after January 1, 1991, for individuals who are receiving medical assistance.

Sec. 72. Minnesota Statutes 1994, section 256B.0915, is amended by adding a subdivision to read:

Subd. 3a. [REIMBURSEMENT RATE; ANOKA COUNTY.] Notwithstanding subdivision 3, paragraph (h), or any other law to the contrary, for services rendered on or after January 1, 1996, Anoka county may pay vendors, and the commissioner shall reimburse the county, for actual costs up to the rate in effect on December 31, 1995, plus half the difference between that rate and the maximum allowed state rate for home health aide and homemaker services.

Sec. 73. Minnesota Statutes 1994, section 256B.0915, subdivision 5, is amended to read:

Subd. 5. [REASSESSMENTS FOR WAIVER CLIENTS.] A reassessment of a client served under the elderly or disabled waiver must be conducted at least every ~~six~~ 12 months and at other times when the case manager determines that there has been significant change in the client's functioning. This may include instances where the client is discharged from the hospital.

Sec. 74. Minnesota Statutes 1994, section 256B.0915, is amended by adding a subdivision to read:

Subd. 6. [IMPLEMENTATION OF CARE PLAN.] If the county administering waived services is different than the county of financial responsibility, the care plan may be implemented without the approval of the county of financial responsibility.

Sec. 75. Minnesota Statutes 1994, section 256B.093, subdivision 1, is amended to read:

Subdivision 1. [STATE TRAUMATIC BRAIN INJURY PROGRAM.] The commissioner of human services shall:

- (1) ~~establish and~~ maintain a statewide traumatic brain injury program;
- (2) ~~designate a full-time position to~~ supervise and coordinate services and policies for persons with traumatic brain injuries;
- (3) contract with qualified agencies or employ staff to provide statewide administrative case management and consultation;
- (4) ~~establish~~ maintain an advisory committee to provide recommendations in ~~a report~~ reports to the commissioner regarding program and service needs of persons with traumatic brain injuries. The advisory committee shall consist of no less than ten members and no more than 30 members. The commissioner shall appoint all advisory committee members to one- or two-year terms and appoint one member as chair; and

(5) investigate the need for the development of rules or statutes for:

- (i) the traumatic brain injury home and community-based services waiver; and
- (ii) ~~traumatic brain injury services not covered by any other statute or rule~~ (6) investigate present and potential models of service coordination which can be delivered at the local level.

Sec. 76. Minnesota Statutes 1994, section 256B.093, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] Persons eligible for traumatic brain injury administrative case management and consultation must be eligible medical assistance recipients who have traumatic or certain acquired brain injury and:

- (1) are at risk of institutionalization; ~~or~~
- (2) ~~exceed limits established by the commissioner in section 256B.0627, subdivision 5, paragraph (b).~~

Sec. 77. Minnesota Statutes 1994, section 256B.093, subdivision 3, is amended to read:

Subd. 3. [TRAUMATIC BRAIN INJURY PROGRAM DUTIES.] The department shall fund administrative case management under this subdivision using medical assistance administrative funds. The traumatic brain injury program duties include:

- ~~(1) assessing the person's individual needs for services required to prevent institutionalization;~~
- ~~(2) ensuring that a care plan that addresses the person's needs is developed, implemented, and monitored on an ongoing basis by the appropriate agency or individual;~~
- ~~(3) assisting the person in obtaining services necessary to allow the person to remain in the community;~~
- ~~(4) coordinating home care services with other medical assistance services under section 256B.0625;~~
- ~~(5) ensuring appropriate, accessible, and cost effective medical assistance services;~~
- ~~(6) recommending to the commissioner the approval or denial of the use of medical assistance funds to pay for home care services when home care services exceed thresholds established by the commissioner under section 256B.0627;~~
- ~~(7) assisting the person with problems related to the provision of home care services;~~
- ~~(8) ensuring the quality of home care services;~~
- ~~(9) reassessing the person's need for and level of home care services at a frequency determined by the commissioner;~~
- (10) (1) recommending to the commissioner the approval or denial of medical assistance funds to pay for out-of-state placements for traumatic brain injury services and in-state traumatic brain injury services provided by designated Medicare long-term care hospitals;
- (11) (2) coordinating the traumatic brain injury home and community-based waiver; and
- (12) (3) approving traumatic brain injury waiver eligibility or care plans or both;
- (4) providing ongoing technical assistance and consultation to county and facility case managers to facilitate care plan development for appropriate, accessible, and cost-effective medical assistance services;
- (5) providing technical assistance to promote statewide development of appropriate, accessible, and cost-effective medical assistance services and related policy;
- (6) providing training and outreach to facilitate access to appropriate home and community-based services to prevent institutionalization;
- (7) facilitating appropriate admissions, continued stay review, discharges, and utilization review for neurobehavioral hospitals and other specialized institutions;
- (8) providing technical assistance on the use of prior authorization of home care services and coordination of these services with other medical assistance services;
- (9) developing a system for identification of nursing facility and hospital residents with traumatic brain injury to assist in long-term planning for medical assistance services. Factors will include, but are not limited to, number of individuals served, length of stay, services received, and barriers to community placement; and
- (10) providing information, referral, and case consultation to access medical assistance services for recipients without a county or facility case manager. Direct access to this assistance may be limited due to the structure of the program.

Sec. 78. Minnesota Statutes 1994, section 256B.093, is amended by adding a subdivision to read:

Subd. 3a. [TRAUMATIC BRAIN INJURY CASE MANAGEMENT SERVICES.] The annual appropriation established under section 171.29, subdivision 2, paragraph (b), clause (5), shall be used for traumatic brain injury program services that include, but are not limited to:

(1) collaborating with counties, providers, and other public and private organizations to expand and strengthen local capacity for delivering needed services and supports, including efforts to increase access to supportive residential housing options;

(2) participating in planning and accessing services not otherwise covered in subdivision 3 to allow individuals to attain and maintain community-based services;

(3) providing information, referral, and case consultation to access health and human services for persons with traumatic brain injury not eligible for medical assistance, though direct access to this assistance may be limited due to the structure of the program; and

(4) collaborating on injury prevention efforts.

Sec. 79. Minnesota Statutes 1994, section 256B.15, subdivision 1a, is amended to read:

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~~ 55 years of age, and received services under this chapter, excluding alternative care;

(b) the person resided in a medical institution for six months or longer, received services under this chapter 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. Notice of the claim shall be given to all heirs and devisees of the decedent whose identity can be ascertained with reasonable diligence. The notice must include procedures and instructions for making an application for a hardship waiver under subdivision 5; time frames for submitting an application and determination; and information regarding appeal rights and procedures. Counties are entitled to one-half of the nonfederal share of medical assistance collections from estates that are directly attributable to county effort.

Sec. 80. Minnesota Statutes 1994, 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~~ 55 or during a period of institutionalization described in subdivision 1a, 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. 81. Minnesota Statutes 1994, section 256B.15, is amended by adding a subdivision to read:

Subd. 5. [UNDUE HARDSHIP.] Any person entitled to notice in subdivision 1a has a right to apply for waiver of the claim based upon undue hardship. Any claim pursuant to this section may be fully or partially waived because of undue hardship. Undue hardship does not include action taken by the decedent which divested or diverted assets in order to avoid estate recovery. Any waiver of a claim must benefit the person claiming undue hardship.

Sec. 82. Minnesota Statutes 1994, section 256B.19, subdivision 1b, is amended to read:

Subd. 1b. [PORTION OF NONFEDERAL SHARE TO BE PAID BY GOVERNMENT HOSPITALS.] (a) 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 University of Minnesota. For purposes of this subdivision, "public hospital" means the Hennepin County Medical Center and the University of Minnesota hospital.

(b) From July 1, 1993 through June 30, 1994, Hennepin county shall on a monthly basis transfer an amount equal to 1.8 percent of the public hospital's net patient revenues, excluding net Medicare revenue to the state Medicaid agency.

(c) Effective July 1, 1994, each of the governmental units designated in paragraph (a) shall on a monthly basis transfer an amount equal to 1.8 percent of the public hospital's net patient revenues, excluding net Medicare revenue, to the state Medicaid agency. The base year for determining this transfer amount shall be established according to section 256.9657, subdivision 4.

(d) These sums shall be part of the designated 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 1994, section 256B.19, subdivision 1c, is amended to read:

Subd. 1c. [ADDITIONAL PORTION OF NONFEDERAL SHARE.] In addition to any payment required under subdivision 1b, ~~Hennepin county and the University of Minnesota~~ shall be responsible for a monthly transfer payment of ~~\$1,000,000~~ \$1,500,000, due before noon on the 15th of each month and ~~the University of Minnesota shall be responsible for a monthly transfer payment of \$500,000 due before noon on the 15th of each month, beginning July 15, 1993 1995.~~ These sums shall be part of the designated 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. 84. Minnesota Statutes 1994, section 256B.19, subdivision 1d, is amended to read:

Subd. 1d. [PORTION OF NONFEDERAL SHARE TO BE PAID BY CERTAIN COUNTIES.] 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 cost. For purposes of this subdivision, "designated governmental unit" means the counties of Becker, Beltrami, Clearwater, Cook, Dodge, Hubbard, Itasca, Lake, ~~Mahnomen~~, Pennington, Pipestone, Ramsey, St. Louis, Steele, Todd, Traverse, and Wadena.

Beginning in 1994, each of the governmental units designated in this subdivision shall transfer before noon on May 31 to the state Medicaid agency an amount equal to the number of licensed beds in any nursing home owned and operated by the county, with the county named as licensee, multiplied by \$5,723. If two or more counties own and operate a nursing home, the payment shall be prorated. These sums shall be part of the designated 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. 85. Minnesota Statutes 1994, section 256B.431, subdivision 2b, is amended to read:

Subd. 2b. [OPERATING COSTS, AFTER JULY 1, 1985.] (a) For rate years beginning on or after July 1, 1985, the commissioner shall establish procedures for determining per diem reimbursement for operating costs.

(b) The commissioner shall contract with an econometric firm with recognized expertise in and access to national economic change indices that can be applied to the appropriate cost categories when determining the operating cost payment rate.

(c) The commissioner shall analyze and evaluate each nursing facility's cost report of allowable operating costs incurred by the nursing facility during the reporting year immediately preceding the rate year for which the payment rate becomes effective.

(d) The commissioner shall establish limits on actual allowable historical operating cost per diems based on cost reports of allowable operating costs for the reporting year that begins October 1, 1983, taking into consideration relevant factors including resident needs, geographic location, size of the nursing facility, and the costs that must be incurred for the care of residents in an efficiently and economically operated nursing facility. In developing the geographic groups for purposes of reimbursement under this section, the commissioner shall ensure that nursing facilities in any county contiguous to the Minneapolis-St. Paul seven-county metropolitan area are included in the same geographic group. The limits established by the commissioner shall not be less, in the aggregate, than the 60th percentile of total actual allowable historical operating cost per diems for each group of nursing facilities established under subdivision 1 based on cost reports of allowable operating costs in the previous reporting year. For rate years beginning on or after July 1, 1989, facilities located in geographic group I as described in Minnesota Rules, part 9549.0052, on January 1, 1989, may choose to have the commissioner apply either the care related limits or the other operating cost limits calculated for facilities located in geographic group II, or both, if either of the limits calculated for the group II facilities is higher. The efficiency incentive for geographic group I nursing facilities must be calculated based on geographic group I limits. The phase-in must be established utilizing the chosen limits. For purposes of these exceptions to the geographic grouping requirements, the definitions in Minnesota Rules, parts 9549.0050 to 9549.0059 (Emergency), and 9549.0010 to 9549.0080, apply. The limits established under this paragraph remain in effect until the commissioner establishes a new base period. Until the new base period is established, the commissioner shall adjust the limits annually using the appropriate economic change indices established in paragraph (e). In determining allowable historical operating cost per diems for purposes of setting limits and nursing facility payment rates, the commissioner shall divide the allowable historical operating costs by the actual number of resident days, except that where a nursing facility is occupied at less than 90 percent of licensed capacity days, the commissioner may establish procedures to adjust the computation of the per diem to an imputed occupancy level at or below 90 percent. The commissioner shall establish efficiency incentives as appropriate. The commissioner may establish efficiency incentives for different operating cost categories. The commissioner shall consider establishing efficiency incentives in care related cost categories. The commissioner may combine one or more operating cost categories and may use different methods for calculating payment rates for each operating cost category or combination of operating cost categories. For the rate year beginning on July 1, 1985, the commissioner shall:

(1) allow nursing facilities that have an average length of stay of 180 days or less in their skilled nursing level of care, 125 percent of the care related limit and 105 percent of the other operating cost limit established by rule; and

(2) exempt nursing facilities licensed on July 1, 1983, by the commissioner to provide residential services for the physically handicapped under Minnesota Rules, parts 9570.2000 to 9570.3600, from the care related limits and allow 105 percent of the other operating cost limit established by rule.

For the purpose of calculating the other operating cost efficiency incentive for nursing facilities referred to in clause (1) or (2), the commissioner shall use the other operating cost limit established by rule before application of the 105 percent.

(e) The commissioner shall establish a composite index or indices by determining the appropriate economic change indicators to be applied to specific operating cost categories or combination of operating cost categories.

(f) Each nursing facility shall receive an operating cost payment rate equal to the sum of the nursing facility's operating cost payment rates for each operating cost category. The operating cost payment rate for an operating cost category shall be the lesser of the nursing facility's historical

operating cost in the category increased by the appropriate index established in paragraph (e) for the operating cost category plus an efficiency incentive established pursuant to paragraph (d) or the limit for the operating cost category increased by the same index. If a nursing facility's actual historic operating costs are greater than the prospective payment rate for that rate year, there shall be no retroactive cost settle-up. In establishing payment rates for one or more operating cost categories, the commissioner may establish separate rates for different classes of residents based on their relative care needs.

(g) The commissioner shall include the reported actual real estate tax liability or payments in lieu of real estate tax of each nursing facility as an operating cost of that nursing facility. Allowable costs under this subdivision for payments made by a nonprofit nursing facility that are in lieu of real estate taxes shall not exceed the amount which the nursing facility would have paid to a city or township and county for fire, police, sanitation services, and road maintenance costs had real estate taxes been levied on that property for those purposes. For rate years beginning on or after July 1, 1987, the reported actual real estate tax liability or payments in lieu of real estate tax of nursing facilities shall be adjusted to include an amount equal to one-half of the dollar change in real estate taxes from the prior year. The commissioner shall include a reported actual special assessment, and reported actual license fees required by the Minnesota department of health, for each nursing facility as an operating cost of that nursing facility. For rate years beginning on or after July 1, 1989, the commissioner shall include a nursing facility's reported public employee retirement act contribution for the reporting year as apportioned to the care-related operating cost categories and other operating cost categories multiplied by the appropriate composite index or indices established pursuant to paragraph (e) as costs under this paragraph. Total adjusted real estate tax liability, payments in lieu of real estate tax, actual special assessments paid, the indexed public employee retirement act contribution, and license fees paid as required by the Minnesota department of health, for each nursing facility (1) shall be divided by actual resident days in order to compute the operating cost payment rate for this operating cost category, (2) shall not be used to compute the care-related operating cost limits or other operating cost limits established by the commissioner, and (3) shall not be increased by the composite index or indices established pursuant to paragraph (e), unless otherwise indicated in this paragraph.

(h) For rate years beginning on or after July 1, 1987, the commissioner shall adjust the rates of a nursing facility that meets the criteria for the special dietary needs of its residents and the requirements in section 31.651. The adjustment for raw food cost shall be the difference between the nursing facility's allowable historical raw food cost per diem and 115 percent of the median historical allowable raw food cost per diem of the corresponding geographic group.

The rate adjustment shall be reduced by the applicable phase-in percentage as provided under subdivision 2h.

(i) For the cost report year ending September 30, 1996, and for all subsequent reporting years, certified nursing facilities must identify, differentiate, and record resident day statistics for residents in case mix classification A who, on or after July 1, 1996, meet the modified level of care criteria in section 144.0721. The resident day statistics shall be separated into case mix classification A-1 for any resident day meeting the high-function class A level of care criteria and case mix classification A-2 for other case mix class A resident days.

Sec. 86. Minnesota Statutes 1994, section 256B.431, subdivision 23, is amended to read:

Subd. 23. [COUNTY NURSING HOME PAYMENT ADJUSTMENTS.] (a) Beginning in 1994, the commissioner shall pay a nursing home payment adjustment on May 31 after noon to a county in which is located a nursing home that, as of January 1 of the previous year, was county-owned and operated, with the county named as licensee by the commissioner of health, and had over 40 beds and medical assistance occupancy in excess of 50 percent during the reporting year ending September 30, 1991. The adjustment shall be an amount equal to \$16 per calendar day multiplied by the number of beds licensed in the facility as of September 30, 1991.

(b) Payments under paragraph (a) are excluded from medical assistance per diem rate calculations. These payments are required notwithstanding any rule prohibiting medical assistance payments from exceeding payments from private pay residents. A facility receiving a payment under paragraph (a) may not increase charges to private pay residents by an amount equivalent to the per diem amount payments under paragraph (a) would equal if converted to a per diem.

Sec. 87. Minnesota Statutes 1994, section 256B.49, subdivision 1, is amended to read:

Subdivision 1. [STUDY; WAIVER APPLICATION.] The commissioner shall authorize a study to assess the need for home and community-based waivers for chronically ill children who have been and will continue to be hospitalized without a waiver, and for disabled individuals under the age of 65 who are likely to reside in an acute care or nursing home facility in the absence of a waiver. If a need for these waivers can be demonstrated, the commissioner shall apply for federal waivers necessary to secure, to the extent allowed by law, federal participation under United States Code, title 42, sections 1396-1396p, as amended through December 31, 1982, for the provision of home and community-based services to chronically ill children who, in the absence of such a waiver, would remain in an acute care setting, and to disabled individuals under the age of 65 who, in the absence of a waiver, would reside in an acute care or nursing home setting. If the need is demonstrated, the commissioner shall request a waiver under United States Code, title 42, sections 1396-1396p, to allow medicaid eligibility for blind or disabled children with ineligible parents where income deemed from the parents would cause the applicant to be ineligible for supplemental security income if the family shared a household and to furnish necessary services in the home or community to disabled individuals under the age of 65 who would be eligible for medicaid if institutionalized in an acute care or nursing home setting. These waivers are requested to furnish necessary services in the home and community setting to children or disabled adults under age 65 who are medicaid eligible when institutionalized in an acute care or nursing home setting. The commissioner shall assure that the cost of home and community-based care will not be more than the cost of care if the eligible child or disabled adult under age 65 were to remain institutionalized. The commissioner shall seek to amend the federal waivers obtained under this section to apply criteria to protect against spousal impoverishment as authorized under United States Code, title 42, section 1396r-5, and as implemented in sections 256B.0575, 256B.058, and 256B.059, except that the amendment shall seek to add to the personal needs allowance permitted in section 256B.0575, an amount equivalent to the group residential housing rate as set by section 256I.03, subdivision 5.

Sec. 88. Minnesota Statutes 1994, section 256B.49, is amended by adding a subdivision to read:

Subd. 6. [ADMISSION CERTIFICATION.] In determining an individual's eligibility for the community alternative care waiver program, and an individual's eligibility for medical assistance under section 256B.055, subdivision 12, paragraph (b), the commissioner may review or contract for review of the individual's medical condition to determine level of care using criteria in Minnesota Rules, parts 9505.0520 to 9505.0540.

For purposes of this subdivision, a person requires long-term care in an inpatient hospital setting if the person has an ongoing condition that is expected to last one year or longer, and would require continuous or frequent hospitalizations during that period, but for the provision of home care services under this section.

Sec. 89. Minnesota Statutes 1994, section 256B.49, is amended by adding a subdivision to read:

Subd. 7. [PERSONS WITH DEVELOPMENTAL DISABILITIES OR RELATED CONDITIONS.] Individuals who apply for services under the community alternatives for disabled individuals (CADI) waiver program who have developmental disabilities or related conditions must be screened for the appropriate institutional level of care in accordance with section 256B.092.

Sec. 90. Minnesota Statutes 1994, section 256B.69, is amended by adding a subdivision to read:

Subd. 3a. [COUNTY AUTHORITY.] The commissioner, when implementing the general assistance medical care or medical assistance prepayment program within a county, must include the county board in the process of development, approval, and issuance of the request for proposals to provide services to eligible individuals within the proposed county. County boards must be given reasonable opportunity to make recommendations regarding the development, issuance, review of responses, and changes needed in the request for proposals. The commissioner must provide county boards the opportunity to review each proposal based on the identification of community needs under chapters 145A and 256E and county advocacy activities. If a county board finds that a proposal does not address certain community needs, the county board and commissioner shall continue efforts for improving the proposal and network prior to the approval

of the contract. The county board shall make recommendations regarding the approval of local networks and their operations to ensure adequate availability and access to covered services. The provider or health plan must respond directly to county advocates and the state prepaid medical assistance ombudsperson regarding service delivery and must be accountable to the state regarding contracts with medical assistance and general assistance medical care funds. The county board may recommend a maximum number of participating health plans after considering the size of the enrolling population; ensuring adequate access and capacity; considering the client and county administrative complexity; and considering the need to promote the viability of locally developed health plans. Prior to the development of the request for proposal, there shall be established a mutually agreed upon timetable. This process shall in no way delay the department's ability to secure and finalize contracts for the medical assistance prepayment program.

Sec. 91. Minnesota Statutes 1994, section 256B.69, subdivision 4, is amended to read:

Subd. 4. [LIMITATION OF CHOICE.] The commissioner shall develop criteria to determine when limitation of choice may be implemented in the experimental counties. The criteria shall ensure that all eligible individuals in the county have continuing access to the full range of medical assistance services as specified in subdivision 6. The commissioner shall exempt the following persons from participation in the project, in addition to those who do not meet the criteria for limitation of choice: (1) persons eligible for medical assistance according to section 256B.055, subdivision 1, ~~and children under age 21 who are in foster placement~~; (2) persons eligible for medical assistance due to blindness or disability as determined by the social security administration or the state medical review team, unless: (i) they are 65 years of age or older, or (ii) they are eligible for medical assistance according to section 256B.055, subdivision 12; (3) recipients who currently have private coverage through a health maintenance organization; and (4) recipients who are eligible for medical assistance by spending down excess income for medical expenses other than the nursing facility per diem expense; and (5) recipients who receive benefits under the Refugee Assistance Program, established under United States Code, title 8, section 1522(e). Children under age 21 who are in foster placement may enroll in the project on an elective basis. The commissioner may allow persons with a one-month spenddown who are otherwise eligible to enroll to voluntarily enroll or remain enrolled, if they elect to prepay their monthly spenddown to the state. Before limitation of choice is implemented, eligible individuals shall be notified and after notification, shall be allowed to choose only among demonstration providers. After initially choosing a provider, the recipient is allowed to change that choice only at specified times as allowed by the commissioner. If a demonstration provider ends participation in the project for any reason, a recipient enrolled with that provider must select a new provider but may change providers without cause once more within the first 60 days after enrollment with the second provider.

Sec. 92. Minnesota Statutes 1994, section 256B.69, is amended by adding a subdivision to read:

Subd. 4a. [REQUIREMENTS OF REQUEST FOR PROPOSAL.] In implementing the limitation of choice for persons eligible for medical assistance according to section 256B.055, subdivision 12, hereinafter referred to as TEFRA recipients, the commissioner shall comply with the request for proposal process applicable to the prepaid medical assistance program. Notwithstanding any provision to the contrary, the commissioner shall include the following in the request for proposal issued to health plans for purposes of covering TEFRA recipients:

(1) evidence that eligibility criteria for personal care assistant services have been developed and implemented with respect to TEFRA recipients;

(2) a complete and detailed description of the benefits the health plan is responsible for providing to the TEFRA recipients;

(3) identification of the circumstances under which and the point at which the health plan covering the TEFRA recipient pursuant to this section is responsible for the costs of and delivery of benefits to the TEFRA recipient. The purpose of this information is to facilitate coordination of benefits with private health plans, including self-insured employers who are covering the TEFRA recipients. The point at which and circumstances under which the health plan is responsible must be identified and developed so as to be applied consistently to all TEFRA recipients;

(4) statistical information including the following:

- (i) how many TEFRA recipients will be enrolled;
- (ii) historical cost and utilization information, by type of service and diagnosis or condition, and any other data or statistics used in developing the proposed rate of payment to the health plan;
- (iii) average cost per TEFRA recipient to the state; and
- (iv) outlier information, including diagnosis categories, cost, and the number of TEFRA recipients; and
- (5) actuarially valid rates of payment proposed to be paid to the health plans.

Sec. 93. Minnesota Statutes 1994, section 256B.69, subdivision 5, is amended to read:

Subd. 5. [PROSPECTIVE PER CAPITA PAYMENT.] The commissioner shall establish the method and amount of payments for services. The commissioner shall annually contract with demonstration providers to provide services consistent with these established methods and amounts for payment. Notwithstanding section 62D.02, subdivision 1, payments for services rendered as part of the project may be made to providers that are not licensed health maintenance organizations on a risk-based, prepaid capitation basis.

If allowed by the commissioner, a demonstration provider may contract with an insurer, health care provider, nonprofit health service plan corporation, or the commissioner, to provide insurance or similar protection against the cost of care provided by the demonstration provider or to provide coverage against the risks incurred by demonstration providers under this section. The recipients enrolled with a demonstration provider are a permissible group under group insurance laws and chapter 62C, the Nonprofit Health Service Plan Corporations Act. Under this type of contract, the insurer or corporation may make benefit payments to a demonstration provider for services rendered or to be rendered to a recipient. Any insurer or nonprofit health service plan corporation licensed to do business in this state is authorized to provide this insurance or similar protection.

Payments to providers participating in the project are exempt from the requirements of sections 256.966 and 256B.03, subdivision 2. The commissioner shall complete development of capitation rates for payments before delivery of services under this section is begun. For payments made during calendar year 1990 and later years, the commissioner shall contract with an independent actuary to establish prepayment rates.

By January 15, 1996, the commissioner shall report to the legislature on the methodology used to allocate to participating counties available administrative reimbursement for advocacy and enrollment costs. The report shall reflect the commissioner's judgment as to the adequacy of the funds made available and of the methodology for equitable distribution of the funds. The commissioner must involve participating counties in the development of the report.

Sec. 94. Minnesota Statutes 1994, section 256B.69, is amended by adding a subdivision to read:

Subd. 5a. [MANAGED CARE CONTRACTS.] Managed care contracts under this section, section 256.9363, and section 256D.03, shall be entered into or renewed on a calendar year basis beginning January 1, 1996. Managed care contracts which were in effect on June 30, 1995, and set to renew on July 1, 1995, shall be renewed for the period July 1, 1995 through December 31, 1995 at the same terms that were in effect on June 30, 1995.

Sec. 95. Minnesota Statutes 1994, section 256B.69, is amended by adding a subdivision to read:

Subd. 5b. [PROSPECTIVE REIMBURSEMENT RATES.] For prepaid medical assistance and general assistance medical care program contract rates effective January 1, 1996, through December 31, 1996, capitation rates for nonmetropolitan counties shall on a weighted average be no less than 85 percent of the capitation rates for metropolitan counties, excluding Hennepin county.

Sec. 96. Minnesota Statutes 1994, section 256B.69, subdivision 6, is amended to read:

Subd. 6. [SERVICE DELIVERY.] (a) Each demonstration provider shall be responsible for the health care coordination for eligible individuals. Demonstration providers:

(1) shall authorize and arrange for the provision of all needed health services including but not limited to the full range of services listed in sections 256B.02, subdivision 8, and 256B.0625 and for children eligible for medical assistance under section 256B.055, subdivision 12, home care services and personal care assistant services in order to ensure appropriate health care is delivered to enrollees;

(2) shall accept the prospective, per capita payment from the commissioner in return for the provision of comprehensive and coordinated health care services for eligible individuals enrolled in the program;

(3) may contract with other health care and social service practitioners to provide services to enrollees; and

(4) shall institute recipient grievance procedures according to the method established by the project, utilizing applicable requirements of chapter 62D. Disputes not resolved through this process shall be appealable to the commissioner as provided in subdivision 11.

(b) Demonstration providers must comply with the standards for claims settlement under section 72A.201, subdivisions 4, 5, 7, and 8, when contracting with other health care and social service practitioners to provide services to enrollees. A demonstration provider must pay a clean claim, as defined in Code of Federal Regulations, title 42, section 447.45(b), within 30 business days of the date of acceptance of the claim.

Sec. 97. Minnesota Statutes 1994, section 256B.69, subdivision 9, is amended to read:

Subd. 9. [REPORTING.] Each demonstration provider shall submit information as required by the commissioner, including data required for assessing client satisfaction, quality of care, cost, and utilization of services for purposes of project evaluation. The commissioner shall also develop methods of data collection from county advocacy activities in order to provide aggregate enrollee information on encounters and outcomes to determine access and quality assurance. Required information shall be specified before the commissioner contracts with a demonstration provider.

Sec. 98. Minnesota Statutes 1994, section 256B.69, is amended by adding a subdivision to read:

Subd. 18. [SERVICES PENDING APPEAL.] If the recipient appeals in writing to the state agency on or before the tenth day after the decision of the prepaid health plan to reduce, suspend, or terminate services which the recipient had been receiving, and the treating physician or another plan physician orders the services to be continued at the previous level, the prepaid health plan must continue to provide services at a level equal to the level ordered by the plan's physician until the state agency renders its decision.

Sec. 99. Minnesota Statutes 1994, section 256B.69, is amended by adding a subdivision to read:

Subd. 19. [LIMITATION ON REIMBURSEMENT TO PROVIDERS NOT AFFILIATED WITH A PREPAID HEALTH PLAN.] A prepaid health plan may limit any reimbursement it may be required to pay to providers not employed by or under contract with the prepaid health plan to the medical assistance rates for medical assistance enrollees, and the general assistance medical care rates for general assistance medical care enrollees, paid by the commissioner of human services to providers for services to recipients not enrolled in a prepaid health plan.

Sec. 100. Minnesota Statutes 1994, section 256B.69, is amended by adding a subdivision to read:

Subd. 20. [OMBUDSPERSON.] The commissioner shall designate an ombudsperson to advocate for persons required to enroll in prepaid health plans under this section. The ombudsperson shall advocate for recipients enrolled in prepaid health plans through complaint and appeal procedures and ensure that necessary medical services are provided either by the prepaid health plan directly or by referral to appropriate social services. At the time of enrollment in a prepaid health plan, the local agency shall inform recipients about the ombudsperson program and their right to a resolution of a complaint by the prepaid health plan if they experience a problem with the plan or its providers.

Sec. 101. Minnesota Statutes 1994, section 256B.69, is amended by adding a subdivision to read:

Subd. 21. [PREPAYMENT COORDINATOR.] The local agency shall designate a prepayment coordinator to assist the state agency in implementing this section and section 256D.03, subdivision 4. Assistance must include educating recipients about available health care options, enrolling recipients under subdivision 5, providing necessary eligibility and enrollment information to health plans and the state agency, and coordinating complaints and appeals with the ombudsman established in subdivision 18.

Sec. 102. Minnesota Statutes 1994, section 256B.69, is amended by adding a subdivision to read:

Subd. 22. [IMPACT ON PUBLIC OR TEACHING HOSPITALS AND COMMUNITY CLINICS.] (a) 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, provided the terms of participation in the program are competitive with the terms of other participants.

(b) Prepaid health plans serving counties with a nonprofit community clinic or community health services agency must contract with the clinic or agency to provide services to clients who choose to receive services from the clinic or agency, if the clinic or agency agrees to payment rates that are competitive with rates paid to other health plan providers for the same or similar services.

Sec. 103. [256B.691] [RISK-BASED TRANSPORTATION PAYMENTS.]

Any contract with a prepaid health plan under the medical assistance, general assistance medical care, or MinnesotaCare program that requires the health plan to cover transportation services for obtaining medical care for eligible individuals who are ambulatory must provide for payment for those services on a risk basis.

Sec. 104. Minnesota Statutes 1994, section 256D.03, subdivision 3, is amended to read:

Subd. 3. [GENERAL ASSISTANCE MEDICAL CARE; ELIGIBILITY.] (a) General assistance medical care may be paid for any person who is not eligible for medical assistance under chapter 256B, including eligibility for medical assistance based on a spenddown of excess income according to section 256B.056, subdivision 5, and:

(1) who is receiving assistance under section 256D.05 or 256D.051, or who is having a payment made on the person's behalf under sections 256I.01 to 256I.06; or

(2)(i) who is a resident of Minnesota; and whose equity in assets is not in excess of \$1,000 per assistance unit. No asset test shall be applied to children and their parents living in the same household. Exempt assets, the reduction of excess assets, and the waiver of excess assets must conform to the medical assistance program in chapter 256B, with the following exception: the maximum amount of undistributed funds in a trust that could be distributed to or on behalf of the beneficiary by the trustee, assuming the full exercise of the trustee's discretion under the terms of the trust, must be applied toward the asset maximum; and

(ii) who has countable income not in excess of the assistance standards established in section 256B.056, subdivision 4, or whose excess income is spent down pursuant to section 256B.056, subdivision 5, using a six-month budget period, except that a one-month budget period must be used for recipients residing in a long-term care facility. The method for calculating earned income disregards and deductions for a person who resides with a dependent child under age 21 shall be as specified in section 256.74, subdivision 1. However, if a disregard of \$30 and one-third of the remainder described in section 256.74, subdivision 1, clause (4), has been applied to the wage earner's income, the disregard shall not be applied again until the wage earner's income has not been considered in an eligibility determination for general assistance, general assistance medical care, medical assistance, or aid to families with dependent children for 12 consecutive months. The earned income and work expense deductions for a person who does not reside with a dependent child under age 21 shall be the same as the method used to determine eligibility for a person under section 256D.06, subdivision 1, except the disregard of the first \$50 of earned income is not allowed; or

(3) who would be eligible for medical assistance except that the person resides in a facility that is determined by the commissioner or the federal health care financing administration to be an institution for mental diseases.

(b) Eligibility is available for the month of application, and for three months prior to application if the person was eligible in those prior months. A redetermination of eligibility must occur every 12 months.

(c) General assistance medical care is not available for a person in a correctional facility unless the person is detained by law for less than one year in a county correctional or detention facility as a person accused or convicted of a crime, or admitted as an inpatient to a hospital on a criminal hold order, and the person is a recipient of general assistance medical care at the time the person is detained by law or admitted on a criminal hold order and as long as the person continues to meet other eligibility requirements of this subdivision.

(d) General assistance medical care is not available for applicants or recipients who do not cooperate with the county agency to meet the requirements of medical assistance.

(e) In determining the amount of assets of an individual, there shall be included any asset or interest in an asset, including an asset excluded under paragraph (a), that was given away, sold, or disposed of for less than fair market value within the ~~30~~ 60 months preceding application for general assistance medical care or during the period of eligibility. Any transfer described in this paragraph shall be presumed to have been for the purpose of establishing eligibility for general assistance medical care, unless the individual furnishes convincing evidence to establish that the transaction was exclusively for another purpose. For purposes of this paragraph, the value of the asset or interest shall be the fair market value at the time it was given away, sold, or disposed of, less the amount of compensation received. For any uncompensated transfer, the number of months of ineligibility, including partial months, shall be calculated by dividing the uncompensated transfer amount by the average monthly per person payment made by the medical assistance program to skilled nursing facilities for the previous calendar year. The individual shall remain ineligible until this fixed period has expired. The period of ineligibility may exceed 30 months, and a reapplication for benefits after 30 months from the date of the transfer shall not result in eligibility unless and until the period of ineligibility has expired. The period of ineligibility begins in the month the transfer was reported to the county agency, or if the transfer was not reported, the month in which the county agency discovered the transfer, whichever comes first. For applicants, the period of ineligibility begins on the date of the first approved application.

(f)(1) Beginning October 1, 1993, an undocumented alien or a nonimmigrant is ineligible for general assistance medical care other than emergency services. For purposes of this subdivision, a nonimmigrant is an individual in one or more of the classes listed in United States Code, title 8, section 1101(a)(15), and an undocumented alien is an individual who resides in the United States without the approval or acquiescence of the Immigration and Naturalization Service.

(2) This subdivision does not apply to a child under age 18, to a Cuban or Haitian entrant as defined in Public Law Number 96-422, section 501(e)(1) or (2)(a), or to an alien who is aged, blind, or disabled as defined in United States Code, title 42, section 1382c(a)(1).

(3) For purposes of paragraph (f), "emergency services" has the meaning given in Code of Federal Regulations, title 42, section 440.255(b)(1), except that it also means services rendered because of suspected or actual pesticide poisoning.

Sec. 105. Minnesota Statutes 1994, section 256D.03, subdivision 3b, is amended to read:

Subd. 3b. [COOPERATION.] General assistance or general assistance medical care applicants and recipients must cooperate with the state and local agency to identify potentially liable third-party payors and assist the state in obtaining third-party payments. 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. 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. 106. Minnesota Statutes 1994, section 256D.03, subdivision 4, is amended to read:

Subd. 4. [GENERAL ASSISTANCE MEDICAL CARE; SERVICES.] (a) For a person who is eligible under subdivision 3, paragraph (a), clause (3), general assistance medical care covers:

- (1) inpatient hospital services;
- (2) outpatient hospital services;
- (3) services provided by Medicare certified rehabilitation agencies;
- (4) prescription drugs and other products recommended through the process established in section 256B.0625, subdivision 13;
- (5) equipment necessary to administer insulin and diagnostic supplies and equipment for diabetics to monitor blood sugar level;
- (6) eyeglasses and eye examinations provided by a physician or optometrist;
- (7) hearing aids;
- (8) prosthetic devices;
- (9) laboratory and X-ray services;
- (10) physician's services;
- (11) medical transportation;
- (12) chiropractic services as covered under the medical assistance program;
- (13) podiatric services;
- (14) dental services;
- (15) outpatient services provided by a mental health center or clinic that is under contract with the county board and is established under section 245.62;
- (16) day treatment services for mental illness provided under contract with the county board;
- (17) prescribed medications for persons who have been diagnosed as mentally ill as necessary to prevent more restrictive institutionalization;
- (18) case management services for a person with serious and persistent mental illness who would be eligible for medical assistance except that the person resides in an institution for mental diseases;
- (19) psychological services, medical supplies and equipment, and Medicare premiums, coinsurance and deductible payments;
- (20) medical equipment not specifically listed in this paragraph when the use of the equipment will prevent the need for costlier services that are reimbursable under this subdivision; and
- (21) services performed by a certified pediatric nurse practitioner, a certified family nurse practitioner, a certified adult nurse practitioner, a certified obstetric/gynecological nurse practitioner, or a certified geriatric nurse practitioner in independent practice, if the services are otherwise covered under this chapter as a physician service, and if the service is within the scope of practice of the nurse practitioner's license as a registered nurse, as defined in section 148.171; and

(22) services of a certified public health nurse or a registered nurse practicing in a public health nursing clinic that is a department of, or that operates under the direct authority of, a unit of government, if the service is within the scope of practice of the public health nurse's license as a registered nurse, as defined in section 148.171.

(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, and for contracts beginning on or after July 1, 1995, shall be discounted ten percent from comparable fee for service payments. 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. Notwithstanding the provisions of subdivision 3, an individual who becomes ineligible for general assistance medical care because of failure to submit income reports or recertification forms in a timely manner, shall remain enrolled in the prepaid health plan and shall remain eligible for general assistance medical care coverage through the last day of the month in which the enrollee became ineligible for general assistance medical care.

(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. 107. Minnesota Statutes 1994, section 256D.425, is amended by adding a subdivision to read:

Subd. 4. [COOPERATION.] To be eligible for the Minnesota supplemental aid program, applicants and recipients must cooperate with the state and local agency to identify potentially liable third-party payors and assist the state in obtaining third-party payments. Cooperation includes identifying any third party who may be liable for benefits 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.

Sec. 108. Minnesota Statutes 1994, section 501B.89, subdivision 1, is amended to read:

Subdivision 1. [TRUSTS CONTAINING LIMITATIONS LINKED TO ELIGIBILITY FOR PUBLIC ASSISTANCE.] (a) Except as allowed by subdivision 2 or 3, a provision in a trust that provides for the suspension, termination, limitation, or diversion of the principal, income, or beneficial interest of a beneficiary if the beneficiary applies for, is determined eligible for, or receives public assistance or benefits under a public health care program is unenforceable as against the public policy of this state, without regard to the irrevocability of the trust or the purpose for which the trust was created.

(b) This subdivision applies to trust provisions created after July 1, 1992. For purposes of this section, a trust provision is created on the date of execution of the first instrument that contains the provision, even though the trust provision is later amended or reformed or the trust is not funded until a later date.

Sec. 109. Minnesota Statutes 1994, section 501B.89, is amended by adding a subdivision to read:

Subd. 3. [SUPPLEMENTAL NEEDS TRUSTS UNDER FEDERAL LAW.] A trust created on

or after August 11, 1993, which qualifies as a supplemental needs trust for a person with a disability under United States Code, title 42, section 1396p(c)(2)(B)(iv) or 1396p(d), as amended by section 13611(b) of the Omnibus Budget Reconciliation Act of 1993, Public Law Number 103-66, commonly known as OBRA 1993, is enforceable, and the courts of this state may authorize creation and funding of a trust which so qualifies.

Sec. 110. [TEFRA FEE STUDY.]

The commissioner of human services shall study and report to the legislature by January 15, 1996, recommendations to modify the fee structure for the parents of children eligible for medical assistance under Minnesota Statutes, section 256B.055, subdivision 12. The report shall include a comparison of the fee schedule for these parents with fee schedules in the social services, MinnesotaCare, and sliding fee child care programs. The commissioner shall appoint an advisory committee to assist with the study which must include parents, advocates, and other interested persons.

Sec. 111. [IMPLEMENTATION PLAN FOR HOME CARE SERVICES.]

The commissioner of human services, in conjunction with the commissioner of education, shall require the provision of the following types of home care services equivalent to personal care assistant services through waived programs and managed care programs beginning July 1, 1996:

- (1) school-based after school services; and
- (2) vacation and summer-only services.

The commissioners shall define program participants, structure, and activities and shall recommend to the 1996 legislature any changes in licensing requirements or other law changes necessary to implement the program. The commissioner of human services shall require participants in waived programs and managed care programs to receive services through these options unless the requirement would create an undue hardship for recipients.

Sec. 112. [WAIVER.]

The commissioner of human services shall seek a federal waiver to implement the 60-month period for transfers of assets under section 256B.0595, subdivision 1, paragraph (g).

Sec. 113. [ADVISORY TASK FORCE TO STANDARDIZE SUPPORTING DOCUMENTATION FOR PRIOR AUTHORIZATION.]

Subdivision 1. [COMPOSITION OF TASK FORCE.] A six-member advisory task force on prior authorization for physical therapy, occupational therapy, speech therapy, or related services supporting documentation shall be established. The task force shall be comprised of one licensed psychiatrist, one licensed physical therapist, one licensed occupational therapist, one licensed speech therapist, one licensed rehabilitation nurse, and one consumer representative. All licensed task force members must be actively engaged in the practice of their profession in Minnesota. The members of the task force shall be appointed by the commissioner of human services. No more than three members may be of one gender. All licensed professional members shall be selected from lists submitted to the commissioner by the appropriate professional associations. Task force members who are licensed professionals shall not be compensated for their service. The consumer representative member must be compensated for time spent on task force activities as specified in Minnesota Statutes, section 15.059, subdivision 3. The task force shall expire on December 31, 1996.

Subd. 2. [DUTIES OF COMMISSIONER AND TASK FORCE.] The task force shall study the lists of items, specified in the issue of the medical assistance and general assistance medical care provider manual which is in effect as of the effective date of this act, that are required to be submitted by each category of provider along with the provider's request for prior authorization. The task force shall recommend to the commissioner any amendments or refinements needed to clarify the lists. The commissioner shall use the recommendations of the task force to develop standardized documentation which a provider must submit with a prior authorization request. If the commissioner intends to depart from the recommendations of the task force, the commissioner

shall inform the task force of the intended departure, provide a written explanation of the reasons for the departure, and give the task force an opportunity to comment on the intended departure.

Sec. 114. [MEDICAL ASSISTANCE ASSET TRANSFER AND ELIGIBILITY REQUIREMENTS.]

The commissioner of human services shall investigate and pursue all viable options for tightening the medical assistance asset transfer and eligibility requirements to restore and preserve the function of the medical assistance program as a safety net program for low-income Minnesotans who cannot afford to meet their medical needs with their own resources. Among other actions, the commissioner shall aggressively pursue waivers of federal requirements to strengthen restrictions on transfers of assets for the purposes of gaining eligibility for medical assistance.

Sec. 115. [CONTINUATION OF PILOT PROJECTS.]

The alternative care pilot projects authorized in Laws 1993, First Special Session chapter 1, article 5, section 133, shall not expire on June 30, 1995, but shall continue until June 30, 1997, except that the three percent rate increases authorized in Laws 1993, First Special Session chapter 1, article 1, section 2, subdivision 4, shall be incorporated in average monthly cost effective July 1, 1995. The commissioner shall allow additional counties at their option to implement the alternative care program within the parameters established in Laws 1993, First Special Session chapter 1, article 5, section 133. If more than five counties exercise this option, the commissioner may require counties to make this change on a phased schedule if necessary in order to implement this provision within the limit of available resources. For newly participating counties, the previous fiscal year shall be the base year.

Sec. 116. [RATE CONSOLIDATION PLAN.]

The commissioner of human services, in cooperation with counties, shall prepare an implementation plan to consolidate payment rates for alternative care services, elderly waiver services, community alternatives for disabled individuals services, traumatic brain injury services, and comparable medical assistance services provided after June 30, 1996, that establishes a statewide rate cap for each individual service that is equal to the highest rate cap in any program for that service. The plan must be submitted to the legislature by October 1, 1995.

Sec. 117. [REIMBURSEMENT INCREASE.]

Notwithstanding statutory provisions to the contrary, the commissioner of human services shall increase reimbursement rates for the following by 1.5 percent on April 1, 1996:

- (1) personal care services under Minnesota Statutes, section 256B.0625, subdivision 19a;
- (2) home and community-based services waiver for persons with mental retardation and related conditions under Minnesota Statutes, section 256B.501;
- (3) adult residential program grants, under Minnesota Rules, parts 9535.2000 to 9535.3000;
- (4) adult and family community support grants, under Minnesota Rules, parts 9535.1700 to 9535.1760;
- (5) day training and habilitation services for adults with mental retardation and related conditions under Minnesota Statutes, sections 252.40 to 252.47; and
- (6) semi-independent living services under Minnesota Statutes, section 252.275.

Sec. 118. [MANAGED CARE RATE SETTING METHODOLOGY.]

Subdivision 1. [DEVELOPMENT.] The commissioner of human services, in conjunction with the rate setting task force established in subdivision 2, shall develop a prospective rate setting methodology for implementation on January 1, 1998. The methodology must incorporate the public program risk adjustment mechanism and, at a minimum, take into account the following factors:

- (1) costs of ensuring appropriate access to health care services in all counties;
- (2) costs of medical education, disproportionate share payments, provisions for federally qualified health care centers, rural health clinics, and other adjustors historically provided for in the fee-for-service payments to specific providers;
- (3) health status;
- (4) statistically valid regional utilization patterns as well as population characteristics;
- (5) the benefit set to be provided through the prepaid medical assistance program; and
- (6) utilization demands resulting from program changes and newly created access to care.

Subd. 2. [RATE SETTING TASK FORCE.] The commissioner shall establish a task force consisting of representatives of health plans, public program providers, disproportionate share and teaching hospitals, independent actuaries, counties, and consumers, to develop recommendations for a prospective rate setting methodology with a risk adjustment mechanism to be implemented by January 1, 1998. The task force shall include at least one representative of each regional coordinating board established under section 62J.09. Fifty percent of the provider, county, and consumer members shall be from non-metro counties. The commissioner and task force shall jointly deliver a progress report to the legislature by January 15, 1996, and a final methodology proposal to the legislature by December 15, 1996.

Sec. 119. [JOINT PURCHASER DEMONSTRATION PROJECTS.]

Subdivision 1. [DEMONSTRATION PROJECTS.] A county or counties may apply or the commissioner may solicit a demonstration project or projects for a state-county partnership as joint purchasers for services provided to eligible individuals under medical assistance, general assistance medical care, state health and social service grants, and county funds for these or other participants. Individual county staff who are employed by a publicly owned health plan that intends to respond to the request for proposal are prohibited from reviewing, critiquing, or approving any proposals submitted in accordance with this section. As part of this project, the commissioner, in cooperation with the county boards, must explore options for various purchasing models including contracting directly with providers or provider networks. The commissioner retains total responsibility for the medical assistance and general assistance medical care contracts.

Subd. 2. [OBJECTIVES.] The objective of the demonstration project is to promote the development of local provider networks; further define the county role and authorities in providing publicly reimbursed health services, including services reimbursed by the county; to provide better coordination of services; and to identify costs and methods to reduce cost-shifting.

Subd. 3. [PARTICIPATING COUNTIES.] Carlton, Cook, Koochiching, Lake, and Saint Louis counties shall be allowed to participate in joint purchasing demonstration projects at the option of their county boards. Any county may also participate in a joint purchasing demonstration project, which may include county employees, at the option of the county board.

Sec. 120. [DEMONSTRATION PROJECT TO TEST ALTERNATIVES TO DELIVERY OF SERVICES TO HIGH-RISK MEDICAL ASSISTANCE RECIPIENTS.]

Subdivision 1. [AUTHORIZATION FOR DEMONSTRATION PROJECTS.] Counties may propose demonstration projects to test alternatives to the delivery of health services to high risk populations. The commissioner of human services shall review and may approve demonstration project proposals and shall seek federal waivers as applicable for approved demonstration projects.

Subd. 2. [PROGRAM DESIGN AND IMPLEMENTATION.] (a) The demonstration projects shall be established jointly by the commissioners and participating county boards to design and plan an improved health services delivery system for high-risk medical assistance recipients who also receive services under other publicly funded health, human services, or corrections programs. In counties where prepaid medical assistance programs have been implemented, health plan companies participating in the prepaid program shall be included in the program design. In the proposal, the county must delineate exactly which populations would be served and what enrollment procedures would be used. The projects must address one or more of the following:

(1) provide an array of health and social services that are better coordinated for persons and families now served by multiple, uncoordinated programs;

(2) be based on purchasing strategies that improve access and coordinate services without cost shifting;

(3) coordinate between provider networks or health plan companies and the community health and human services infrastructure through creative partnerships with local vendors; and

(4) utilize existing categorical funding streams and reimbursement sources in coordinated and creative ways.

(b) All projects must complete their planning phase and be operational by June 30, 1997.

Subd. 3. [PROGRAM EVALUATION.] Evaluation of each project will be based on outcome evaluation criteria negotiated with each project prior to implementation.

Subd. 4. [NOTICE OF PROJECT DISCONTINUATION.] Each project may be discontinued for any reason by the county board or the commissioner of human services, after 90 days' written notice to the other party.

Subd. 5. [PLANNING FOR DEMONSTRATION PROJECTS.] Each local plan for a demonstration project must be developed under the direction of the county board, or multiple county boards acting jointly, as the local health and human services authority. The planning process for each demonstration shall include, but not be limited to, advocates, providers, and the departments of health and human services.

Subd. 6. [DUTIES OF COMMISSIONER.] (a) For purposes of the demonstration projects, the commissioner of human services shall facilitate coordination of funds or other resources as needed and requested by each project. These resources may include: medical assistance, general assistance medical care, MinnesotaCare, and other categorical state and federal funds if requested by the county boards, and if the commissioner determines this would be consistent with the state's overall health care reform efforts.

(b) The commissioner shall consider the following criteria in awarding start-up and implementation grants for the demonstration projects:

(1) the ability of the proposed projects to accomplish the objectives described in subdivision 2;

(2) the size of the target population to be served; and

(3) geographical distribution.

(c) The commissioner shall review overall status of the projects at least every two years and recommend any legislative changes needed by January 15 of each odd-numbered year.

(d) The county board may seek a waiver of administrative procedural rules under Minnesota Statutes, section 465.797.

(e) The commissioner may exempt the participating counties from state fiscal sanctions for noncompliance with requirements in laws and rules which are incompatible with the implementation of the demonstration project.

(f) The commissioner may award grants to a county board or group of county boards to pay for start-up, implementation, and evaluation costs of the demonstration project.

Subd. 7. [DUTIES OF COUNTY BOARD.] The county board, or other entity which is approved to administer a demonstration project, shall:

(1) administer the project in a manner which is consistent with the objectives described in subdivision 2 and the planning process described in subdivision 5;

(2) ensure that no one is denied services for which they would otherwise be eligible; and

(3) provide the commissioner of human services with timely and pertinent information through the following methods:

(i) submission of community health services act, maternal and child health act, and community social services act plans and plan amendments;

(ii) submission of health and social services expenditure and grant reconciliation reports, based on a coding format to be determined by mutual agreement between the project's managing entity and the commissioner; and

(iii) submission of data and participation in an evaluation of the demonstration projects, to be designed cooperatively by the commissioner and the projects.

Sec. 121. [TASK FORCE FOR HOME CARE SERVICES.]

The commissioner shall appoint a home care services task force to recommend changes to medical assistance home care services as alternatives to the home care changes to take effect July 1, 1996, Minnesota Statutes, sections 256B.0625, subdivisions 6a, 7, and 19a; 256B.0627; and 256B.0628, which will reduce projected growth for the 1996-1997 biennium to no more than five percent over 1995 projected expenditures as described in the November 1994 medical assistance forecast, department of human services. The recommendations shall include: proposals for independent delivery models for personal care assistant services; county assessment, service plan, and care plan development; coordination, including coordination with mental health services; streamlining of assessment and reporting processes to achieve administrative cost efficiencies; and alternative ways to serve segments of this population with needed services. The task force shall be comprised of home care services recipients, providers, advocates, staff from counties, the departments of human services, health, finance, the attorney general's office, in addition to the chairs of the health and human services finance committees of both houses of the legislature or their representatives. The recommendations shall be completed by December 1, 1995, except that the recommendations relating to county assessment and streamlining of assessment and reporting processes shall be completed by October 1, 1995, and presented to the next session, including a special session, of the Minnesota legislature.

By January 15, 1996, the commissioner of human services, jointly with counties, shall develop a plan for presentation to the legislature at their next session, including any special session, to allow counties to assume the prior authorization for home care services at the option of the county. The plan must provide participating counties with the funding, flexibility, authority, and accountability to administer both the assessment and prior authorization functions for medical assistance reimbursement for services under section 256B.0627, subdivision 2.

The plan shall also make a recommendation for adequate reimbursement of county administrative responsibilities of assessment, case management and appeals activities. In developing the plan and recommendations, the commissioner of human services shall involve the counties, consumers, and providers and include the development of standards, criteria and outcomes to foster local authority and flexibility, while defining quality expectations, budgetary incentives and sanctions, and promoting consistency.

Sec. 122. [INSURANCE STUDY.]

The Minnesota health care commission shall report to the legislature by January 15, 1996, recommendations to improve coverage through private health plans, the Minnesota comprehensive health association, and other public or private programs for children and adults with disabilities.

Sec. 123. [TEFRA MANAGED CARE ADVISORY COMMITTEE AND PROGRESS REPORT.]

Subdivision 1. [ADVISORY COMMITTEE.] The commissioner shall appoint an advisory committee to assist with the development of managed care for children eligible for medical assistance under Minnesota Statutes, section 256B.055, subdivision 12. The advisory committee shall include representatives of parents, advocates, health plan companies, health care providers serving the children, counties, and other interested persons.

Subd. 2. [PROGRESS REPORT.] The commission shall report to the legislature by December

15, 1995, regarding progress toward implementing managed care. The report shall make recommendations regarding the following: any law changes needed for effective implementation; how to coordinate with other insurance coverage the families may have; how managed care plans would operate as to varying coverage; what services would be available, including any gaps under managed care plans; and whether going to managed care results in cost savings to the state. The report shall also provide information by county and major diagnoses of children found eligible and ineligible for TEFRA, the services and amounts paid by the medical assistance program, name of health insurance plan, family income, and total number of TEFRA eligible children in each county.

Sec. 124. [REPEALER.]

Minnesota Statutes 1994, sections 252.27, subdivision 2c; and 256.969, subdivision 24, are repealed.

Minnesota Rules, part 9500.1452, subpart 2, item B, is repealed.

Sec. 125. [EFFECTIVE DATE.]

Subdivision 1. Sections 79 and 80, the amendments to section 256B.15, subdivisions 1a and 2, relating only to the age of a medical assistance recipient for purposes of estate claims, are effective for persons who are between the ages of 55 and 64 on or after July 1, 1995, for the total amount of medical assistance rendered on or after July 1, 1995.

Subd. 2. Sections 34 to 37, section 256B.0595, subdivisions 1, 2, 3, and 4, are effective retroactive to August 11, 1993, except that portion amending subdivision 2, paragraph (c), is effective retroactive to transfers of income or assets made on or after September 1994.

Subd. 3. Sections 28, 108, and 109, sections 256B.056, subdivision 3b, and 501B.89, subdivisions 1 and 3, are effective retroactive to August 11, 1993.

Subd. 4. Sections 14, 49, 84, and 86, sections 256.9657, subdivision 3, 256B.0625, subdivision 38, 256B.19, subdivision 1d, and 256B.431, subdivision 23, are effective the day following final enactment.

Subd. 5. Section 30, the amendment to section 256B.0575, paragraph (a), clause (5), is effective retroactive to January 1, 1994.

Subd. 6. Section 91, the amendment to section 256B.69, subdivision 4, requiring children eligible for medical assistance under section 256B.055, subdivision 12, to participate in managed care, is effective July 1, 1996.

Subd. 7. Section 96, the amendment to section 256B.69, subdivision 6, expanding services under managed care to include home care services and personal care assistant services for certain recipients, is effective July 1, 1996.

Subd. 8. Section 48, section 256B.0625, subdivision 19a, is effective July 1, 1996.

Subd. 9. Section 52, section 256B.0627, subdivision 1, paragraph (c), is effective January 1, 1996; paragraph (d) is effective January 1, 1996, except the deletions relating to responsible party are effective July 1, 1996; and the stricken paragraph (d), the deletion of the definition of responsible party, is effective July 1, 1996.

Subd. 10. Section 53, section 256B.0627, subdivision 2, clause (6), is effective January 1, 1996.

Subd. 11. Section 54, section 256B.0627, subdivision 4, paragraph (a), is effective July 1, 1996; and paragraph (b), clauses (2) and (3), are effective January 1, 1996; and the stricken language in clause (1) and the stricken language in the stricken clause (4), are effective July 1, 1996.

Subd. 12. Section 55, section 256B.0627, subdivision 5, paragraph (a), clause (2), is effective January 1, 1996; paragraph (d) is effective January 1, 1996; paragraph (e), clause (2)(i), the new language relating to the registered nurse supervision is effective January 1, 1996; paragraph (e), clause (2)(i)A, B, C, D, and E, are effective July 1, 1996; paragraph (e), clause (2)(ii), is effective

July 1, 1996; paragraph (e), clause (2)(iii), the new language relating to county public health nurse, is effective January 1, 1996, and the stricken language relating to the seizure activity provision, is effective July 1, 1996; paragraph (e), clause (2), the language striking items (v) to (viii), is effective July 1, 1996; paragraph (h), is effective January 1, 1996; and paragraph (i), clause (2), the stricken language relating to the foster care license holder, and the language in the stricken clause (3) relating to the responsible party, is effective July 1, 1996.

ARTICLE 7

LONG-TERM CARE

Section 1. Minnesota Statutes 1994, section 144.0723, subdivision 1, is amended to read:

Subdivision 1. [~~CLIENT REIMBURSEMENT CLASSIFICATIONS.~~] The commissioner of health shall establish ~~reimbursement~~ classifications based upon the assessment of each client in intermediate care facilities for the mentally retarded conducted after December 31, ~~1988~~ 1992, under section 256B.501, subdivision 3g, ~~or under rules established by the commissioner of human services under section 256B.501, subdivision 3j.~~ The reimbursement classifications established by the commissioner must conform to ~~the section 256B.501, subdivision 3g, and subsequent rules established by the commissioner of human services to set payment rates for intermediate care facilities for the mentally retarded beginning on or after October 1, 1990.~~

Sec. 2. Minnesota Statutes 1994, section 144.0723, subdivision 2, is amended to read:

Subd. 2. [~~NOTICE OF CLIENT REIMBURSEMENT CLASSIFICATION.~~] The commissioner of health shall notify each ~~client and~~ intermediate care facility for the mentally retarded ~~in which the client resides~~ of the ~~reimbursement classification~~ classifications established under subdivision 1 for each client residing in the facility. The notice must inform the ~~client intermediate care facility for the mentally retarded of the classification~~ classifications that ~~was~~ are assigned, ~~the opportunity to review the documentation supporting the classification, the opportunity to obtain clarification from the commissioner, and the opportunity to request a reconsideration of the classification~~ any classifications assigned. The notice of classification must be sent by first-class mail. ~~The individual client notices may be sent to the client's intermediate care facility for the mentally retarded for distribution to the client. The facility must distribute the notice to the client's case manager and to the client or to the client's representative. This notice must be distributed within three working days after the facility receives the notices from the department. For the purposes of this section, "representative" includes the client's legal representative as defined in Minnesota Rules, part 9525.0015, subpart 18, the person authorized to pay the client's facility expenses, or any other individual designated by the client.~~

Sec. 3. Minnesota Statutes 1994, section 144.0723, subdivision 3, is amended to read:

Subd. 3. [~~REQUEST FOR RECONSIDERATION.~~] ~~The client, client's representative, or the~~ intermediate care facility for the mentally retarded may request that the commissioner reconsider the assigned classification. The request for reconsideration must be submitted in writing to the commissioner within 30 days after the receipt of the notice of client classification. The request for reconsideration must include the name of the client, the name and address of the facility in which the client resides, the reasons for the reconsideration, the requested classification changes, and documentation supporting the requested classification. The documentation accompanying the reconsideration request is limited to documentation establishing that the needs of the client and services provided to the client at the time of the assessment resulting in the disputed classification justify a change of classification.

Sec. 4. Minnesota Statutes 1994, section 144.0723, subdivision 4, is amended to read:

Subd. 4. [~~ACCESS TO INFORMATION.~~] Annually, at the interdisciplinary team meeting, the intermediate care facility for the mentally retarded shall inform the client or the client's representative and case manager of the client's most recent classification as determined by the department of health. Upon written request, the intermediate care facility for the mentally retarded must give the client's case manager, the client, or the client's representative a copy of the assessment form and the other documentation that was given to the department to support the assessment findings. The facility shall also provide access to and a copy of other information from the client's record that has been requested by or on behalf of the client to support a client's

~~reconsideration request. A copy of any requested material must be provided within three working days after the facility receives a written request for the information. If the facility fails to provide the material within this time, it is subject to the issuance of a correction order and penalty assessment. Notwithstanding this section, any order issued by the commissioner under this subdivision must require that the facility immediately comply with the request for information and that as of the date the order is issued, the facility shall forfeit to the state a \$100 fine the first day of noncompliance, and an increase in the \$100 fine by \$50 increments for each day the noncompliance continues.~~

Sec. 5. Minnesota Statutes 1994, section 144.0723, subdivision 6, is amended to read:

Subd. 6. [RECONSIDERATION.] The commissioner's reconsideration must be made by individuals not involved in reviewing the assessment that established the disputed classification. The reconsideration must be based upon the initial assessment and upon the information provided to the commissioner under subdivisions subdivision 3 and 5. ~~If necessary for evaluating the reconsideration request, the commissioner may conduct on-site reviews. At the commissioner's discretion, the commissioner may review the reimbursement classifications assigned to all clients in the facility.~~ Within 15 working days after receiving the request for reconsideration, the commissioner shall affirm or modify the original client classification. The original classification must be modified if the commissioner determines that the assessment resulting in the classification did not accurately reflect the status of the client at the time of the assessment. The ~~client and the intermediate care facility for the mentally retarded shall be notified within five working days after the decision is made.~~ The commissioner's decision under this subdivision is the final administrative decision of the agency.

Sec. 6. Minnesota Statutes 1994, section 144.56, is amended by adding a subdivision to read:

Subd. 2b. [BOARDING CARE HOMES.] The commissioner shall not adopt or enforce any rule that limits a certified boarding care home from providing nursing services in accordance with the home's medicaid certification.

Sec. 7. Minnesota Statutes 1994, section 144.562, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY FOR LICENSE CONDITION.] A hospital is not eligible to receive a license condition for swing beds unless (1) it either has a licensed bed capacity of less than 50 beds defined in the federal Medicare regulations, Code of Federal Regulations, title 42, section 482.66, or it has a licensed bed capacity of 50 beds or more and has swing beds that were approved for Medicare reimbursement before May 1, 1985, or it has a licensed bed capacity of less than 65 beds and, ~~as of the effective date,~~ the available nursing homes within 50 miles have had, in the aggregate, an average occupancy rates rate of 96 percent or higher in the ~~past most recent two years as documented on the statistical reports to the department of health;~~ and (2) it is located in a rural area as defined in the federal Medicare regulations, Code of Federal Regulations, title 42, section 482.66; and (3) ~~it agrees to utilize no more than four hospital beds as swing beds at any one time, except that the commissioner may approve the utilization of up to three additional beds at the request of a hospital if.~~ Eligible hospitals are allowed a total of 1,460 days of swing bed use per year, provided that no more than ten hospital beds are used as swing beds at any one time. The commissioner of health must approve swing bed use beyond 1,460 days as long as there are no Medicare certified skilled nursing facility beds are available within 25 miles of that hospital.

Sec. 8. [144.6505] [SUBACUTE CARE WAIVERS.]

Subdivision 1. [SUBACUTE CARE; WAIVER FROM STATE AND FEDERAL RULES AND REGULATIONS.] The commissioners of health and human services shall work with providers to examine state and federal rules and regulations governing the provision of care in nursing facilities and apply for federal waivers and pursue state law changes to any impediments to the provision of subacute care in skilled nursing facilities.

Subd. 2. [DEFINITION OF SUBACUTE CARE.] (a) For the purpose of this section, "subacute care" means comprehensive inpatient care, as further defined in this subdivision, designed for persons who:

(1) have or have had an acute illness or accident, or an acute exacerbation of a chronic illness, and who require a moderate level of service intensity;

(2) do not require, or no longer require, technologically intensive diagnosis or management;

(3) have concurrent medical, nursing, and discharge and/or nondischarge oriented rehabilitation objectives that are expected to be achieved within a specified time; and

(4) require interdisciplinary management.

(b) Subacute care includes goal-oriented treatment rendered immediately after, as an appropriate alternative to, acute hospitalization with the goal of transitioning patients towards increased independence or lower acuity level in a cost-effective environment, to treat one or more specific active complex medical conditions or to administer one or more technically complex treatments, in the context of a patient's underlying long-term conditions and overall situation.

(c) Subacute care does not generally depend heavily on high technology monitoring or complex diagnostic procedures.

(d) Subacute care requires the coordinated services of an interdisciplinary team including physicians, nurses, and other relevant professional disciplines, who are trained and knowledgeable to assess and manage these specific conditions and perform the necessary procedures.

(e) Subacute care is provided as part of a specifically defined program.

(f) Subacute care includes more intensive care than traditional nursing facility care and less intensive care than acute care and may be provided at a variety of sites, including hospitals and skilled nursing facilities.

(g) Subacute care requires recurrent patient assessment on a daily to weekly basis and review of the clinical course and treatment plan for a limited time period ranging from several days to several months, until the condition is stabilized or a predetermined treatment course is completed.

Sec. 9. Minnesota Statutes 1994, 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 for new licensed or certified nursing home or certified boarding care beds except as provided in subdivision 3 or 4a, or section 144A.073. "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 section 252.28 and chapter 245A to a nursing home or boarding care home, if that license would result in an increase in the medical assistance reimbursement amount.

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:

(a) any construction costs exceeding the lesser of \$500,000 or 25 percent of the facility's appraised value are not added to the facility's appraised value and are not included in the facility's payment rate for reimbursement under the medical assistance program; or

(b) the project:

(1) has been approved through the process described in section 144A.073;

(2) meets an exception in subdivision 3 or 4a;

(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 damaged by fire, lightning, groundshifts, or other such hazards, including environmental hazards, provided that the provisions of subdivision 4a, clause (a), are met;

(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 1a, clause (d), 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; or

(6) is being proposed by a licensed nursing facility that is not certified to participate in the medical assistance program and will not result in new licensed or certified beds.

Prior to the final plan approval of any construction project, the commissioner of health shall be provided with an itemized cost estimate for the project construction costs. 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 project construction costs for the construction project shall be submitted to the commissioner. If the final project construction cost exceeds the dollar threshold in this subdivision, the commissioner of human services shall not recognize any of the project construction costs or the related financing costs in excess of this threshold in establishing the facility's property-related payment rate.

The dollar thresholds for construction projects are as follows: for construction projects other than those authorized in clauses (1) to (6), the dollar threshold is \$500,000 or 25 percent of appraised value, whichever is less. For projects authorized after July 1, 1993, under clause (1), the dollar threshold is the cost estimate submitted with a proposal for an exception under section 144A.073, plus inflation as calculated according to section 256B.431, subdivision 3f, paragraph (a). For projects authorized under clauses (2) to (4), the dollar threshold is the itemized estimate project construction costs submitted to the commissioner of health at the time of final plan approval, plus inflation as calculated according to section 256B.431, subdivision 3f, paragraph (a).

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. 10. Minnesota Statutes 1994, section 144A.071, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS AUTHORIZING AN INCREASE IN BEDS.] 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 license or certify a new bed in place of one decertified after July 1, 1993, as long as the number of certified plus newly certified or recertified beds does not exceed the number of beds licensed or certified on July 1, 1993, 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. 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 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; or

(c) 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; or

(d) to certify two existing beds in a facility with 66 licensed beds on January 1, 1994, that had an average occupancy rate of 98 percent or higher in both calendar years 1992 and 1993, and which began construction of four attached assisted living units in April 1993.

Sec. 11. Minnesota Statutes 1994, section 144A.071, subdivision 4a, is amended to read:

Subd. 4a. [EXCEPTIONS FOR REPLACEMENT BEDS.] It is in the best interest of the state to ensure that nursing homes and boarding care homes continue to meet the physical plant licensing and certification requirements by permitting certain construction projects. Facilities should be maintained in condition to satisfy the physical and emotional needs of residents while allowing the state to maintain control over nursing home expenditure growth.

The commissioner of health in coordination with the commissioner of human services, may approve the renovation, replacement, upgrading, or relocation of a nursing home or boarding care home, under the following conditions:

(a) to license or certify beds in a new facility constructed to replace a facility or to make repairs in an existing facility that was destroyed or damaged after June 30, 1987, by fire, lightning, or other hazard provided:

(i) destruction was not caused by the intentional act of or at the direction of a controlling person of the facility;

(ii) at the time the facility was destroyed or damaged 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;

(iii) the net proceeds from an insurance settlement for the damages caused by the hazard are applied to the cost of the new facility or repairs;

(iv) 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;

(v) 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; and

(vi) the commissioner determines that the replacement beds are needed to prevent an inadequate supply of beds.

Project construction costs incurred for repairs authorized under this clause shall not be considered in the dollar threshold amount defined in subdivision 2;

(b) 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 25 percent of the appraised value of the facility or \$500,000, whichever is less;

(c) to license or certify beds in a project recommended for approval under section 144A.073;

(d) 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;

(e) 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 25 percent of the appraised value of the facility or \$500,000, whichever is less. If boarding care beds are licensed as nursing home beds, the number of boarding care beds in the facility must not increase beyond the number remaining at the time of the upgrade in licensure. The provisions contained in section 144A.073 regarding the upgrading of the facilities do not apply to facilities that satisfy these requirements;

(f) 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 St. 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 paragraph;

(g) 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;

(h) 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;

(i) 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;

(j) 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;

(k) 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;

(l) to license or certify beds in renovation, replacement, or upgrading projects as defined in section 144A.073, subdivision 1, so long as the cumulative total costs of the facility's remodeling projects do not exceed 25 percent of the appraised value of the facility or \$500,000, whichever is less;

(m) to license and certify beds that are moved from one location to another for the purposes of converting up to five four-bed wards to single or double occupancy rooms in a nursing home that, as of January 1, 1993, was county-owned and had a licensed capacity of 115 beds;

(n) to allow a facility that on April 16, 1993, was a 106-bed licensed and certified nursing facility located in Minneapolis to layaway all of its licensed and certified nursing home beds. These beds may be relicensed and recertified in a newly-constructed teaching nursing home facility affiliated with a teaching hospital upon approval by the legislature. The proposal must be developed in consultation with the interagency committee on long-term care planning. The beds on layaway status shall have the same status as voluntarily delicensed and decertified beds, except that beds on layaway status remain subject to the surcharge in section 256.9657. This layaway provision expires July 1, 1995 1997;

(o) to allow a project which will be completed in conjunction with an approved moratorium exception project for a nursing home in southern Cass county and which is directly related to that portion of the facility that must be repaired, renovated, or replaced, to correct an emergency plumbing problem for which a state correction order has been issued and which must be corrected by August 31, 1993;

(p) to allow a facility that on April 16, 1993, was a 368-bed licensed and certified nursing facility located in Minneapolis to layaway, upon 30 days prior written notice to the commissioner, up to 30 of the facility's licensed and certified beds by converting three-bed wards to single or double occupancy. Beds on layaway status shall have the same status as voluntarily delicensed and decertified beds except that beds on layaway status remain subject to the surcharge in section 256.9657, remain subject to the license application and renewal fees under section 144A.07 and shall be subject to a \$100 per bed reactivation fee. In addition, at any time within three years of the effective date of the layaway, the beds on layaway status may be:

(1) relicensed and recertified upon relocation and reactivation of some or all of the beds to an existing licensed and certified facility or facilities located in Pine River, Brainerd, or International Falls; provided that the total project construction costs related to the relocation of beds from layaway status for any facility receiving relocated beds may not exceed the dollar threshold provided in subdivision 2 unless the construction project has been approved through the moratorium exception process under section 144A.073;

(2) relicensed and recertified, upon reactivation of some or all of the beds within the facility which placed the beds in layaway status, if the commissioner has determined a need for the reactivation of the beds on layaway status.

The property-related payment rate of a facility placing beds on layaway status must be adjusted by the incremental change in its rental per diem after recalculating the rental per diem as provided in section 256B.431, subdivision 3a, paragraph (d). The property-related payment rate for a facility relicensing and recertifying beds from layaway status must be adjusted by the incremental change in its rental per diem after recalculating its rental per diem using the number of beds after the relicensing to establish the facility's capacity day divisor, which shall be effective the first day of the month following the month in which the relicensing and recertification became effective. Any beds remaining on layaway status more than three years after the date the layaway status became effective must be removed from layaway status and immediately delicensed and decertified;

(q) to license and certify beds in a renovation and remodeling project to convert 13 three-bed wards into 13 two-bed rooms and 13 single-bed rooms, expand space, and add improvements in a nursing home that, as of January 1, 1994, met the following conditions: the nursing home was located in Ramsey county; was not owned by a hospital corporation; had a licensed capacity of 64 beds; and had been ranked among the top 15 applicants by the 1993 moratorium exceptions advisory review panel. The total project construction cost estimate for this project must not exceed the cost estimate submitted in connection with the 1993 moratorium exception process; ~~or~~

(r) to license and certify beds in a renovation and remodeling project to convert 12 four-bed wards into 24 two-bed rooms, expand space, and add improvements in a nursing home that, as of January 1, 1994, met the following conditions: the nursing home was located in Ramsey county; had a licensed capacity of 154 beds; and had been ranked among the top 15 applicants by the 1993 moratorium exceptions advisory review panel. The total project construction cost estimate for this project must not exceed the cost estimate submitted in connection with the 1993 moratorium exception process;

(s) to license and certify up to 117 beds that are relocated from a licensed and certified 138-bed nursing facility located in St. Paul to a hospital with 130 licensed hospital beds located in South St. Paul, provided that the nursing facility and hospital are owned by the same or a related organization and that prior to the date the relocation is completed the hospital ceases operation of its inpatient hospital services at that hospital. After relocation, the nursing facility's status under section 256B.431, subdivision 2, shall be the same as it was prior to relocation. The nursing facility's property-related payment rate resulting from the project authorized in this paragraph shall become effective no earlier than April 1, 1996. For purposes of calculating the incremental

change in the facility's rental per diem resulting from this project, the allowable appraised value of the nursing facility portion of the existing health care facility physical plant prior to the renovation and relocation may not exceed \$2,490,000;

(t) to license and certify two beds in a facility to replace beds that were voluntarily delicensed and decertified on June 28, 1991;

(u) to allow 16 licensed and certified beds located on July 1, 1994, in a 142-bed nursing home and 21-bed boarding care home facility in Minneapolis, notwithstanding the licensure and certification after July 1, 1995, of the Minneapolis facility as a 147-bed nursing home facility after completion of a construction project approved in 1993 under section 144A.073, to be laid away upon 30 days' prior written notice to the commissioner. Beds on layaway status shall have the same status as voluntarily delicensed or decertified beds except that they shall remain subject to the surcharge in section 256.9657. The 16 beds on layaway status may be relicensed as nursing home beds and recertified at any time within five years of the effective date of the layaway upon relocation of some or all of the beds to a licensed and certified facility located in Watertown, provided that the total project construction costs related to the relocation of beds from layaway status for the Watertown facility may not exceed the dollar threshold provided in subdivision 2 unless the construction project has been approved through the moratorium exception process under section 144A.073.

The property-related payment rate of the facility placing beds on layaway status must be adjusted by the incremental change in its rental per diem after recalculating the rental per diem as provided in section 256B.431, subdivision 3a, paragraph (d). The property-related payment rate for the facility relicensing and recertifying beds from layaway status must be adjusted by the incremental change in its rental per diem after recalculating its rental per diem using the number of beds after the relicensing to establish the facility's capacity day divisor, which shall be effective the first day of the month following the month in which the relicensing and recertification became effective. Any beds remaining on layaway status more than five years after the date the layaway status became effective must be removed from layaway status and immediately delicensed and decertified; or

(v) to license and certify beds that are moved within an existing area of a facility or to a newly-constructed addition which is built for the purpose of eliminating three- and four-bed rooms and adding space for dining, lounge areas, bathing rooms, and ancillary service areas in a nursing home that, as of January 1, 1995, was located in Fridley and had a licensed capacity of 129 beds.

Sec. 12. Minnesota Statutes 1994, section 144A.071, is amended by adding a subdivision to read:

Subd. 5a. [COST ESTIMATE OF A MORATORIUM EXCEPTION PROJECT.] (a) For the purposes of this section and section 144A.073, the cost estimate of a moratorium exception project shall include the effects of the proposed project on the costs of the state subsidy for community-based services, nursing services, and housing in institutional and noninstitutional settings. The commissioner of health, in cooperation with the commissioner of human services, shall define the method for estimating these costs in the permanent rule implementing section 144A.073. The commissioner of human services shall prepare an estimate of the total state annual long-term costs of each moratorium exception proposal.

(b) The interest rate to be used for estimating the cost of each moratorium exception project proposal shall be the lesser of either the prime rate plus two percentage points, or the posted yield for standard conventional fixed rate mortgages of the Federal Home Loan Mortgage Corporation plus two percentage points as published in the Wall Street Journal and in effect 56 days prior to the application deadline. If the applicant's proposal uses this interest rate, the commissioner of human services, in determining the facility's actual property-related payment rate to be established upon completion of the project must use the actual interest rate obtained by the facility for the project's permanent financing up to the maximum permitted under subdivision 6.

The applicant may choose an alternate interest rate for estimating the project's cost. If the applicant makes this election, the commissioner of human services, in determining the facility's actual property-related payment rate to be established upon completion of the project, must use the lesser of the actual interest rate obtained for the project's permanent financing or the interest rate

which was used to estimate the proposal's project cost. For succeeding rate years, the applicant is at risk for financing costs in excess of the interest rate selected.

Sec. 13. Minnesota Statutes 1994, section 144A.073, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given them:

(a) "Conversion" means the relocation of a nursing home bed from a nursing home to an attached hospital.

(b) "Relocation" means the movement of licensed nursing home beds or certified boarding care beds as permitted under subdivision 4, clause (3), and subdivision 5.

(c) "Renovation" means extensive remodeling of, or construction of an addition to, a facility on an existing site with a total cost exceeding ten percent of the appraised value of the facility or \$200,000, whichever is less.

(e) (d) "Replacement" means the demolition ~~or, delicensure,~~ reconstruction, or construction of an addition to all or part of an existing facility.

(d) (e) "Upgrading" means a change in the level of licensure of a bed from a boarding care bed to a nursing home bed in a certified boarding care facility.

Sec. 14. Minnesota Statutes 1994, section 144A.073, subdivision 2, is amended to read:

Subd. 2. [REQUEST FOR PROPOSALS.] At the intervals specified in rules authorization by the legislature of additional medical assistance expenditures for exceptions to the moratorium on nursing homes, the interagency committee shall publish in the State Register a request for proposals for nursing home projects to be licensed or certified under section 144A.071, subdivision 4a, clause (c). The public notice of this funding and the request for proposals must specify how the approval criteria will be prioritized by the advisory review panel, the interagency long-term care planning committee, and the commissioner. The notice must describe the information that must accompany a request and state that proposals must be submitted to the interagency committee within 90 days of the date of publication. The notice must include the amount of the legislative appropriation available for the additional costs to the medical assistance program of projects approved under this section. If no money is appropriated for a year, the notice for that year must state that proposals will not be requested because no appropriations were made the interagency committee shall publish a notice to that effect, and no proposals shall be requested. If money is appropriated, the interagency committee shall initiate the application and review process described in this section at least twice each biennium and up to four times each biennium, according to dates established by rule. Authorized funds shall be allocated proportionally to the number of processes. Funds not encumbered by an earlier process within a biennium shall carry forward to subsequent iterations of the process. Authorization for expenditures does not carry forward into the following biennium. To be considered for approval, a proposal must include the following information:

(1) whether the request is for renovation, replacement, upgrading, ~~or conversion,~~ or relocation;

(2) a description of the problem the project is designed to address;

(3) a description of the proposed project;

(4) an analysis of projected costs of the nursing facility proposal, including initial construction and remodeling costs; site preparation costs; financing costs, including the current estimated long-term financing costs of the proposal, which consists of estimates of the amount and sources of money, reserves if required under the proposed funding mechanism, annual payments schedule, interest rates, length of term, closing costs and fees, insurance costs, and any completed marketing study or underwriting review; and estimated operating costs during the first two years after completion of the project;

(5) for proposals involving replacement of all or part of a facility, the proposed location of the replacement facility and an estimate of the cost of addressing the problem through renovation;

- (6) for proposals involving renovation, an estimate of the cost of addressing the problem through replacement;
- (7) the proposed timetable for commencing construction and completing the project; and
- (8) a statement of any licensure or certification issues, such as certification survey deficiencies;
- (9) the proposed relocation plan for current residents if beds are to be closed so that the department of human services can estimate the total costs of a proposal; and
- (10) other information required by permanent rule of the commissioner of health in accordance with subdivisions 4 and 8.

Sec. 15. Minnesota Statutes 1994, 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 long-term care planning committee 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 committee shall appoint an advisory review panel composed of representatives of consumers and providers to review proposals and provide comments and recommendations to the committee. The commissioners of human services and health shall provide staff and technical assistance to the committee for the review and analysis of proposals. The interagency committee shall hold a public hearing before submitting recommendations to the commissioner of health on project requests. The committee 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 committee's recommendations. The advisory review panel, the committee, and the commissioner of health shall base their recommendations, approvals, or disapprovals on a comparison and ranking of proposals using only the criteria in subdivision 4 and in emergency and permanent rules adopted by the commissioner. 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 18 months after approval by the commissioner of health unless the facility has commenced construction as defined in section 144A.071, subdivision 1a, paragraph (d). The committee'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. 16. Minnesota Statutes 1994, section 144A.073, is amended by adding a subdivision to read:

Subd. 3c. [COST NEUTRAL RELOCATION PROJECTS.] (a) Notwithstanding subdivision 3, the interagency committee may at any time accept proposals, or amendments to proposals previously approved under this section, for relocations that are cost neutral with respect to state costs as defined in section 144A.071, subdivision 5a. The committee shall review these applications and make recommendations to the commissioner within 90 days. The committee must evaluate proposals according to subdivision 4, clauses (1), (2), and (3), and other criteria established in rule. The commissioner shall approve or disapprove a project within 30 days of receiving the committee's recommendation. Proposals and amendments approved under this subdivision are not subject to the six-mile limit in subdivision 5, paragraph (e).

(b) For the purposes of paragraph (a), cost neutrality shall be measured over the first three 12-month periods of operation after completion of the project.

Sec. 17. Minnesota Statutes 1994, section 144A.073, subdivision 4, is amended to read:

Subd. 4. [CRITERIA FOR REVIEW.] (a) The following criteria must shall be used in a consistent manner to compare and, evaluate, and rank all proposals submitted. Except for the criteria specified in clause (3), the application of criteria listed under this subdivision shall not reflect any distinction based on the geographic location of the proposed project:

~~(1) the extent to which the average occupancy rate of the facility supports the need for the proposed project;~~

~~(2) the extent to which the average occupancy rate of all facilities in the county in which the applicant is located, together with all contiguous Minnesota counties, supports the need for the proposed project;~~

~~(3) the extent to which the proposal furthers state long-term care goals, including the goals stated in section 144A.31, and including the goal of enhancing the availability and use of alternative care services and the goal of reducing the number of long-term care resident rooms with more than two beds;~~

~~(4) the cost effectiveness of the proposal, including (2) the proposal's long-term effects on the state costs of the medical assistance program, as determined by the commissioner of human services; and including the cost estimate of the project according to section 144A.071, subdivision 5a;~~

~~(5) other factors developed in rule by the commissioner of health that evaluate and assess how the proposed project will further promote or protect the health, safety, comfort, treatment, or well-being of the facility's residents.~~

~~(b) In addition to the criteria in paragraph (a), the following criteria must be used to evaluate, compare, and rank proposals involving renovation or replacement:~~

~~(3) the extent to which the proposal promotes equitable access to long-term care services in nursing homes through redistribution of the nursing home bed supply, as measured by the number of beds relative to the population 85 or older, projected to the year 2000 by the state demographer, and according to items (i) to (iv):~~

~~(i) reduce beds in counties where the supply is high, relative to the statewide mean, and increase beds in counties where the supply is low, relative to the statewide mean;~~

~~(ii) adjust the bed supply so as to create the greatest benefits in improving the distribution of beds;~~

~~(iii) adjust the existing bed supply in counties so that the bed supply in a county moves toward the statewide mean; and~~

~~(iv) adjust the existing bed supply so that the distribution of beds as projected for the year 2020 would be consistent with projected need, based on the methodology outlined in the interagency long-term care committee's 1993 nursing home bed distribution study;~~

~~(4) (4) the extent to which the project improves conditions that affect the health or safety of residents, such as narrow corridors, narrow door frames, unenclosed fire exits, and wood frame construction, and similar provisions contained in fire and life safety codes and licensure and certification rules;~~

~~(2) (5) the extent to which the project improves conditions that affect the comfort or quality of life of residents in a facility or the ability of the facility to provide efficient care, such as a relatively high number of residents in a room; inadequate lighting or ventilation; poor access to bathing or toilet facilities; a lack of available ancillary space for dining rooms, day rooms, or rooms used for other activities; problems relating to heating, cooling, or energy efficiency; inefficient location of nursing stations; narrow corridors; or other provisions contained in the licensure and certification rules;~~

~~(6) the extent to which the applicant demonstrates the delivery of quality care, as defined in state and federal statutes and rules, to residents as evidenced by the two most recent state agency certification surveys and the applicants' response to those surveys;~~

~~(7) the extent to which the project removes the need for waivers or variances previously granted by either the licensing agency, certifying agency, fire marshal, or local government entity; and~~

(8) other factors that may be developed in permanent rule by the commissioner of health that evaluate and assess how the proposed project will further promote or protect the health, safety, comfort, treatment, or well-being of the facility's residents.

Sec. 18. Minnesota Statutes 1994, 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.

(g) For proposals approved on January 13, 1994, under this section involving the replacement of 102 licensed and certified beds, the relocation of the existing first facility to the second and third locations under paragraphs (d) and (e) may include the relocation of up to 50 percent of the beds of the existing first facility to each of the locations. The six-mile limit in paragraph (e) does not apply to this relocation to the third location. Notwithstanding subdivision 3, construction of this project may be commenced any time prior to January 1, 1996.

Sec. 19. Minnesota Statutes 1994, section 144A.073, subdivision 8, is amended to read:

Subd. 8. [RULEMAKING.] The commissioner of health shall adopt ~~emergency or permanent~~ rules to implement this section. The permanent rules must be in accordance with and implement only the criteria listed in this section. The authority to adopt emergency permanent rules continues until December 30, 1988 July 1, 1996.

Sec. 20. Minnesota Statutes 1994, section 198.003, subdivision 3, is amended to read:

Subd. 3. [USE OF FACILITIES CAMPUS.] The board may allow veterans organizations or public or private social service, educational, or rehabilitation agencies or organizations and their clients to use surplus facilities space on a home's campus, staff, and other resources of the board and may require the participating agencies or organizations to pay for that use.

Sec. 21. Minnesota Statutes 1994, section 198.003, subdivision 4, is amended to read:

Subd. 4. [VETERANS HOMES RESOURCES ACCOUNT.] Money received by the board under subdivision 3 must be deposited in the state treasury and credited to a veterans homes resources account in the special revenue fund. Money in the account is appropriated to the board to operate, maintain, and ~~repair facilities~~ make repairs at the campus used under subdivision 3, and to pay including payment of associated legal fees and expenses.

Sec. 22. Minnesota Statutes 1994, section 256B.0641, subdivision 1, is amended to read:

Subdivision 1. [RECOVERY PROCEDURES; SOURCES.] Notwithstanding section 256B.72 or any law or rule to the contrary, when the commissioner or the federal government determines that an overpayment has been made by the state to any medical assistance vendor, the commissioner shall recover the overpayment as follows:

(1) if the federal share of the overpayment amount is due and owing to the federal government under federal law and regulations, the commissioner shall recover from the medical assistance vendor the federal share of the determined overpayment amount paid to that provider using the schedule of payments required by the federal government; ~~and~~

(2) if the overpayment to a medical assistance vendor is due to a retroactive adjustment made because the medical assistance vendor's temporary payment rate was higher than the established desk audit payment rate or because of a department error in calculating a payment rate, the commissioner shall recover from the medical assistance vendor the total amount of the overpayment within 120 days after the date on which written notice of the adjustment is sent to the medical assistance vendor or according to a schedule of payments approved by the commissioner; and

(3) a medical assistance vendor is liable for the overpayment amount owed by a long-term care provider if the vendors or their owners are under common control or ownership.

Sec. 23. Minnesota Statutes 1994, section 256B.431, subdivision 2j, is amended to read:

Subd. 2j. [HOSPITAL-ATTACHED NURSING FACILITY STATUS.] (a) For the purpose of setting rates under Minnesota Rules, parts 9549.0010 to 9549.0080, for rate years beginning after June 30, 1989, a hospital-attached nursing facility means a nursing facility which meets the requirements of clauses (1) to (3):

(1) the nursing facility is recognized by the federal Medicare program to be a hospital-based nursing facility for purposes of being subject to higher cost limits accorded hospital-based nursing facilities under the Medicare program, or, prior to June 30, 1983, was classified as a hospital-attached nursing facility under Minnesota Rules, parts 9510.0010 to 9510.0480, ~~provided that;~~

(2) the nursing facility's cost report filed under Minnesota Rules, parts 9549.0010 to 9549.0080, shall use the same cost allocation principles and methods used in the reports filed for the Medicare program except as provided in clause (3); and

(3) direct identification of costs to the nursing facility cost center will be permitted only when the comparable hospital costs have also been directly identified to a cost center which is not allocated to the nursing facility.

(b) For rate years beginning after June 30, 1989, a nursing facility and hospital, which have applied for hospital-based nursing facility status under the federal Medicare program during the reporting year or the nine-month period following the nursing facility's reporting year, shall be considered a hospital-attached nursing facility for purposes of setting payment rates under Minnesota Rules, parts 9549.0010 to 9549.0080, for the rate year following the reporting year or the nine-month period in which the facility made its Medicare application. The nursing facility must file its cost report or an amended cost report for that reporting year before the following rate year using Medicare principles and Medicare's recommended cost allocation methods had the Medicare program's hospital-based nursing facility status been granted to the nursing facility. For each subsequent rate year, the nursing facility must meet the definition requirements in paragraph (a). If the nursing facility is denied hospital-based nursing facility status under the Medicare program, the nursing facility's payment rates for the rate years the nursing facility was considered to be a hospital-attached nursing facility pursuant to this paragraph shall be recalculated treating the nursing facility as a non-hospital-attached nursing facility.

(c) For rate years beginning on or after July 1, 1995, a nursing facility shall be considered a hospital attached nursing facility for purposes of setting payment rates under Minnesota Rules, parts 9549.0010 to 9549.0080 and this section if it meets the requirements of paragraphs (a) and (b), and

(1) the hospital and nursing facility are physically attached or connected by a tunnel or skyway;
or

(2) the nursing facility was recognized by the Medicare program as hospital attached as of January 1, 1995, and this status has been maintained continuously.

Sec. 24. Minnesota Statutes 1994, section 256B.431, subdivision 15, is amended to read:

Subd. 15. [CAPITAL REPAIR AND REPLACEMENT COST REPORTING AND RATE CALCULATION.] For rate years beginning after June 30, 1993, a nursing facility's capital repair and replacement payment rate shall be established annually as provided in paragraphs (a) to (d) (e).

(a) Notwithstanding Minnesota Rules, part 9549.0060, subpart 12, the costs of ~~acquiring~~ any of the following items not included in the equity incentive computations under subdivision 16 or reported as a capital asset addition under subdivision 18, paragraph (b), including cash payment for equity investment and principal and interest expense for debt financing, shall ~~must~~ be reported in the capital repair and replacement cost category ~~when the cost of the item exceeds \$500:~~

- (1) wall coverings;
- (2) paint;
- (3) floor coverings;
- (4) window coverings;
- (5) roof repair; and
- (6) ~~heating or cooling system repair or replacement;~~
- (7) ~~window repair or replacement;~~

~~(8) initiatives designed to reduce energy usage by the facility if accompanied by an energy audit prepared by a professional engineer or architect registered in Minnesota, or by an auditor certified under Minnesota Rules, part 7635.0130, to do energy audits and the energy audit identifies the initiative as a conservation measure; and~~

~~(9) repair or replacement of capital assets not included in the equity incentive computations under subdivision 16.~~

(b) Notwithstanding Minnesota Rules, part 9549.0060, subpart 12, the repair or replacement of a capital asset not included in the equity incentive computations under subdivision 16 or reported as a capital asset addition under subdivision 18, paragraph (b), must be reported under this subdivision when the cost of the item exceeds \$500, or in the plant operations and maintenance cost category when the cost of the item is equal to or less than \$500.

(c) To compute the capital repair and replacement payment rate, the allowable annual repair and replacement costs for the reporting year must be divided by actual resident days for the reporting year. The annual allowable capital repair and replacement costs shall not exceed \$150 per licensed bed. The excess of the allowed capital repair and replacement costs over the capital repair and replacement limit shall be a cost carryover to succeeding cost reporting periods, except that sale of a facility, under subdivision 14, shall terminate the carryover of all costs except those incurred in the most recent cost reporting year. The termination of the carryover shall have effect on the capital repair and replacement rate on the same date as provided in subdivision 14, paragraph (f), for the sale. For rate years beginning after June 30, 1994, the capital repair and replacement limit shall be subject to the index provided in subdivision 3f, paragraph (a). For purposes of this subdivision, the number of licensed beds shall be the number used to calculate the nursing facility's capacity days. The capital repair and replacement rate must be added to the nursing facility's total payment rate.

~~(e)~~ (d) Capital repair and replacement costs under this subdivision shall not be counted as either care-related or other operating costs, nor subject to care-related or other operating limits.

~~(d)~~ (e) If costs otherwise allowable under this subdivision are incurred as the result of a project approved under the moratorium exception process in section 144A.073, or in connection with an addition to or replacement of buildings, attached fixtures, or land improvements for which the total historical cost of these assets exceeds the lesser of \$150,000 or ten percent of the nursing facility's appraised value, these costs must be claimed under subdivision 16 or 17, as appropriate.

Sec. 25. Minnesota Statutes 1994, section 256B.431, subdivision 17, 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 (1) has completed a construction project approved under section 144A.071, subdivision 4a, clause (m); (2) has completed a construction project approved under section 144A.071, subdivision 4a and effective after June 30, 1995; or (3) 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, subparts 5, item A, subitems (1) and (3), and 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.

(g) For purposes of this paragraph, a total replacement means the complete replacement of the nursing facility's physical plant through the construction of a new physical plant or the transfer of the nursing facility's license from one physical plant location to another. For total replacement projects completed on or after July 1, 1992, the commissioner shall compute the incremental change in the nursing facility's rental per diem, for rate years beginning on or after July 1, 1995, by replacing its appraised value, including the historical capital asset costs, and the capital debt and interest costs with the new nursing facility's allowable capital asset costs and the related

allowable capital debt and interest costs. If the new nursing facility has decreased its licensed capacity, the aggregate investment per bed limit in subdivision 3a, paragraph (d), shall apply. If the new nursing facility has retained a portion of the original physical plant for nursing facility usage, then a portion of the appraised value prior to the replacement must be retained and included in the calculation of the incremental change in the nursing facility's rental per diem. For purposes of this part, the original nursing facility means the nursing facility prior to the total replacement project. The portion of the appraised value to be retained shall be calculated according to clauses (1) to (3):

(1) The numerator of the allocation ratio shall be the square footage of the area in the original physical plant which is being retained for nursing facility usage.

(2) The denominator of the allocation ratio shall be the total square footage of the original nursing facility physical plant.

(3) Each component of the nursing facility's allowable appraised value prior to the total replacement project shall be multiplied by the allocation ratio developed by dividing clause (1) by clause (2).

In the case of either type of total replacement as authorized under section 144A.071 or 144A.073, the provisions of this subdivision shall also apply. For purposes of the moratorium exception authorized under section 144A.071, subdivision 4a, paragraph (s), if the total replacement involves the renovation and use of an existing health care facility physical plant, the new allowable capital asset costs and related debt and interest costs shall include first the allowable capital asset costs and related debt and interest costs of the renovation, to which shall be added the allowable capital asset costs of the existing physical plant prior to the renovation, and if reported by the facility, the related allowable capital debt and interest costs.

Sec. 26. Minnesota Statutes 1994, section 256B.431, is amended by adding a subdivision to read:

Subd. 25. [CHANGES TO NURSING FACILITY REIMBURSEMENT BEGINNING JULY 1, 1995.] The nursing facility reimbursement changes in paragraphs (a) to (g) shall apply in the sequence specified to Minnesota Rules, parts 9549.0010 to 9549.0080, and this section, beginning July 1, 1995.

(a) The eight-cent adjustment to care-related rates in subdivision 22, paragraph (e), shall no longer apply.

(b) For rate years beginning on or after July 1, 1995, the commissioner shall limit a nursing facility's allowable operating per diem for each case mix category for each rate year as in clauses (1) to (3).

(1) For the rate year beginning July 1, 1995, the commissioner shall group nursing facilities into two groups, freestanding and nonfreestanding, within each geographic group, using their operating cost per diem for the case mix A classification. A nonfreestanding nursing facility is a nursing facility whose other operating cost per diem is subject to the hospital attached, short length of stay, or the rule 80 limits. All other nursing facilities shall be considered freestanding nursing facilities. The commissioner shall then array all nursing facilities in each grouping by their allowable case mix A operating cost per diem. In calculating a nursing facility's operating cost per diem for this purpose, the commissioner shall exclude the raw food cost per diem related to providing special diets that are based on religious beliefs, as determined in subdivision 2b, paragraph (h). For those nursing facilities in each grouping whose case mix A operating cost per diem:

(i) is at or below the median minus 1.0 standard deviation of the array, the commissioner shall limit the nursing facility's allowable operating cost per diem for each case mix category to the lesser of the prior reporting year's allowable operating cost per diem plus the inflation factor as established in paragraph (f), clause (2), increased by six percentage points, or the current reporting year's corresponding allowable operating cost per diem;

(ii) is between minus .5 standard deviation and minus 1.0 standard deviation below the median

of the array, the commissioner shall limit the nursing facility's allowable operating cost per diem for each case mix category to the lesser of the prior reporting year's allowable operating cost per diems plus the inflation factor as established in paragraph (f), clause (2), increased by four percentage points, or the current reporting year's corresponding allowable operating cost per diem;
or

(iii) is equal to or above minus .5 standard deviation below the median of the array, the commissioner shall limit the nursing facility's allowable operating cost per diem for each case mix category to the lesser of the prior reporting year's allowable operating cost per diems plus the inflation factor as established in paragraph (f), clause (2), increased by three percentage points, or the current reporting year's corresponding allowable operating cost per diem.

(2) For the rate year beginning on July 1, 1996, the commissioner shall limit the nursing facility's allowable operating cost per diem for each case mix category to the lesser of the prior reporting year's allowable operating cost per diems plus the inflation factor as established in paragraph (f), clause (2), increased by one percentage point or the current reporting year's corresponding allowable operating cost per diems; and

(3) For rate years beginning on or after July 1, 1997, the commissioner shall limit the nursing facility's allowable operating cost per diem for each case mix category to the lesser of the reporting year prior to the current reporting year's allowable operating cost per diems plus the inflation factor as established in paragraph (f), clause (2), or the current reporting year's corresponding allowable operating cost per diems.

(c) For rate years beginning on July 1, 1995, the commissioner shall limit the allowable operating cost per diems for high cost nursing facilities. After application of the limits in paragraph (b) to each nursing facility's operating cost per diems, the commissioner shall group nursing facilities into two groups, freestanding or nonfreestanding, within each geographic group. A nonfreestanding nursing facility is a nursing facility whose other operating cost per diems are subject to hospital attached, short length of stay, or rule 80 limits. All other nursing facilities shall be considered freestanding nursing facilities. The commissioner shall then array all nursing facilities within each grouping by their allowable case mix A operating cost per diems. In calculating a nursing facility's operating cost per diem for this purpose, the commissioner shall exclude the raw food cost per diem related to providing special diets that are based on religious beliefs, as determined in subdivision 2b, paragraph (h). For those nursing facilities in each grouping whose case mix A operating cost per diem exceeds 1.0 standard deviation above the median, the commissioner shall reduce their allowable operating cost per diems by two percent. For those nursing facilities in each grouping whose case mix A operating cost per diem exceeds 0.5 standard deviation above the median but is less than or equal to 1.0 standard deviation above the median, the commissioner shall reduce their allowable operating cost per diems by one percent.

(d) For rate years beginning on or after July 1, 1996, the commissioner shall limit the allowable operating cost per diems for high cost nursing facilities. After application of the limits in paragraph (b) to each nursing facility's operating cost per diems, the commissioner shall group nursing facilities into two groups, freestanding or nonfreestanding, within each geographic group. A nonfreestanding nursing facility is a nursing facility whose other operating cost per diems are subject to hospital attached, short length of stay, or rule 80 limits. All other nursing facilities shall be considered freestanding nursing facilities. The commissioner shall then array all nursing facilities within each grouping by their allowable case mix A operating cost per diems. In calculating a nursing facility's operating cost per diem for this purpose, the commissioner shall exclude the raw food cost per diem related to providing special diets that are based on religious beliefs, as determined in subdivision 2b, paragraph (h). In those nursing facilities in each grouping whose case mix A operating cost per diem exceeds 1.0 standard deviation above the median, the commissioner shall reduce their allowable operating cost per diems by three percent. For those nursing facilities in each grouping whose case mix A operating cost per diem exceeds 0.5 standard deviation above the median but is less than or equal to 1.0 standard deviation above the median, the commissioner shall reduce their allowable operating cost per diems by two percent.

(e) For rate years beginning on or after July 1, 1995, the commissioner shall determine a nursing facility's efficiency incentive by first computing the allowable difference, which is the

lesser of \$4.50 or the amount by which the facility's other operating cost limit exceeds its nonadjusted other operating cost per diem for that rate year. The commissioner shall compute the efficiency incentive by:

- (1) subtracting the allowable difference from \$4.50 and dividing the result by \$4.50;
- (2) multiplying 0.20 by the ratio resulting from clause (1), and then;
- (3) adding 0.50 to the result from clause (2); and
- (4) multiplying the result from clause (3) times the allowable difference.

The nursing facility's efficiency incentive payment shall be the lesser of \$2.25 or the product obtained in clause (4).

(f) For rate years beginning on or after July 1, 1995, the forecasted price index for a nursing facility's allowable operating cost per diems shall be determined under clause (1) to (3) using the change in the Consumer Price Index-All Items (United States city average) (CPI-U) or the change in the Nursing Home Market Basket, both as forecasted by Data Resources Inc. whichever is applicable. The commissioner shall use the indices as forecasted in the fourth quarter of the calendar year preceding the rate year, subject to subdivision 21, paragraph (c). If, as a result of federal legislative or administrative action, the methodology used to calculate the Consumer Price Index-All Items (United States city average) (CPI-U) changes, the commissioner shall develop a conversion factor or other methodology to convert the CPI-U index factor that results from the new methodology to an index factor that approximates, as closely as possible, the index factor that would have resulted from application of the original CPI-U methodology prior to any changes in methodology. The commissioner shall use the conversion factor or other methodology to calculate an adjusted inflation index. The adjusted inflation index must be used to calculate payment rates under this section instead of the CPI-U index specified in paragraph (d). If the commissioner is required to develop an adjusted inflation index, the commissioner shall report to the legislature as part of the next budget submission the fiscal impact of applying this index.

(1) The CPI-U forecasted index for allowable operating cost per diems shall be based on the 21-month period from the midpoint of the nursing facility's reporting year to the midpoint of the rate year following the reporting year.

(2) The Nursing Home Market Basket forecasted index for allowable operating costs and per diem limits shall be based on the 12-month period between the midpoints of the two reporting years preceding the rate year.

(3) For rate years beginning on or after July 1, 1996, the forecasted index for operating cost limits referred to in subdivision 21, paragraph (b), shall be based on the CPI-U for the 12-month period between the midpoints of the two reporting years preceding the rate year.

(g) After applying these provisions for the respective rate years, the commissioner shall index these allowable operating costs per diems by the inflation factor provided for in paragraph (f), clause (1), and add the nursing facility's efficiency incentive as computed in paragraph (e).

Sec. 27. Minnesota Statutes 1994, section 256B.432, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given them.

(a) "Management agreement" means an agreement in which one or more of the following criteria exist:

(1) the central, affiliated, or corporate office has or is authorized to assume day-to-day operational control of the ~~long-term care~~ nursing facility for any six-month period within a 24-month period. "Day-to-day operational control" means that the central, affiliated, or corporate office has the authority to require, mandate, direct, or compel the employees of the ~~long-term care~~ nursing facility to perform or refrain from performing certain acts, or to supplant or take the place of the top management of the ~~long-term care~~ nursing facility. "Day-to-day operational control" includes the authority to hire or terminate employees or to provide an employee of the central, affiliated, or corporate office to serve as administrator of the ~~long-term care~~ nursing facility;

(2) the central, affiliated, or corporate office performs or is authorized to perform two or more of the following: the execution of contracts; authorization of purchase orders; signature authority for checks, notes, or other financial instruments; requiring the ~~long-term care~~ nursing facility to use the group or volume purchasing services of the central, affiliated, or corporate office; or the authority to make annual capital expenditures for the ~~long-term care~~ nursing facility exceeding \$50,000, or \$500 per licensed bed, whichever is less, without first securing the approval of the ~~long-term care~~ nursing facility board of directors;

(3) the central, affiliated, or corporate office becomes or is required to become the licensee under applicable state law;

(4) the agreement provides that the compensation for services provided under the agreement is directly related to any profits made by the ~~long-term care~~ nursing facility; or

(5) the ~~long-term care~~ nursing facility entering into the agreement is governed by a governing body that meets fewer than four times a year, that does not publish notice of its meetings, or that does not keep formal records of its proceedings.

(b) "Consulting agreement" means any agreement the purpose of which is for a central, affiliated, or corporate office to advise, counsel, recommend, or suggest to the owner or operator of the nonrelated ~~long-term care~~ nursing facility measures and methods for improving the operations of the ~~long-term care~~ nursing facility.

(c) "~~Long-term care~~ Nursing facility" means a nursing facility whose medical assistance rates are determined according to section 256B.431 ~~or an intermediate care facility for persons with mental retardation and related conditions whose medical assistance rates are determined according to section 256B.501.~~

Sec. 28. Minnesota Statutes 1994, section 256B.432, subdivision 2, is amended to read:

Subd. 2. [EFFECTIVE DATE.] For rate years beginning on or after July 1, 1990, the central, affiliated, or corporate office cost allocations in subdivisions 3 to 6 must be used when determining medical assistance rates under sections 256B.431 and ~~256B.501~~ 256B.50.

Sec. 29. Minnesota Statutes 1994, section 256B.432, subdivision 3, is amended to read:

Subd. 3. [ALLOCATION; DIRECT IDENTIFICATION OF COSTS OF ~~LONG-TERM CARE NURSING~~ FACILITIES; MANAGEMENT AGREEMENT.] All costs that can be directly identified with a specific ~~long-term care~~ nursing facility that is a related organization to the central, affiliated, or corporate office, or that is controlled by the central, affiliated, or corporate office under a management agreement, must be allocated to that ~~long-term care~~ nursing facility.

Sec. 30. Minnesota Statutes 1994, section 256B.432, subdivision 5, is amended to read:

Subd. 5. [ALLOCATION OF REMAINING COSTS; ALLOCATION RATIO.] (a) After the costs that can be directly identified according to subdivisions 3 and 4 have been allocated, the remaining central, affiliated, or corporate office costs must be allocated between the ~~long-term care~~ nursing facility operations and the other activities or facilities unrelated to the ~~long-term care~~ nursing facility operations based on the ratio of total operating costs.

(b) For purposes of allocating these remaining central, affiliated, or corporate office costs, the numerator for the allocation ratio shall be determined as follows:

(1) for ~~long-term care~~ nursing facilities that are related organizations or are controlled by a central, affiliated, or corporate office under a management agreement, the numerator of the allocation ratio shall be equal to the sum of the total operating costs incurred by each related organization or controlled ~~long-term care~~ nursing facility;

(2) for a central, affiliated, or corporate office providing goods or services to related organizations that are not ~~long-term care~~ nursing facilities, the numerator of the allocation ratio shall be equal to the sum of the total operating costs incurred by the ~~non-long-term care~~ nonnursing facility related organizations;

(3) for a central, affiliated, or corporate office providing goods or services to unrelated ~~long-term-care~~ nursing facilities under a consulting agreement, the numerator of the allocation ratio shall be equal to the greater of directly identified central, affiliated, or corporate costs or the contracted amount; or

(4) for business activities that involve the providing of goods or services to unrelated parties which are not ~~long-term-care~~ nursing facilities, the numerator of the allocation ratio shall be equal to the greater of directly identified costs or revenues generated by the activity or function.

(c) The denominator for the allocation ratio is the sum of the numerators in paragraph (b), clauses (1) to (4).

Sec. 31. Minnesota Statutes 1994, section 256B.432, subdivision 6, is amended to read:

Subd. 6. [COST ALLOCATION BETWEEN ~~LONG-TERM-CARE~~ NURSING FACILITIES.]

(a) Those ~~long-term-care~~ nursing operations that have ~~long-term-care~~ nursing facilities both in Minnesota and comparable facilities outside of Minnesota must allocate the ~~long-term-care~~ nursing operation's central, affiliated, or corporate office costs identified in subdivision 5 to Minnesota based on the ratio of total resident days in Minnesota ~~long-term-care~~ nursing facilities to the total resident days in all facilities.

(b) The Minnesota ~~long-term-care~~ nursing operation's central, affiliated, or corporate office costs identified in paragraph (a) must be allocated to each Minnesota ~~long-term-care~~ nursing facility on the basis of resident days.

Sec. 32. [256B.434] [CONTRACTUAL ALTERNATIVE PAYMENT DEMONSTRATION PROJECT FOR NURSING HOMES.]

Subdivision 1. [ALTERNATIVE PAYMENT DEMONSTRATION PROJECT ESTABLISHED.] The commissioner of human services shall establish a contractual alternative payment demonstration project for paying for nursing facility services under the medical assistance program. A nursing facility may apply to be paid under the contractual alternative payment demonstration project instead of the cost-based payment system established under section 256B.431. A nursing facility electing to use the alternative payment demonstration project must enter into a contract with the commissioner. Payment rates and procedures for facilities electing to use the alternative payment demonstration project are determined and governed by this section and by the terms of the contract. The commissioner may negotiate different contract terms for different nursing facilities.

Subd. 2. [REQUESTS FOR PROPOSALS.] (a) No later than August 1, 1995, the commissioner shall publish in the State Register a request for proposals to provide nursing facility services according to this section. The commissioner shall issue two additional requests for proposals prior to July 1, 1997, based upon a timetable established by the commissioner. The commissioner must respond to all proposals in a timely manner.

(b) The commissioner may reject any proposal if, in the judgment of the commissioner, a contract with a particular facility is not in the best interests of the residents of the facility or the state of Minnesota. The commissioner may accept up to the number of proposals that can be adequately supported with available state resources, as determined by the commissioner, except that the commissioner shall not contract with more than 40 nursing facilities as part of any request for proposals. The commissioner may accept proposals from a single nursing facility or from a group of facilities through a managing entity. The commissioner shall seek to ensure that nursing facilities under contract are located in all geographic areas of the state. The commissioner shall present recommendations to the legislature by February 1, 1996, on the number of nursing facility contracts that may be entered into by the commissioner as a result of a request for proposals.

(c) In issuing the request for proposals, the commissioner may develop reasonable requirements which, in the judgment of the commissioner, are necessary to protect residents or ensure that the contractual alternative payment demonstration project furthers the interest of the state of Minnesota. The request for proposals may include, but need not be limited to, the following:

(1) a requirement that a nursing facility make reasonable efforts to maximize Medicare payments on behalf of eligible residents;

(2) requirements designed to prevent inappropriate or illegal discrimination against residents enrolled in the medical assistance program as compared to private paying residents;

(3) requirements designed to ensure that admissions to a nursing facility are appropriate and that reasonable efforts are made to place residents in home and community-based settings when appropriate;

(4) a requirement to agree to participate in a project to develop data collection systems and outcome-based standards for managed care contracting for long-term care services. Among other requirements specified by the commissioner, each facility entering into a contract may be required to pay an annual fee in an amount determined by the commissioner not to exceed \$50 per bed. Revenue generated from the fees is appropriated to the commissioner and must be used to contract with a qualified consultant or contractor to develop data collection systems and outcome-based contracting standards;

(5) a requirement that contractors agree to maintain Medicare cost reports and to submit them to the commissioner upon request or at times specified by the commissioner;

(6) a requirement for demonstrated willingness and ability to develop and maintain data collection and retrieval systems to be used in measuring outcomes; and

(7) a requirement to provide all information and assurances required by the terms and conditions of the federal waiver or federal approval.

(d) In addition to the information and assurances contained in the submitted proposals, the commissioner may consider the following in determining whether to accept or deny a proposal:

(1) the facility's history of compliance with federal and state laws and rules;

(2) whether the facility has a record of excessive licensure fines or sanctions or fraudulent cost reports;

(3) financial history and solvency; and

(4) other factors identified by the commissioner that the commissioner deems relevant to a determination that a contract with a particular facility is not in the best interests of the residents of the facility or the state of Minnesota.

(e) If the commissioner rejects the proposal of a nursing facility, the commissioner shall provide written notice to the facility of the reason for the rejection, including the factors and evidence upon which the rejection was based.

Subd. 3. [DURATION AND TERMINATION OF CONTRACTS.] (a) Subject to available resources, the commissioner may begin to execute contracts with nursing facilities November 1, 1995.

(b) All contracts entered into under this section are for a term of four years. Either party may terminate a contract effective July 1 of any year by providing written notice to the other party no later than April 1 of that year. If neither party provides written notice of termination by April 1, the contract is automatically renewed for the next rate year. The parties may voluntarily renegotiate the terms of the contract at any time by mutual agreement.

(c) If a nursing facility fails to comply with the terms of a contract, the commissioner shall provide reasonable notice regarding the breach of contract and a reasonable opportunity for the facility to come into compliance. If the facility fails to come into compliance or to remain in compliance, the commissioner may terminate the contract. If a contract is terminated, the contract payment remains in effect for the remainder of the rate year in which the contract was terminated, but in all other respects the provisions of this section do not apply to that facility effective the date the contract is terminated. The contract shall contain a provision governing the transition back to the cost-based reimbursement system established under section 256B.431, subdivision 25, and Minnesota Rules, parts 9549.0010 to 9549.0080. A contract entered into under this section may be amended by mutual agreement of the parties.

Subd. 4. [ALTERNATE RATES FOR NURSING FACILITIES.] (a) For nursing facilities which have their payment rates determined under this section rather than section 256B.431, subdivision 25, the commissioner shall establish a rate under this subdivision. The nursing facility must enter into a written contract with the commissioner.

(b) A nursing facility's case mix payment rate for the first rate year of a facility's contract under this section is the payment rate the facility would have received under section 256B.431, subdivision 25.

(c) A nursing facility's case mix payment rates for the second and subsequent years of a facility's contract under this section are the previous rate year's contract payment rates plus an inflation adjustment. The index for the inflation adjustment must be based on the change in the Consumer Price Index-All Items (United States City average) (CPI-U) forecasted by Data Resources, Inc., as forecasted in the fourth quarter of the calendar year preceding the rate year. The inflation adjustment must be based on the 12-month period from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined.

(d) The commissioner may develop additional incentive-based payments of up to five percent above the standard contract rate for achieving outcomes specified in each contract. The incentive system may be implemented for contract rate years beginning on or after July 1, 1996. The specified outcomes must be measurable and must be based on criteria to be developed by the commissioner. The commissioner may establish, for each contract, various levels of achievement within an outcome. After the outcomes have been specified the commissioner shall assign various levels of payment associated with achieving the outcome. Any incentive-based payment cancels if there is a termination of the contract. In establishing the specified outcomes and related criteria the commissioner shall consider the following state policy objectives:

- (1) improved cost effectiveness and quality of life as measured by improved clinical outcomes;
- (2) successful diversion or discharge to community alternatives;
- (3) decreased acute care costs;
- (4) improved consumer satisfaction;
- (5) the achievement of quality; or
- (6) any additional outcomes the commissioner finds desirable.

Subd. 5. [PRIVATE PAY RATES.] (a) Notwithstanding section 256B.48, subdivision 1, paragraph (a), the commissioner shall determine the maximum private pay case mix payment rates for nursing facilities that have entered into an alternative payment demonstration contract under this section as specified in this subdivision. Nothing in this section shall limit the exceptions for private pay rates authorized under section 256B.48, subdivision 1, paragraph (a).

(b) The maximum private pay rate for short-stay private paying residents who are discharged from the facility less than 101 days after admission is an amount equal to the greater of the Medicare payment rate for that facility or the resident's medical assistance case mix payment rate. For the first year of an alternative payment demonstration project contract the commissioner shall establish a maximum private paying rate for short-stay residents that is based on a nursing facility's estimated Medicare payment rate. When actual Medicare final rates are determined, the nursing facility shall retroactively adjust a private paying resident's rates and provide a refund or credit if the amount actually paid by the resident exceeds the amount that would have been paid using Medicare rates.

(c) When a private paying resident is admitted, a nursing facility shall determine, based on the resident's care plan, whether the resident is likely to be discharged less than 101 days after admission. If the resident is likely to be discharged less than 101 days after admission, the nursing facility may charge a short-stay private pay rate up to the maximum specified in paragraph (b). If the resident remains in the facility for longer than 100 days, the facility shall retroactively reduce the resident's payments to the maximum long-term rate specified in subdivision 4 effective from the date of admission and shall reimburse the resident for the overpayment. At the resident's option, the facility may reimburse residents for overpayments by providing a refund or a credit to

be applied to future payments, or a combination of both, subject to the facility's right to offset for past-due payments. If the facility determines, based on the care plan, that the resident is likely to remain in the facility for longer than 100 days, the facility shall not charge a private pay rate greater than the maximum rate specified in subdivision 4.

(d) The provisions of paragraphs (b) and (c) do not apply to short-stay residents admitted prior to the effective date of a demonstration project contract.

Subd. 6. [CONTRACT PAYMENT RATES; APPEALS.] If an appeal is pending concerning the cost-based payment rates that are the basis for the calculation of the payment rate under the alternative payment demonstration project, the commissioner and the nursing facility may agree on an interim contract rate to be used until the appeal is resolved. When the appeal is resolved, the contract rate must be adjusted retroactively in accordance with the appeal decision.

Subd. 7. [CASE MIX ASSESSMENTS.] The commissioner may allow a contract facility to develop and implement a case mix assessment using the federal minimum data set resident assessment.

Subd. 8. [OPTIONAL HIGHER PAYMENTS FOR FIRST 100 DAYS.] The commissioner may include in the contract with a nursing facility under this section a higher rate for the first 100 days after admission than for subsequent days. The rate for the subsequent days must be reduced so that the estimated total cost to the medical assistance program will not exceed the estimated cost without the differential payment rates.

Subd. 9. [MANAGED CARE CONTRACTS FOR OTHER SERVICES.] Beginning July 1, 1995, the commissioner may contract with nursing facilities that have entered into alternative payment demonstration project contracts under this section to provide medical assistance services other than nursing facility care to residents of the facility under a prepaid, managed care payment system. For purposes of contracts entered into under this subdivision, the commissioner may waive one or more of the requirements for payment for ancillary services in section 256B.433. Managed care contracts for other services may be entered into at any time during the duration of a nursing facility's alternative payment demonstration project contract, and the terms of the managed care contracts need not coincide with the terms of the alternative payment demonstration project contract.

Subd. 10. [EXEMPTIONS.] (a) To the extent permitted by federal law, (1) a facility that has entered into a contract under this section is not required to file a cost report, as defined in Minnesota Rules, part 9549.0020, subpart 13, for any year after the base year that is the basis for the calculation of the contract payment rate for the first rate year of the alternative payment demonstration project contract; and (2) a facility under contract is not subject to audits of historical costs or revenues, or paybacks or retroactive adjustments based on these costs or revenues, except audits, paybacks, or adjustments relating to the cost report that is the basis for calculation of the first rate year under the contract.

(b) A facility that is under contract with the commissioner under this section is not subject to the moratorium on licensure or certification of new nursing home beds in section 144A.071, unless the project results in a net increase in bed capacity or involves relocation of beds from one site to another. Contract payment rates must not be adjusted to reflect any additional costs that a nursing facility incurs as a result of a construction project undertaken under this paragraph. In addition, as a condition of entering into a contract under this section, a nursing facility must agree that any future medical assistance payments for nursing facility services will not reflect any additional costs attributable to the sale of a nursing facility under this section and to construction undertaken under this paragraph that otherwise would not be authorized under the moratorium in sections 144A.071 and 144A.073. Nothing in this section prevents a nursing facility participating in the alternative payment demonstration project under this section from seeking approval of an exception to the moratorium through the process established in section 144A.071, and if approved the facility's rates shall be adjusted to reflect the cost of the project.

(c) Notwithstanding section 256B.48, subdivision 6, paragraphs (c), (d), and (e), and pursuant to any terms and conditions contained in the facility's contract, a nursing facility that is under contract with the commissioner under this section is in compliance with section 256B.48, subdivision 6, paragraph (b), if the facility is Medicare certified.

(d) Notwithstanding paragraph (a), if by April 1, 1996, the health care financing administration has not approved a required waiver, or the health care financing administration otherwise requires cost reports to be filed prior to the waiver's approval, the commissioner shall require a cost report for the rate year.

Subd. 11. [CONSUMER PROTECTION.] As a condition of entering into a contract under this section, a nursing facility must agree to establish resident grievance procedures that are similar to those required under section 256.045, subdivision 3. The commissioner may also require nursing facilities to establish expedited grievance procedures to resolve complaints made by short-stay residents. The facility must notify its resident council of its intent to enter into a contract and must consult with the council regarding any changes in operation expected as a result of the contract.

Subd. 12. [CONTRACTS ARE VOLUNTARY.] Participation of nursing facilities in the alternative payment demonstration project is voluntary. The terms and procedures governing the alternative payment demonstration project are determined under this section and through negotiations between the commissioner and nursing facilities that have submitted a letter of intent to participate in the alternative demonstration project. For purposes of developing requests for proposals and contract requirements, and negotiating the terms, conditions, and requirements of contracts the commissioner is exempt from the rulemaking requirements in chapter 14.

Subd. 13. [PAYMENT SYSTEM REFORM ADVISORY COMMITTEE.] (a) The commissioner, in consultation with an advisory committee, shall study options for reforming the regulatory and reimbursement system for nursing facilities to reduce the level of regulation, reporting, and procedural requirements, and to provide greater flexibility and incentives to stimulate competition and innovation. The advisory committee shall include, at a minimum, representatives from the long-term care provider community, the department of health, and consumers of long-term care services. The advisory committee sunsets on June 30, 1997. Among other things, the commissioner shall consider the feasibility and desirability of changing from a certification requirement to an accreditation requirement for participation in the medical assistance program, options to encourage early discharge of short-term residents through the provision of intensive therapy, and further modifications needed in rate equalization. The commissioner shall also include detailed recommendations for a permanent managed care payment system to replace the contractual alternative payment demonstration project authorized under this section. The commissioner shall submit a report with findings and recommendations to the legislature by January 15, 1997.

(b) If a permanent managed care payment system has not been enacted into law by July 1, 1997, the commissioner shall develop and implement a transition plan to enable nursing facilities under contract with the commissioner under this section to revert to the cost-based payment system at the expiration of the alternative payment demonstration project. The commissioner shall include in the alternative payment demonstration project contracts entered into under this section a provision to permit an amendment to the contract to be made after July 1, 1997, governing the transition back to the cost-based payment system. The transition plan and contract amendments are not subject to rulemaking requirements.

Subd. 14. [FEDERAL REQUIREMENTS.] The commissioner shall implement the contractual alternative payment demonstration project subject to any required federal waivers or approval and in a manner that is consistent with federal requirements. If a provision of this section is inconsistent with a federal requirement the federal requirement supersedes the inconsistent provision. The commissioner shall seek federal approval and request waivers as necessary to implement this section.

Subd. 15. [EXTERNAL REVIEW PANEL.] The commissioner may establish an external review panel consisting of persons appointed by the commissioner for their expertise on issues relating to nursing facility services, quality, payment systems, and other matters, to advise the commissioner on the development and implementation of the contractual alternative payment demonstration project and to assist the commissioner in assessing the quality of care provided and evaluating a facility's compliance with performance standards specified in a contract. The external review panel must include, among other members, representatives of nursing facilities.

Subd. 16. [ALTERNATIVE CONTRACTS.] The commissioner may also contract with

nursing facilities in other ways through requests for proposals, including contracts on a risk or nonrisk basis, with nursing facilities or consortia of nursing facilities, to provide comprehensive long-term care coverage on a premium or capitated basis.

Subd. 17. [REPORT.] The commissioner shall report to the legislature by January 15, 1997, regarding the impact of the alternative payment demonstration project. In assessing the impact, the commissioner may examine elements of the project including consumer satisfaction, quality of care, adequacy of services, timeliness in the delivery of services, and other elements determined appropriate by the commissioner. In developing this report, the commissioner may involve appropriate consumer advocate groups as needed to assist in monitoring and evaluating changes in a nursing facility's behavior, including the monitoring and evaluation of issues involving resident protection. The report must include recommendations for reimbursement of nursing homes after June 30, 1997, based on experience with the demonstration project.

Sec. 33. Minnesota Statutes 1994, section 256B.501, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms have the meaning given them.

(a) "Commissioner" means the commissioner of human services.

(b) "Facility" means a facility licensed as a mental retardation residential facility under section 252.28, licensed as a supervised living facility under chapter 144, and certified as an intermediate care facility for persons with mental retardation or related conditions. The term does not include a state regional treatment center.

(c) "Waivered service" means home or community-based service authorized under United States Code, title 42, section 1396n(c), as amended through December 31, 1987, and defined in the Minnesota state plan for the provision of medical assistance services. Waivered services include, at a minimum, case management, family training and support, developmental training homes, supervised living arrangements, semi-independent living services, respite care, and training and habilitation services.

Sec. 34. Minnesota Statutes 1994, section 256B.501, subdivision 3, is amended to read:

Subd. 3. [RATES FOR INTERMEDIATE CARE FACILITIES FOR PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS.] The commissioner shall establish, by rule, procedures for determining rates for care of residents of intermediate care facilities for persons with mental retardation or related conditions. ~~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 facilities.~~ In developing the procedures, the commissioner shall include:

(a) cost containment measures that assure efficient and prudent management of capital assets and operating cost increases which do not exceed increases in other sections of the economy;

(b) limits on the amounts of reimbursement for property, ~~general and administration~~, and new facilities;

(c) requirements to ensure that the accounting practices of the facilities conform to generally accepted accounting principles;

(d) incentives to reward accumulation of equity;

~~(e) a revaluation on sale between unrelated organizations for a facility that, for at least three years before its use as an intermediate care facility, has been used by the seller as a single family home and been claimed by the seller as a homestead, and was not revalued immediately prior to or upon entering the medical assistance program, provided that the facility revaluation not exceed the amount permitted by the Social Security Act, section 1902(a)(13); and rule revisions which:~~

(1) combine the program, maintenance, and administrative operating cost categories, and professional liability and real estate insurance expenses into one general operating cost category;

(2) eliminate the maintenance and administrative operating cost category limits and account for disallowances under the rule existing on the effective date of this section in the revised rule. If this provision is later invalidated, the total administrative cost disallowance shall be deducted from economical facility payments in clause (3);

(3) establish an economical facility incentive that rewards facilities that provide all appropriate services in a cost-effective manner and penalizes reductions of either direct service wages or standardized hours of care per resident;

(4) establish a best practices award system that is based on outcome measures and that rewards quality, innovation, cost effectiveness, and staff retention;

(5) establish compensation limits for employees on the basis of full-time employment and the developmentally disabled client base of a provider group or facility. The commissioner may consider the inclusion of hold harmless provisions;

(6) establish overall limits on a high cost facility's general operating costs. The commissioner shall consider groupings of facilities that account for a significant variation in cost. The commissioner may differentiate in the application of these limits between high and very high cost facilities. The limits, once established, shall be indexed for inflation and may be rebased by the commissioner;

(7) utilize the client assessment information obtained from the application of the provisions in subdivision 3g for the revisions in clauses (3), (4), and (6); and

(8) develop cost allocation principles which are based on facility expenses; and

(f) appeals procedures that satisfy the requirements of section 256B.50 for appeals of decisions arising from the application of standards or methods pursuant to Minnesota Rules, parts 9510.0500 to 9510.0890, 9553.0010 to 9553.0080, and 12 MCAR 2.05301 to 2.05315 (temporary).

~~In establishing rules and procedures for setting rates for care of residents in intermediate care facilities for persons with mental retardation or related conditions, the commissioner shall consider the recommendations contained in the February 11, 1983, Report of the Legislative Auditor on Community Residential Programs for the Mentally Retarded and the recommendations contained in the 1982 Report of the Department of Public Welfare Rule 52 Task Force. Rates paid to supervised living facilities for rate years beginning during the fiscal biennium ending June 30, 1985, shall not exceed the final rate allowed the facility for the previous rate year by more than five percent.~~

Sec. 35. Minnesota Statutes 1994, 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. The commissioner shall use the Consumer Price Index-All Items (United States city average) (CPI-U) as forecasted by Data Resources, Inc., to take into account economic trends and conditions for changes in facility allowable historical general operating costs and limits. The forecasted index shall be established for allowable historical general operating costs as follows:

(1) the CPI-U forecasted index for allowable historical general operating costs shall be determined in the first quarter of the calendar year in which the rate year begins, and shall be based on the 21-month period from the midpoint of the facility's reporting year to the midpoint of the rate year following the reporting year; and

(2) for rate years beginning on or after October 1, 1995, the CPI-U forecasted index for the overall operating cost limits and for the individual compensation limit shall be determined in the first quarter of the calendar year in which the rate year begins, and shall be based on the 12-month period between the midpoints of the two reporting years preceding the rate year.

Sec. 36. Minnesota Statutes 1994, section 256B.501, subdivision 3g, is amended to read:

~~Subd. 3g. [ASSESSMENT OF RESIDENTS CLIENTS.] (a) To establish the service characteristics of residents clients, the quality assurance and review teams in the department of health Minnesota department of health case mix review program shall assess all residents clients annually, beginning January 1, 1989, using a uniform assessment instrument developed by the commissioner. This instrument shall include assessment of the services identified as needed and provided to each client to address behavioral needs, integration into the community, ability to perform activities of daily living, medical and therapeutic needs, and other relevant factors determined by the commissioner. By January 30, 1994, the commissioner shall report to the legislature on:~~

~~(1) the assessment process and scoring system utilized;~~

~~(2) possible utilization of assessment information by facilities for management purposes; and~~

~~(3) possible application of the assessment for purposes of adjusting the operating cost rates of facilities based on a comparison of client services characteristics, resource needs, and costs. The facility's qualified mental retardation professional (QMRP) with primary responsibility for the client's individual program plan, in conjunction with the interdisciplinary team, shall assess each client who is newly admitted to a facility. This assessment must occur within 30 days from the date of admission during the interdisciplinary team meeting.~~

(b) All client assessments must be conducted as set forth in the manual, Minnesota ICF/MR Client Assessment Manual, February 1995, hereinafter referred to in this subdivision as the manual. Client assessments completed by the case mix review program and the facility QMRP must be recorded on assessment forms developed by the commissioner of health. The facility QMRP must complete the assessment form, submit it to the case mix review program, and mail a copy to the client's case manager within ten working days following the interdisciplinary team meeting.

(c) The case mix review program shall score assessments according to attachment E of the manual in the assessment domains of personal interaction, independence, and integration, challenging behaviors and preventive practice, activities of daily living, and special treatments. Scores must be based on information from the assessment form. A client's score from each assessment domain shall be used to determine that client's classification.

(d) The commissioner of health shall determine and assign classifications for each client using the procedures specified in attachment F of the manual. The commissioner of health shall assign

the client classification within 15 working days after receiving the completed assessment form submitted by the case mix review program team or the facility QMRP. The classification for a newly admitted client is effective retroactive to the date of the client's admission. If a facility QMRP submits an incomplete assessment form, the case mix review program shall inform the facility QMRP of the need to submit additional information necessary for assigning a classification. The facility QMRP must mail the additional information to the case mix review program no later than five working days after receiving the request for the information. If a facility QMRP fails to submit a completed client assessment for a client who is newly admitted to the facility, that client's first assessment in the facility conducted by the case mix review program shall be used to establish a client classification retroactive to the date of the client's admission. Any change in classification due to annual assessment by the case mix review program will be effective on the first day of the month following completion of the case mix review program's annual assessment of all the facility's clients. A client who has resided in the facility less than 30 days must be assessed by the case mix review program during the annual assessment, but must not have a client classification assigned based on the case mix review program's assessment unless the facility QMRP fails to submit a completed client assessment and the client goes on to reside in the facility for more than 30 days.

(e) The facility QMRP may request a reclassification for a client by completing a new client assessment if the facility QMRP believes that the client's status has changed since the case mix review program's annual assessment and that these changes will result in a change in the client's classification. Client assessments for purposes of reclassification will be governed by the following:

(1) The facility QMRP that requests reclassification of a client must provide the case mix review program with evidence to determine a change in the client's classification. Evidence must include photocopies of documentation from the client's record, as specified in the documentation requirements sections of the manual.

(2) A reclassification assessment must occur between the third and the ninth month following the case mix review program's annual assessment of the client. The facility QMRP can request only one reclassification for each client annually.

(3) Any change in classification approved by the case mix review program shall be effective on the first day of the month following the date when the facility QMRP assessed the client for the reclassification.

(4) The case mix review program shall determine reclassification based on the documentation submitted by the facility QMRP. If there is not sufficient information submitted to justify a change to a higher classification, the case mix review program may request additional information necessary to complete a reclassification.

(5) If the facility QMRP does not provide sufficient documentation to support a change in classification, the classification shall remain at the level assessed by the case mix review program at the last inspection of care.

(f) The case mix review program shall conduct desk audits or on-site audits of assessments performed by facility QMRPs. Case mix review program staff shall conduct desk audits of any assessment believed to be inaccurate. The case mix review program may request the facility to submit additional information needed to conduct a desk audit. The facility shall mail the requested information within five working days after receiving the request.

(g) The case mix review program may conduct on-site audits of at least ten percent of the total assessments submitted by facility QMRPs in the previous year and may also conduct special audits if it determines that circumstances exist that could change or affect the validity of assigned classifications. The facility shall grant the case mix review program staff access to the client records during regular business hours for the purpose of conducting an audit. For assessments submitted for new clients, the case mix review program shall consider documentation in the client's record up to and including the date the client was assessed by the facility QMRP. For audits of reclassification assessments, the case mix review program shall consider documentation in the client's record from three months preceding the assessment up to and including the date the client was assessed by the facility QMRP. If the audit reveals that the facility's assessment does

not accurately reflect the client's status for the time period and the appropriate supporting documentation cannot be produced by the facility, the case mix review program shall change the classification so that it is consistent with the results of the audit. Any change in client classification that results from an audit must be retroactive to the effective date of the client assessment that was audited. Case mix review program staff shall not discuss preliminary audit findings with the facility's staff. Within 15 working days after completing the audit, the case mix review program shall mail a notice of the results of the audit to the facility.

(h) Requests for reconsideration of client classifications shall be made under section 144.0723 and must be submitted according to section IV of the manual. A reconsideration must be reviewed by case mix review program staff not involved in completing the assessment that established the disputed classification. The reconsideration must be based upon the information provided to the case mix review program. Within 15 working days after receiving the request for reconsideration, the case mix review program shall affirm or modify the original classification. The original classification must be modified if the case mix review program determines that the assessment resulting in the classification did not accurately reflect the status of the client at the time of the assessment. The department of health's decision on reconsiderations is the final administrative decision of the department. The classification assigned by the department of health must be the classification that applies to the client while the request for reconsideration is pending. A change in a classification resulting from a reconsideration must be retroactive to the effective date of the client assessment for which a reconsideration was requested.

(i) The commissioner of human services shall assign weights to each client's classification according to the following table:

<u>Classification</u>	<u>Classification Weight</u>
<u>1S</u>	<u>1.00</u>
<u>1I</u>	<u>1.04</u>
<u>2S</u>	<u>1.36</u>
<u>2I</u>	<u>1.52</u>
<u>3S</u>	<u>1.58</u>
<u>3I</u>	<u>1.68</u>
<u>4S</u>	<u>1.87</u>
<u>4I</u>	<u>2.02</u>
<u>5S</u>	<u>2.09</u>
<u>5I</u>	<u>2.26</u>
<u>6S</u>	<u>2.26</u>
<u>6I</u>	<u>2.52</u>
<u>7S</u>	<u>2.10</u>
<u>7I</u>	<u>2.37</u>
<u>8S</u>	<u>2.26</u>
<u>8I</u>	<u>2.52</u>

Sec. 37. Minnesota Statutes 1994, section 256B.501, is amended by adding a subdivision to read:

Subd. 5b. [ICF/MR OPERATING COST LIMITATION AFTER SEPTEMBER 30, 1995.] (a) For rate years beginning on October 1, 1995, and October 1, 1996, the commissioner shall limit the allowable operating cost per diems, as determined under this subdivision and the reimbursement rules, for high cost ICF's/MR. Prior to indexing each facility's operating cost per diems for inflation, the commissioner shall group the facilities into eight groups. The commissioner shall then array all facilities within each grouping by their general operating cost per service unit per diems.

(b) The commissioner shall annually review and adjust the general operating costs incurred by the facility during the reporting year preceding the rate year to determine the facility's allowable historical general operating costs. For this purpose, the term general operating costs means the facility's allowable operating costs included in the program, maintenance, and administrative operating costs categories, as well as the facility's related payroll taxes and fringe benefits, real estate insurance, and professional liability insurance. A facility's total operating cost payment rate shall be limited according to paragraphs (c) and (d) as follows:

(c) A facility's total operating cost payment rate shall be equal to its allowable historical operating cost per diems for program, maintenance, and administrative cost categories multiplied by the forecasted inflation index in subdivision 3c, clause (1), subject to the limitations in paragraph (d).

(d) For the rate years beginning on or after October 1, 1995, the commissioner shall establish maximum overall general operating cost per service unit limits for facilities according to clauses (1) to (8). Each facility's allowable historical general operating costs and client assessment information obtained from client assessments completed under subdivision 3g for the reporting year ending December 31, 1994 (the base year), shall be used for establishing the overall limits. If a facility's proportion of temporary care resident days to total resident days exceeds 80 percent, the commissioner must exempt that facility from the overall general operating cost per service unit limits in clauses (1) to (8). For this purpose, "temporary care" means care provided by a facility to a client for less than 30 consecutive resident days.

(1) The commissioner shall determine each facility's weighted service units for the reporting year by multiplying its resident days in each client classification level as established in subdivision 3g, paragraph (d), by the corresponding weights for that classification level, as established in subdivision 3g, paragraph (i), and summing the results. For the reporting year ending December 31, 1994, the commissioner shall use the service unit score computed from the client classifications determined by the Minnesota department of health's annual review, including those of clients admitted during that year.

(2) The facility's service unit score is equal to its weighted service units as computed in clause (1), divided by the facility's total resident days excluding temporary care resident days, for the reporting year.

(3) For each facility, the commissioner shall determine the facility's cost per service unit by dividing its allowable historical general operating costs for the reporting year by the facility's service unit score in clause (2) multiplied by its total resident days, or 85 percent of the facility's capacity days times its service unit score in clause (2), if the facility's occupancy is less than 85 percent of licensed capacity. If a facility reports temporary care resident days, the temporary care resident days shall be multiplied by the service unit score in clause (2), and the resulting weighted resident days shall be added to the facility's weighted service units in clause (1) prior to computing the facility's cost per service unit under this clause.

(4) The commissioner shall group facilities based on class A or class B licensure designation, number of licensed beds, and geographic location. For purposes of this grouping, facilities with six beds or less shall be designated as small facilities and facilities with more than six beds shall be designated as large facilities. If a facility has both class A and class B licensed beds, the facility shall be considered a class A facility for this purpose if the number of class A beds is more than half its total number of ICF/MR beds; otherwise the facility shall be considered a class B facility. The metropolitan geographic designation shall include Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties. All other Minnesota counties shall be designated as the nonmetropolitan geographic group. These characteristics result in the following eight groupings:

- (i) small class A metropolitan;
- (ii) large class A metropolitan;
- (iii) small class B metropolitan;
- (iv) large class B metropolitan;
- (v) small class A nonmetropolitan;
- (vi) large class A nonmetropolitan;
- (vii) small class B nonmetropolitan; and
- (viii) large class B nonmetropolitan.

(5) The commissioner shall array facilities within each grouping in clause (4) by each facility's cost per service unit as determined in clause (3).

(6) In each array established under clause (5), facilities with a cost per service unit at or above the median shall be limited to the lesser of: (i) the current reporting year's cost per service unit; or (ii) the prior reporting year's allowable historical general operating cost per service unit plus the inflation factor as established in subdivision 3c, clause (2), increased by three percentage points.

(7) The overall operating cost per service unit limit for each group shall be established as follows:

(i) each array established under clause (5) shall be arrayed again after the application of clause (6):

(ii) in each array established in clause (5), two general operating cost limits shall be determined. The first cost per service unit limit shall be established at 0.5 and less than or equal to 1.0 standard deviation above the median of that array. The second cost per service unit limit shall be established at 1.0 standard deviation above the median of the array; and

(iii) the overall operating cost per service unit limits shall be indexed for inflation annually beginning with the reporting year ending December 31, 1995, using the forecasted inflation index in subdivision 3c, clause (2).

(8) Annually, facilities shall be arrayed using the method described in clauses (5) and (7). Each facility with a cost per service unit at or above its group's first cost per service unit limit, but less than the second cost per service unit limit for that group, shall be limited to 98 percent of its total operating cost per diems then add the forecasted inflation index in subdivision 3c, clause (1). Each facility with a cost per service unit at or above the second cost per service unit limit will be limited to 97 percent of its total operating cost per diems, then add the forecasted inflation index in subdivision 3c, clause (1).

(9) The commissioner may rebase these overall limits, using the method described in this subdivision, but no more frequently than once every three years.

(e) For rate years beginning on or after October 1, 1995, the facility's efficiency incentive shall be determined as provided in the reimbursement rule.

(f) The total operating cost payment rate shall be the sum of paragraphs (c) and (e).

Sec. 38. Minnesota Statutes 1994, section 256B.501, is amended by adding a subdivision to read:

Subd. 5c. [OPERATING COSTS AFTER SEPTEMBER 30, 1997.] (a) In general, the commissioner shall establish maximum standard rates for the prospective reimbursement of facility costs. The maximum standard rates must take into account the level of reimbursement which is adequate to cover the base-level costs of economically operated facilities. In determining the base-level costs, the commissioner shall consider geographic location, types of facilities (class A or class B), minimum staffing standards, resident assessment under subdivision 3g, and other factors as determined by the commissioner.

(b) The commissioner shall also develop additional incentive-based payments which, if achieved for specified outcomes, will be added to the maximum standard rates. The specified outcomes must be measurable and shall be based on criteria to be developed by the commissioner during fiscal year 1996. The commissioner may establish various levels of achievement within an outcome. Once the outcomes are established, the commissioner shall assign various levels of payment associated with achieving the outcome. In establishing the specified outcomes and the related criteria, the commissioner shall consider the following state policy objectives: (1) resident transitioned into cost-effective community alternatives; (2) the results of a uniform consumer satisfaction survey; (3) the achievement of no major licensure or certification deficiencies; or (4) any other outcomes the commissioner finds desirable.

(c) In developing the maximum standard rates and the incentive-based payments, desirable outcomes, and related criteria, the commissioner, in collaboration with the commissioner of health, shall form an advisory committee. The membership of the advisory committee shall include representation from the consumers advocacy groups (3), the two facility trade associations (3 each), counties (3), commissioner of finance (1), the legislature (2 each from both the house and senate), and others the commissioners find appropriate.

(d) Beginning July 1, 1996, the commissioner shall collect the data from the facilities, the department of health, or others as necessary to determine the extent to which a facility has met any of the outcomes and related criteria. Payment rates under this subdivision shall be effective October 1, 1997.

(e) The commissioner shall report to the legislature on the progress of the advisory committee by January 31, 1996, any necessary changes to the reimbursement methodology proposed under this subdivision. By January 15, 1997, the commissioner shall recommend to the legislature legislation which will implement this reimbursement methodology for rate years beginning on or after the proposed effective date of October 1, 1997.

Sec. 39. Minnesota Statutes 1994, section 256B.501, subdivision 8, is amended to read:

Subd. 8. [PAYMENT FOR PERSONS WITH SPECIAL NEEDS.] The commissioner shall establish by December 31, 1983, procedures to be followed by the counties to seek authorization from the commissioner for medical assistance reimbursement for very dependent persons with special needs in an amount in excess of the rates allowed pursuant to subdivision 2, including rates established under section 252.46 when they apply to services provided to residents of intermediate care facilities for persons with mental retardation or related conditions, and procedures to be followed for rate limitation exemptions for intermediate care facilities for persons with mental retardation or related conditions. Rate payments under subdivision 8a are eligible for a rate exception under this subdivision. No excess payment approved by the commissioner after June 30, 1991, shall be authorized unless:

(1) the need for specific level of service is documented in the individual service plan of the person to be served;

(2) the level of service needed can be provided within the rates established under section 252.46 and Minnesota Rules, parts 9553.0010 to 9553.0080, without a rate exception within 12 months;

(3) staff hours beyond those available under the rates established under section 252.46 and Minnesota Rules, parts 9553.0010 to 9553.0080, necessary to deliver services do not exceed 1,440 hours within 12 months;

(4) there is a basis for the estimated cost of services;

(5) the provider requesting the exception documents that current per diem rates are insufficient to support needed services;

(6) estimated costs, when added to the costs of current medical assistance-funded residential and day training and habilitation services and calculated as a per diem, do not exceed the per diem established for the regional treatment centers for persons with mental retardation and related conditions on July 1, 1990, indexed annually by the urban consumer price index, all items, as forecasted by Data Resources Inc., for the next fiscal year over the current fiscal year;

(7) any contingencies for an approval as outlined in writing by the commissioner are met; and

(8) any commissioner orders for use of preferred providers are met.

The commissioner shall evaluate the services provided pursuant to this subdivision through program and fiscal audits.

The commissioner may terminate the rate exception at any time under any of the conditions outlined in Minnesota Rules, part 9510.1120, subpart 3, for county termination, or by reason of information obtained through program and fiscal audits which indicate the criteria outlined in this subdivision have not been, or are no longer being, met.

The commissioner may approve no more than one rate exception, up to 12 months duration, for an eligible client.

Sec. 40. Minnesota Statutes 1994, section 256B.501, is amended by adding a subdivision to read:

Subd. 8a. [PAYMENT FOR PERSONS WITH SPECIAL NEEDS FOR CRISIS INTERVENTION SERVICES.] State-operated, community-based crisis services provided in accordance with section 252.50, subdivision 7, to a resident of an intermediate care facility for persons with mental retardation (ICF/MR) reimbursed under this section shall be paid by medical assistance in accordance with the paragraphs (a) to (h).

(a) "Crisis services" means the specialized services listed in clauses (1) to (3) provided to prevent the recipient from requiring placement in a more restrictive institutional setting such as an inpatient hospital or regional treatment center and to maintain the recipient in the present community setting.

(1) The crisis services provider shall assess the recipient's behavior and environment to identify factors contributing to the crisis.

(2) The crisis services provider shall develop a recipient-specific intervention plan in coordination with the service planning team and provide recommendations for revisions to the individual service plan if necessary to prevent or minimize the likelihood of future crisis situations. The intervention plan shall include a transition plan to aid the recipient in returning to the community-based ICF/MR if the recipient is receiving residential crisis services.

(3) The crisis services provider shall consult with and provide training and ongoing technical assistance to the recipient's service providers to aid in the implementation of the intervention plan and revisions to the individual service plan.

(b) "Residential crisis services" means crisis services that are provided to a recipient admitted to the crisis services foster care setting because the ICF/MR receiving reimbursement under this section is not able, as determined by the commissioner, to provide the intervention and protection of the recipient and others living with the recipient that is necessary to prevent the recipient from requiring placement in a more restrictive institutional setting.

(c) Crisis services providers must be licensed by the commissioner under section 245A.03 to provide foster care, must exclusively provide short-term crisis intervention, and must not be located in a private residence.

(d) Payment rates are determined annually for each crisis services provider based on cost of care for each provider as defined in section 246.50. Interim payment rates are calculated on a per diem basis by dividing the projected cost of providing care by the projected number of contact days for the fiscal year, as estimated by the commissioner. Final payment rates are calculated by dividing the actual cost of providing care by the actual number of contact days in the applicable fiscal year.

(e) Payment shall be made for each contact day. "Contact day" means any day in which the crisis services provider has face-to-face contact with the recipient or any of the recipient's medical assistance service providers for the purpose of providing crisis services as defined in paragraph (c).

(f) Payment for residential crisis services is limited to 21 days, unless an additional period is authorized by the commissioner. The additional period may not exceed 21 days.

(g) Payment for crisis services shall be made only for services provided while the ICF/MR receiving reimbursement under this section:

(1) has a shared services agreement with the crisis services provider in effect in accordance with section 246.57;

(2) has reassigned payment for the provision of the crisis services under this subdivision to the commissioner in accordance with Code of Federal Regulations, title 42, section 447.10(e); and

(3) has executed a cooperative agreement with the crisis services provider to implement the intervention plan and revisions to the individual service plan as necessary to prevent or minimize the likelihood of future crisis situations, to maintain the recipient in the present community setting, and to prevent the recipient from requiring a more restrictive institutional setting.

(h) Payment to the ICF/MR receiving reimbursement under this section shall be made for up to 18 therapeutic leave days during which the recipient is receiving residential crisis services, if the ICF/MR is otherwise eligible to receive payment for a therapeutic leave day under Minnesota Rules, part 9505.0415. Payment under this paragraph shall be terminated if the commissioner determines that the ICF/MR is not meeting the terms of the cooperative agreement under paragraph (g) or that the recipient will not return to the ICF/MR.

Sec. 41. Minnesota Statutes 1994, section 256B.69, is amended by adding a subdivision to read:

Subd. 18. [ALTERNATIVE INTEGRATED LONG-TERM CARE SERVICES; ELDERLY AND DISABLED PERSONS.] (a) The commissioner may implement demonstration projects to create alternative integrated delivery systems for acute and long-term care services to elderly and disabled persons that provide increased coordination, improve access to quality services, and mitigate future cost increases. The commissioner may seek federal authority to combine Medicare and Medicaid capitation payments for the purpose of such demonstrations. Medicare funds and services shall be administered according to the terms and conditions of the federal waiver and demonstration provisions. For the purpose of administering medical assistance funds, demonstrations under this subdivision are subject to subdivisions 1 to 17. The provisions of Minnesota Rules, parts 9500.1450 to 9500.1464, apply to these demonstrations, with the exceptions of parts 9500.1452, subpart 2, item B; and 9500.1457, subpart 1, items B and C, which do not apply to elderly persons enrolling in demonstrations under this section. An initial open enrollment period may be provided. Persons who disenroll from demonstrations under this subdivision remain subject to Minnesota Rules, parts 9500.1450 to 9500.1464. When a person is enrolled in a health plan under these demonstrations and the health plan's participation is subsequently terminated for any reason, the person shall be provided an opportunity to select a new health plan and shall have the right to change health plans within the first 60 days of enrollment in the second health plan. Persons required to participate in health plans under this section who fail to make a choice of health plan shall not be randomly assigned to health plans under these demonstrations. Notwithstanding section 256.9363, subdivision 5, and Minnesota Rules, part 9505.5220, subpart 1, item A, if adopted, for the purpose of demonstrations under this subdivision, the commissioner may contract with managed care organizations to serve only elderly persons eligible for medical assistance, elderly and disabled persons, or disabled persons only.

Before implementation of a demonstration project for disabled persons, the commissioner must provide information to appropriate committees of the house of representatives and senate and must involve representatives of affected disability groups in the design of the demonstration projects.

(b) A nursing facility reimbursed under the alternative reimbursement methodology in section 256B.434 may, in collaboration with a hospital, clinic, or other health care entity provide services under paragraph (a). The commissioner shall amend the state plan and seek any federal waivers necessary to implement this paragraph.

Sec. 42. [ICF/MR RULE REVISION RECORDKEEPING.]

The commissioner shall consider various time record and time distribution recordkeeping requirements when developing rule revisions for cost allocation regarding intermediate care facilities for persons with mental retardation or related conditions. The commissioner shall consider information from the public, including providers, provider associations, advocates, and counties when developing rule amendments in the area of cost allocation.

From July 1, 1995, until June 30, 1996, all employees and consultants of ICFs/MR, including any individual for whom any portion of that individual's compensation is reported for reimbursement under Minnesota Rules, parts 9553.0010 to 9553.0080, shall document their service to all sites according to paragraphs (a) to (c). For this purpose, and for paragraphs (a) to (c), "employee" means an individual who is compensated by a facility or provider group for necessary services on any hourly or salaried basis. Employees and consultants for whom no portion of that individual's total compensation is reported for reimbursement in Minnesota Rules, parts 9553.0010 to 9553.0080, are exempt from the recordkeeping requirements in paragraphs (a) to (c).

(a) Time and attendance records are required for all employees and consultants as set forth in Minnesota Statutes, section 256B.432, subdivision 8.

(b) Employees and consultants shall keep time records on a daily basis showing the actual time spent on various activities, as required by Minnesota Rules, part 9553.0030, except that employees with multiple duties must not use a sampling method.

(c) All employees and consultants who work for the benefit of more than one site shall keep a record of where work is performed. This record must specify the time in which work performed at a site solely benefits that site. The amount of time reported for work performed at a site for the sole benefit of that site does not need to be adjusted for brief, infrequent telephone interruptions, time spent away from the site when accompanying clients from that site, and time away from the site for shopping or errands if the shopping or errands benefit solely that site.

For recordkeeping purposes, "site" means a Minnesota ICF/MR, waived services location, semi-independent living service arrangement, day training and habilitation operation, or similar out-of-state service operation for persons with developmental disabilities. Site also means any nondevelopmental disability service location or any business operation owned or operated by a provider group, either in or outside of Minnesota, whether or not that operation provides a service to persons with developmental disabilities.

Sec. 43. [REPEALER.]

Subdivision 1. Minnesota Statutes 1994, sections 144.0723, subdivision 5, 144A.073, subdivision 3a, 252.47, and 256B.501, subdivision 3f, are repealed.

Subd. 2. Minnesota Statutes 1994, section 256B.501, subdivisions 3d and 3e, is repealed for rate years beginning after September 30, 1996.

Sec. 44. [EFFECTIVE DATES.]

Subdivision 1. Sections 12 (144A.071, subdivision 5a), 13, 16, 17, and 18 (144A.073, subdivisions 1, 3c, 4, and 5), are effective the day following final enactment.

Subd. 2. Sections 39 and 40 (256B.501, subdivisions 8 and 8a) are effective upon publication in the State Register by the commissioner of human services that federal approval has been received.

Subd. 3. Sections 27 to 31 (256B.432, subdivisions 1, 2, 3, 5, and 6) are effective for ICF/MR rate years beginning after September 30, 1996.

ARTICLE 8

COMMUNITY MENTAL HEALTH AND REGIONAL TREATMENT CENTERS

Section 1. Minnesota Statutes 1994, section 245.041, is amended to read:

245.041 [PROVISION OF FIREARMS BACKGROUND CHECK INFORMATION.]

Notwithstanding section 253B.23, subdivision 9, the commissioner of human services shall provide commitment information to local law enforcement agencies on an individual request basis by means of electronic data transfer from the department of human services through the Minnesota crime information system for the sole purpose of facilitating a firearms background check under section 624.7131, 624.7132, or 624.714. The information to be provided is limited to whether the person has been committed under chapter 253B and, if so, the type of commitment.

Sec. 2. Minnesota Statutes 1994, section 245.4871, subdivision 12, is amended to read:

Subd. 12. [EARLY MENTAL HEALTH IDENTIFICATION AND INTERVENTION SERVICES.] "Early Mental health identification and intervention services" means services that are designed to identify children who are at risk of needing or who need mental health services and that arrange for intervention and treatment.

Sec. 3. Minnesota Statutes 1994, section 245.4871, subdivision 33a, is amended to read:

Subd. 33a. [SPECIAL CULTURALLY INFORMED MENTAL HEALTH CONSULTANT.] "Special Culturally informed mental health consultant" is a ~~mental health practitioner or~~

professional with special expertise in treating children from a particular cultural or racial minority group person who is recognized by the culture as one who has knowledge of a particular culture and its definition of health and mental health; and who is used as necessary to assist the county board and its mental health providers in assessing and providing appropriate mental health services for children from that particular cultural, linguistic, or racial heritage and their families.

Sec. 4. Minnesota Statutes 1994, section 245.4871, is amended by adding a subdivision to read:

Subd. 35. [TRANSITION SERVICES.] "Transition services" means mental health services, designed within an outcome oriented process that promotes movement from school to postschool activities, including post-secondary education, vocational training, integrated employment including supported employment, continuing and adult education, adult mental health and social services, other adult services, independent living, or community participation.

Sec. 5. Minnesota Statutes 1994, section 245.4873, subdivision 6, is amended to read:

Subd. 6. [PRIORITIES.] By January 1, 1992, the commissioner shall require that each of the treatment services and management activities described in sections 245.487 to 245.4888 be developed for children with emotional disturbances within available resources based on the following ranked priorities. The commissioner shall reassign agency staff and use consultants as necessary to meet this deadline:

- (1) the provision of locally available mental health emergency services;
- (2) the provision of locally available mental health services to all children with severe emotional disturbance;
- (3) the provision of **early** mental health identification and intervention services to children who are at risk of needing or who need mental health services;
- (4) the provision of specialized mental health services regionally available to meet the special needs of all children with severe emotional disturbance, and all children with emotional disturbances;
- (5) the provision of locally available services to children with emotional disturbances; and
- (6) the provision of education and preventive mental health services.

Sec. 6. Minnesota Statutes 1994, section 245.4874, is amended to read:

245.4874 [DUTIES OF COUNTY BOARD.]

The county board in each county shall use its share of mental health and community social services act funds allocated by the commissioner according to a biennial children's mental health component of the community social services plan required under section 245.4888, and approved by the commissioner. The county board must:

- (1) develop a system of affordable and locally available children's mental health services according to sections 245.487 to 245.4888;
- (2) establish a mechanism providing for interagency coordination as specified in section 245.4875, subdivision 6;
- (3) develop a biennial children's mental health component of the community social services plan required under section 256E.09 which considers the assessment of unmet needs in the county as reported by the local children's mental health advisory council under section 245.4875, subdivision 5, paragraph (b), clause (3). The county shall provide, upon request of the local children's mental health advisory council, readily available data to assist in the determination of unmet needs;
- (4) assure that parents and providers in the county receive information about how to gain access to services provided according to sections 245.487 to 245.4888;
- (5) coordinate the delivery of children's mental health services with services provided by social

services, education, corrections, health, and vocational agencies to improve the availability of mental health services to children and the cost-effectiveness of their delivery;

(6) assure that mental health services delivered according to sections 245.487 to 245.4888 are delivered expeditiously and are appropriate to the child's diagnostic assessment and individual treatment plan;

(7) provide the community with information about predictors and symptoms of emotional disturbances and how to access children's mental health services according to sections 245.4877 and 245.4878;

(8) provide for case management services to each child with severe emotional disturbance according to sections 245.486; 245.4871, subdivisions 3 and 4; and 245.4881, subdivisions 1, 3, and 5;

(9) provide for screening of each child under section 245.4885 upon admission to a residential treatment facility, acute care hospital inpatient treatment, or informal admission to a regional treatment center;

(10) prudently administer grants and purchase-of-service contracts that the county board determines are necessary to fulfill its responsibilities under sections 245.487 to 245.4888;

(11) assure that mental health professionals, mental health practitioners, and case managers employed by or under contract to the county to provide mental health services are qualified under section 245.4871;

(12) assure that children's mental health services are coordinated with adult mental health services specified in sections 245.461 to 245.486 so that a continuum of mental health services is available to serve persons with mental illness, regardless of the person's age; and

(13) assure that ~~special~~ **culturally informed** mental health consultants are used as necessary to assist the county board in assessing and providing appropriate treatment for children of cultural or racial minority heritage.

Sec. 7. Minnesota Statutes 1994, section 245.4875, subdivision 2, is amended to read:

Subd. 2. [CHILDREN'S MENTAL HEALTH SERVICES.] The children's mental health service system developed by each county board must include the following services:

- (1) education and prevention services according to section 245.4877;
- (2) **early mental health** identification and intervention services according to section 245.4878;
- (3) emergency services according to section 245.4879;
- (4) outpatient services according to section 245.488;
- (5) family community support services according to section 245.4881;
- (6) day treatment services according to section 245.4884, subdivision 2;
- (7) residential treatment services according to section 245.4882;
- (8) acute care hospital inpatient treatment services according to section 245.4883;
- (9) screening according to section 245.4885;
- (10) case management according to section 245.4881;
- (11) therapeutic support of foster care according to section 245.4884, subdivision 4; and
- (12) professional home-based family treatment according to section 245.4884, subdivision 4.

Sec. 8. Minnesota Statutes 1994, section 245.4875, is amended by adding a subdivision to read:

Subd. 8. [TRANSITION SERVICES.] The county board may continue to provide mental health services as defined in sections 245.487 to 245.4888 to persons over 18 years of age, but under 21 years of age, if the person was receiving case management or family community support services prior to age 18, and if one of the following conditions is met:

- (1) the person is receiving special education services through the local school district; or
- (2) it is in the best interest of the person to continue services defined in sections 245.487 to 245.4888.

Sec. 9. Minnesota Statutes 1994, section 245.4878, is amended to read:

245.4878 [EARLY MENTAL HEALTH IDENTIFICATION AND INTERVENTION.]

By January 1, 1991, early mental health identification and intervention services must be available to meet the needs of all children and their families residing in the county, consistent with section 245.4873. Early Mental health identification and intervention services must be designed to identify children who are at risk of needing or who need mental health services. The county board must provide intervention and offer treatment services to each child who is identified as needing mental health services. The county board must offer intervention services to each child who is identified as being at risk of needing mental health services.

Sec. 10. Minnesota Statutes 1994, section 245.4882, subdivision 5, is amended to read:

Subd. 5. [SPECIALIZED RESIDENTIAL TREATMENT SERVICES.] The commissioner of human services shall continue efforts to further interagency collaboration to develop a comprehensive system of services, including family community support and specialized residential treatment services for children. The services shall be designed for children with emotional disturbance who exhibit violent or destructive behavior and for whom local treatment services are not feasible due to the small number of children statewide who need the services and the specialized nature of the services required. The services shall be located in community settings. If no appropriate services are available in Minnesota or within the geographical area in which the residents of the county normally do business, the commissioner is responsible, effective July 1, ~~1995~~ 1997, for 50 percent of the nonfederal costs of out-of-state treatment of children for whom no appropriate resources are available in Minnesota. Counties are eligible to receive enhanced state funding under this section only if they have established juvenile screening teams under section 260.151, subdivision 3, and if the out-of-state treatment has been approved by the commissioner. By January 1, 1995, the commissioners of human services and corrections shall jointly develop a plan, including a financing strategy, for increasing the in-state availability of treatment within a secure setting. By July 1, 1994, the commissioner of human services shall also:

- (1) conduct a study and develop a plan to meet the needs of children with both a developmental disability and severe emotional disturbance; and
- (2) study the feasibility of expanding medical assistance coverage to include specialized residential treatment for the children described in this subdivision.

Sec. 11. Minnesota Statutes 1994, section 245.4885, subdivision 2, is amended to read:

Subd. 2. [QUALIFICATIONS.] No later than July 1, 1991, screening of children for residential and inpatient services must be conducted by a mental health professional. Where appropriate and available, special culturally informed mental health consultants must participate in the screening. Mental health professionals providing screening for inpatient and residential services must not be financially affiliated with any acute care inpatient hospital, residential treatment facility, or regional treatment center. The commissioner may waive this requirement for mental health professional participation after July 1, 1991, if the county documents that:

- (1) mental health professionals or mental health practitioners are unavailable to provide this service; and
- (2) services are provided by a designated person with training in human services who receives clinical supervision from a mental health professional.

Sec. 12. Minnesota Statutes 1994, section 245.4886, is amended by adding a subdivision to read:

Subd. 3. [GRANTS FOR ADOLESCENT SERVICES.] The commissioner may make grants for community-based services for adolescents who have serious emotional disturbance and exhibit violent behavior. The commissioner may administer these grants as a supplement to the grants for children's community-based mental health services under subdivision 1. The same administrative requirements shall apply to these grants as the grants under subdivision 1, except that these grants:

- (1) shall be primarily for areas with the greatest need for services;
- (2) may be used for assessment, family community support services, specialized treatment approaches, specialized adolescent community-based residential treatment, and community transition services for adolescents and preadolescents who have serious emotional disturbance and exhibit violent behavior;
- (3) shall emphasize intensive services as an alternative to placement;
- (4) shall not be used to supplant existing funds;
- (5) shall require grantees to continue base level funding as defined in section 245.492, subdivision 2;
- (6) must, wherever possible, be administered under the auspices of a children's mental health collaborative established under section 245.491 if the collaborative chooses to serve the target population;
- (7) must be used for mental health services that are integrated with other services whenever possible; and
- (8) must be based on a proposal submitted to the commissioner by a children's mental health collaborative or a county board that is based on guidelines published by the commissioner. The guidelines must require that proposed services be based on treatment methods that have proven effective, or that show promise, in meeting the needs of this population. The guidelines may incorporate preferences for proposals that would convert existing residential treatment beds for children in the county or collaborative's service area to community-based mental health services, encourage the active participation of the children's families in the treatment plans of these children, or promote the integration of these children into school, home, and community. The commissioner shall consult with parents, educators, mental health professionals, county mental health staff, and representatives of the children's subcommittee of the state advisory board on mental health in developing the guidelines and evaluating proposals.

Sec. 13. Minnesota Statutes 1994, section 245.492, subdivision 2, is amended to read:

Subd. 2. [BASE LEVEL FUNDING.] "Base level funding" means funding received from state, federal, or local sources and expended across the local system of care in fiscal year ~~1993~~ 1995 for children's mental health services or, for special education services, and for other services for children with emotional or behavioral disturbances and their families.

In subsequent years, base level funding may be adjusted to reflect decreases in the numbers of children in the target population.

Sec. 14. Minnesota Statutes 1994, section 245.492, subdivision 6, is amended to read:

Subd. 6. [INITIAL OPERATIONAL TARGET POPULATION.] "Initial Operational target population" means a population of children that the local children's mental health collaborative agrees to serve in the start-up phase and who meet fall within the criteria for the target population. The initial operational target population may be less than the target population.

Sec. 15. Minnesota Statutes 1994, section 245.492, subdivision 9, is amended to read:

Subd. 9. [INTEGRATED SERVICE SYSTEM.] "Integrated service system" means a coordinated set of procedures established by the local children's mental health collaborative for coordinating services and actions across categorical systems and agencies that results in:

- (1) integrated funding;
- (2) improved outreach, early identification, and intervention across systems;
- (3) strong collaboration between parents and professionals in identifying children in the target population facilitating access to the integrated system, and coordinating care and services for these children;
- (4) a coordinated assessment process across systems that determines which children need multiagency care coordination and wraparound services;
- (5) multiagency plan of care; and
- (6) ~~wraparound~~ individualized rehabilitation services.

Services provided by the integrated service system must meet the requirements set out in sections 245.487 to 245.4887. Children served by the integrated service system must be economically and culturally representative of children in the service delivery area.

Sec. 16. Minnesota Statutes 1994, section 245.492, subdivision 23, is amended to read:

Subd. 23. [~~WRAPAROUND INDIVIDUALIZED REHABILITATION SERVICES.~~] "~~Wraparound~~ Individualized rehabilitation services" are alternative, flexible, coordinated, and highly individualized services that are based on a multiagency plan of care. These services are designed to build on the strengths and respond to the needs identified in the child's multiagency assessment and to improve the child's ability to function in the home, school, and community. ~~Wraparound~~ Individualized rehabilitation services may include, but are not limited to, residential services, respite services, services that assist the child or family in enrolling in or participating in recreational activities, assistance in purchasing otherwise unavailable items or services important to maintain a specific child in the family, and services that assist the child to participate in more traditional services and programs.

Sec. 17. Minnesota Statutes 1994, section 245.493, subdivision 2, is amended to read:

Subd. 2. [GENERAL DUTIES OF THE LOCAL CHILDREN'S MENTAL HEALTH COLLABORATIVES.] Each local children's mental health collaborative must:

- (1) notify the commissioner of human services within ten days of formation by signing a collaborative agreement and providing the commissioner with a copy of the signed agreement;
- (2) identify a service delivery area and an ~~initial~~ operational target population within that service delivery area. The ~~initial~~ operational target population must be economically and culturally representative of children in the service delivery area to be served by the local children's mental health collaborative. The size of the ~~initial~~ operational target population must also be economically viable for the service delivery area;
- (2) (3) seek to maximize federal revenues available to serve children in the target population by designating local expenditures for ~~mental health~~ services for these children and their families that can be matched with federal dollars;
- (3) (4) in consultation with the local children's advisory council and the local coordinating council, if it is not the local children's mental health collaborative, design, develop, and ensure implementation of an integrated service system that meets the requirements for state and federal reimbursement and develop interagency agreements necessary to implement the system;
- (4) (5) expand membership to include representatives of other services in the local system of care including prepaid health plans under contract with the commissioner of human services to serve the ~~mental health~~ needs of children in the target population and their families;
- (5) (6) create or designate a management structure for fiscal and clinical responsibility and outcome evaluation;
- (6) (7) spend funds generated by the local children's mental health collaborative as required in sections 245.491 to 245.496; and

~~(7)~~ (8) explore methods and recommend changes needed at the state level to reduce duplication and promote coordination of services including the use of uniform forms for reporting, billing, and planning of services;

(9) submit its integrated service system design to the state coordinating council for approval within one year of notifying the commissioner of human services of its formation;

(10) provide an annual report that includes the elements listed in section 245.494, subdivision 2, and the collaborative's planned timeline to expand its operational target population to the state coordinating council; and

(11) expand its operational target population.

Each local children's mental health collaborative may contract with the commissioner of human services to become a medical assistance provider of mental health services according to section 245.4933.

Sec. 18. Minnesota Statutes 1994, section 245.4932, subdivision 1, is amended to read:

Subdivision 1. [~~PROVIDER~~ COLLABORATIVE RESPONSIBILITIES.] The children's mental health collaborative shall have the following authority and responsibilities regarding federal revenue enhancement:

(1) the collaborative must establish an integrated fund;

(2) the collaborative shall designate a lead county or other qualified entity as the fiscal agency for reporting, claiming, and receiving payments;

~~(2)~~ (3) the collaborative or lead county may enter into subcontracts with other counties, school districts, special education cooperatives, municipalities, and other public and nonprofit entities for purposes of identifying and claiming eligible expenditures to enhance federal reimbursement;

~~(3)~~ (4) the collaborative shall use any enhanced revenue attributable to the activities of the collaborative, including administrative and service revenue, solely to provide mental health services or to expand the operational target population. The lead county or other qualified entity may not use enhanced federal revenue for any other purpose;

(5) the members of the collaborative must continue the base level of expenditures, as defined in section 245.492, subdivision 2, for services for children with emotional or behavioral disturbances and their families from any state, county, federal, or other public or private funding source which, in the absence of the new federal reimbursement earned under sections 245.491 to 245.496, would have been available for those services. The base year for purposes of this subdivision shall be the accounting period closest to state fiscal year 1993;

(4) (6) the collaborative or lead county must develop and maintain an accounting and financial management system adequate to support all claims for federal reimbursement, including a clear audit trail and any provisions specified in the contract with the commissioner of human services;

~~(5)~~ (7) the collaborative shall or its members may elect to pay the nonfederal share of the medical assistance costs for services designated by the collaborative; and

~~(6)~~ (8) the lead county or other qualified entity may not use federal funds or local funds designated as matching for other federal funds to provide the nonfederal share of medical assistance.

Sec. 19. Minnesota Statutes 1994, section 245.4932, subdivision 2, is amended to read:

Subd. 2. [~~COMMISSIONER'S~~ RESPONSIBILITIES.] (1) Notwithstanding sections 256B.19, subdivision 1, and 256B.0625, the commissioner shall be required to amend the state medical assistance plan to include as covered services eligible for medical assistance reimbursement, those services eligible for reimbursement under federal law or waiver, which a collaborative elects to provide and for which the collaborative elects to pay the nonfederal share of the medical assistance costs.

(2) The commissioner may suspend, reduce, or terminate the federal reimbursement to a ~~provider~~ collaborative that does not meet the requirements of sections 245.493 to 245.496.

(3) The commissioner shall recover from the collaborative any federal fiscal disallowances or sanctions for audit exceptions directly attributable to the collaborative's actions or the proportional share if federal fiscal disallowances or sanctions are based on a statewide random sample.

Sec. 20. Minnesota Statutes 1994, section 245.4932, subdivision 3, is amended to read:

Subd. 3. [PAYMENTS.] Notwithstanding section 256.025, subdivision 2, payments under sections 245.493 to 245.496 to providers for ~~wraparound service expenditures and expenditures for other~~ services for which the collaborative elects to pay the nonfederal share of medical assistance shall only be made of federal earnings from services provided under sections 245.493 to 245.496.

Sec. 21. Minnesota Statutes 1994, section 245.4932, subdivision 4, is amended to read:

Subd. 4. [CENTRALIZED DISBURSEMENT OF MEDICAL ASSISTANCE PAYMENTS.] Notwithstanding section 256B.041, and except for family community support services and therapeutic support of foster care, county payments for the cost of ~~wraparound services and other~~ services for which the collaborative elects to pay the nonfederal share, for reimbursement under medical assistance, shall not be made to the state treasurer. For purposes of ~~wraparound individualized rehabilitation services~~ under sections 245.493 to 245.496, the centralized disbursement of payments to providers under section 256B.041 consists only of federal earnings from services provided under sections 245.493 to 245.496.

Sec. 22. [245.4933] [MEDICAL ASSISTANCE PROVIDER STATUS.]

Subdivision 1. [REQUIREMENTS TO SERVE CHILDREN NOT ENROLLED IN A PREPAID MEDICAL ASSISTANCE OR MINNESOTACARE HEALTH PLAN.] (a) In order for a local children's mental health collaborative to become a prepaid provider of medical assistance services and be eligible to receive medical assistance reimbursement, the collaborative must:

(1) enter into a contract with the commissioner of human services to provide mental health services including inpatient, outpatient, medication management, services under the rehabilitation option, and related physician services;

(2) meet the applicable federal requirements;

(3) either carry stop-loss insurance or enter into a risk-sharing agreement with the commissioner of human services; and

(4) provide medically necessary medical assistance mental health services to children in the target population who enroll in the local children's mental health collaborative.

(b) Upon execution of the provider contract with the commissioner of human services the local children's mental health collaborative may:

(1) provide mental health services which are not medical assistance state plan services in addition to the state plan services described in the contract with the commissioner of human services; and

(2) enter into subcontracts which meet the requirements of Code of Federal Regulations, title 42, section 434.6, with other providers of mental health services including prepaid health plans established under section 256B.69.

Subd. 2. [REQUIREMENTS TO SERVE CHILDREN ENROLLED IN A PREPAID HEALTH PLAN.] A children's mental health collaborative may serve children in the collaborative's target population who are enrolled in a prepaid health plan under contract with the commissioner of human services by contracting with one or more such health plans to provide medical assistance or MinnesotaCare mental health services to children enrolled in the health plan. The collaborative and the health plan shall work cooperatively to ensure the integration of physical and mental health services.

Subd. 3. [REQUIREMENTS TO SERVE CHILDREN WHO BECOME ENROLLED IN A PREPAID HEALTH PLAN.] A children's mental health collaborative may provide prepaid medical assistance or MinnesotaCare mental health services to children who are not enrolled in prepaid health plans until those children are enrolled. Publication of a request for proposals in the State Register shall serve as notice to the collaborative of the commissioner's intent to execute contracts for medical assistance and MinnesotaCare services. In order to become or continue to be a provider of medical assistance or MinnesotaCare services the collaborative may contract with one or more such prepaid health plans after the collaborative's target population is enrolled in a prepaid health plan. The collaborative and the health plan shall work cooperatively to ensure the integration of physical and mental health services.

Subd. 4. [COMMISSIONER'S DUTIES.] (a) The commissioner of human services shall provide to each children's mental health collaborative that is considering whether to become a prepaid provider of mental health services the commissioner's best estimate of a capitated payment rate prior to an actuarial study based upon the collaborative's operational target population. The capitated payment rate shall be adjusted annually, if necessary, for changes in the operational target population.

(b) The commissioner shall negotiate risk adjustment and reinsurance mechanisms with children's mental health collaboratives that become medical assistance providers including those that subcontract with prepaid health plans.

Subd. 5. [NONCONTRACTING COLLABORATIVES.] A local children's mental health collaborative that does not become a prepaid provider of medical assistance or MinnesotaCare services may provide services through individual members of a noncontracting collaborative who have a medical assistance provider agreement to eligible recipients who are not enrolled in the health plan.

Subd. 6. [INDIVIDUALIZED REHABILITATION SERVICES.] A children's mental health collaborative with an integrated service system approved by the state coordinating council may become a medical assistance provider for the purpose of obtaining prior authorization for and providing individualized rehabilitation services.

Sec. 23. Minnesota Statutes 1994, section 245.494, subdivision 1, is amended to read:

Subdivision 1. [STATE COORDINATING COUNCIL.] The state coordinating council, in consultation with the integrated fund task force, shall:

(1) assist local children's mental health collaboratives in meeting the requirements of sections 245.491 to 245.496, by seeking consultation and technical assistance from national experts and coordinating presentations and assistance from these experts to local children's mental health collaboratives;

(2) assist local children's mental health collaboratives in identifying an economically viable ~~initial~~ operational target population;

(3) develop methods to reduce duplication and promote coordinated services including uniform forms for reporting, billing, and planning of services;

(4) by September 1, 1994, develop a model multiagency plan of care that can be used by local children's mental health collaboratives in place of an individual education plan, individual family community support plan, individual family support plan, and an individual treatment plan;

(5) assist in the implementation and operation of local children's mental health collaboratives by facilitating the integration of funds, coordination of services, and measurement of results, and by providing other assistance as needed;

(6) by July 1, 1993, develop a procedure for awarding start-up funds. Development of this procedure shall be exempt from chapter 14;

(7) develop procedures and provide technical assistance to allow local children's mental health collaboratives to integrate resources for children's mental health services with other resources available to serve children in the target population in order to maximize federal participation and improve efficiency of funding;

(8) ensure that local children's mental health collaboratives and the services received through these collaboratives meet the requirements set out in sections 245.491 to 245.496;

(9) identify base level funding from state and federal sources across systems;

(10) explore ways to access additional federal funds and enhance revenues available to address the needs of the target population;

(11) develop a mechanism for identifying the state share of funding for services to children in the target population and for making these funds available on a per capita basis for services provided through the local children's mental health collaborative to children in the target population. Each year beginning January 1, 1994, forecast the growth in the state share and increase funding for local children's mental health collaboratives accordingly;

(12) identify barriers to integrated service systems that arise from data practices and make recommendations including legislative changes needed in the data practices act to address these barriers; and

(13) annually review the expenditures of local children's mental health collaboratives to ensure that funding for services provided to the target population continues from sources other than the federal funds earned under sections 245.491 to 245.496 and that federal funds earned are spent consistent with sections 245.491 to 245.496.

Sec. 24. Minnesota Statutes 1994, section 245.494, subdivision 3, is amended to read:

Subd. 3. [DUTIES OF THE COMMISSIONER OF HUMAN SERVICES.] The commissioner of human services, in consultation with the integrated fund task force, shall:

(1) ~~beginning January 1, in the first quarter of 1994, in areas where a local children's mental health collaborative has been established, based on an independent actuarial analysis, separate identify all medical assistance, general assistance medical care, and MinnesotaCare resources devoted to mental health services for children and their families in the target population including inpatient, outpatient, medication management, services under the rehabilitation option, and related physician services from in the total health capitation from of prepaid plans, including plans established under contract with the commissioner to provide medical assistance services under section 256B.69, for the target population as identified in section 245.492, subdivision 21, and develop guidelines for managing these mental health benefits that will require all contractors to:~~

~~(i) provide mental health services eligible for medical assistance reimbursement;~~

~~(ii) meet performance standards established by the commissioner of human services including providing services consistent with the requirements and standards set out in sections 245.487 to 245.4888 and 245.491 to 245.496;~~

~~(iii) provide the commissioner of human services with data consistent with that collected under sections 245.487 to 245.4888; and~~

~~(iv) in service delivery areas where there is a local children's mental health collaborative for the target population defined by local children's mental health collaborative:~~

~~(A) participate in the local children's mental health collaborative;~~

~~(B) commit resources to the integrated fund that are actuarially equivalent to resources received for the target population being served by local children's mental health collaboratives; and~~

~~(C) meet the requirements and the performance standards developed for local children's mental health collaboratives;~~

~~(2) ensure that any prepaid health plan that is operating within the jurisdiction of a local children's mental health collaborative and that is able to meet all the requirements under section 245.494, subdivision 3, paragraph (1), items (i) to (iv), shall have 60 days from the date of receipt of written notice of the establishment of the collaborative to decide whether it will participate in the local children's mental health collaborative; the prepaid health plan shall notify the collaborative and the commissioner of its decision to participate;~~

(3) (2) assist each children's mental health collaborative to determine an actuarially feasible operational target population;

(3) ensure that a prepaid health plan that contracts with the commissioner to provide medical assistance or MinnesotaCare services shall pass through the identified resources to a collaborative or collaboratives upon the collaboratives meeting the requirements of section 245.4933 to serve the collaborative's operational target population. The commissioner shall, through an independent actuarial analysis, specify differential rates the prepaid health plan must pay the collaborative based upon severity, functioning, and other risk factors, taking into consideration the fee-for-service experience of children excluded from prepaid medical assistance participation;

(4) ensure that a children's mental health collaborative that enters into an agreement with a prepaid health plan under contract with the commissioner shall accept medical assistance recipients in the operational target population on a first-come, first-served basis up to the collaborative's operating capacity or as determined in the agreement between the collaborative and the commissioner;

(5) ensure that a children's mental health collaborative that receives resources passed through a prepaid health plan under contract with the commissioner shall be subject to the quality assurance standards, reporting of utilization information, standards set out in sections 245.487 to 245.4888, and other requirements established in Minnesota Rules, part 9500.1460;

(6) ensure that any prepaid health plan that contracts with the commissioner, including a plan that contracts under section 256B.69, must enter into an agreement with any collaborative operating in the same service delivery area that:

(i) meets the requirements of section 245.4933;

(ii) is willing to accept the rate determined by the commissioner to provide medical assistance services; and

(iii) requests to contract with the prepaid health plan;

(7) ensure that no agreement between a health plan and a collaborative shall terminate the legal responsibility of the health plan to assure that all activities under the contract are carried out. The agreement may require the collaborative to indemnify the health plan for activities that are not carried out;

(8) ensure that where a collaborative enters into an agreement with the commissioner to provide medical assistance and MinnesotaCare services a separate capitation rate will be determined through an independent actuarial analysis which is based upon the factors set forth in clause (3) to be paid to a collaborative for children in the operational target population who are eligible for medical assistance but not included in the prepaid health plan contract with the commissioner;

(9) ensure that in counties where no prepaid health plan contract to provide medical assistance or MinnesotaCare services exists, a children's mental health collaborative that meets the requirements of section 245.4933 shall:

(i) be paid a capitated rate, actuarially determined, that is based upon the collaborative's operational target population;

(ii) accept medical assistance or MinnesotaCare recipients in the operational target population on a first-come, first-served basis up to the collaborative's operating capacity or as determined in the contract between the collaborative and the commissioner; and

(iii) comply with quality assurance standards, reporting of utilization information, standards set out in sections 245.487 to 245.4888, and other requirements established in Minnesota Rules, part 9500.1460;

(10) subject to federal approval, in the development of rates for local children's mental health collaboratives, the commissioner shall consider, and may adjust, trend and utilization factors, to reflect changes in mental health service utilization and access;

(11) consider changes in mental health service utilization, access, and price, and determine the actuarial value of the services in the maintenance of rates for local children's mental health collaborative provided services, subject to federal approval;

(12) provide written notice to any prepaid health plan operating within the service delivery area of a children's mental health collaborative of the collaborative's existence within 30 days of the commissioner's receipt of notice of the collaborative's formation;

(13) ensure that in a geographic area where both a prepaid health plan including those established under either section 256.9363 or 256B.69 and a local children's mental health collaborative exist, medical assistance and MinnesotaCare recipients in the operational target population who are enrolled in prepaid health plans will have the choice to receive mental health services through either the prepaid health plan or the collaborative that has a contract with the prepaid health plan, according to the terms of the contract;

(14) develop a mechanism for integrating medical assistance resources for mental health service with ~~resources for general assistance medical care,~~ MinnesotaCare, and any other state and local resources available for services for children in the operational target population, and develop a procedure for making these resources available for use by a local children's mental health collaborative;

(4) (15) gather data needed to manage mental health care including evaluation data and data necessary to establish a separate capitation rate for children's mental health services if that option is selected;

(5) (16) by January 1, 1994, develop a model contract for providers of mental health managed care that meets the requirements set out in sections 245.491 to 245.496 and 256B.69, and utilize this contract for all subsequent awards, and before January 1, 1995, the commissioner of human services shall not enter into or extend any contract for any prepaid plan that would impede the implementation of sections 245.491 to 245.496;

(6) (17) develop revenue enhancement or rebate mechanisms and procedures to certify expenditures made through local children's mental health collaboratives for services including administration and outreach that may be eligible for federal financial participation under medical assistance, ~~including expenses for administration,~~ and other federal programs;

(7) (18) ensure that new contracts and extensions or modifications to existing contracts under section 256B.69 do not impede implementation of sections 245.491 to 245.496;

(8) (19) provide technical assistance to help local children's mental health collaboratives certify local expenditures for federal financial participation, using due diligence in order to meet implementation timelines for sections 245.491 to 245.496 and recommend necessary legislation to enhance federal revenue, provide clinical and management flexibility, and otherwise meet the goals of local children's mental health collaboratives and request necessary state plan amendments to maximize the availability of medical assistance for activities undertaken by the local children's mental health collaborative;

(9) (20) take all steps necessary to secure medical assistance reimbursement under the rehabilitation option for family community support services and therapeutic support of foster care, and for ~~residential treatment and wraparound services when these services are provided through a local children's mental health collaborative~~ individualized rehabilitation services;

(10) (21) provide a mechanism to identify separately the reimbursement to a county for child welfare targeted case management provided to children served by the local collaborative for purposes of subsequent transfer by the county to the integrated fund; and

(11) ~~where interested and qualified contractors are available, finalize contracts within 180 days of receipt of written notification of the establishment of a local children's mental health collaborative.~~

(22) ensure that family members who are enrolled in a prepaid health plan and whose children are receiving mental health services through a local children's mental health collaborative file complaints about mental health services needed by the family members, the commissioner shall

comply with section 256B.031, subdivision 6. A collaborative may assist a family to make a complaint; and

(23) facilitate a smooth transition for children receiving prepaid medical assistance or MinnesotaCare services through a children's mental health collaborative who become enrolled in a prepaid health plan.

Sec. 25. Minnesota Statutes 1994, section 245.495, is amended to read:

245.495 [ADDITIONAL FEDERAL REVENUES.]

(a) Each local children's mental health collaborative shall report expenditures eligible for federal reimbursement in a manner prescribed by the commissioner of human services under section 256.01, subdivision 2, clause (17). The commissioner of human services shall pay all funds earned by each local children's mental health collaborative to the collaborative. Each local children's mental health collaborative must use these funds to expand the initial operational target population or to develop or provide mental health services through the local integrated service system to children in the target population. Funds may not be used to supplant funding for services to children in the target population.

For purposes of this section, "mental health services" are community-based, nonresidential services, which may include respite care, that are identified in the child's multiagency plan of care.

(b) The commissioner may set aside a portion of the federal funds earned under this section to repay the special revenue maximization account under section 256.01, subdivision 2, clause (15). The set-aside must not exceed five percent of the federal reimbursement earned by collaboratives and repayment is limited to:

(1) the costs of developing and implementing sections 245.491 to 245.496, including the costs of technical assistance from the departments of human services, education, health, and corrections to implement the children's mental health integrated fund;

(2) programming the information systems; and

(3) any lost federal revenue for the central office claim directly caused by the implementation of these sections.

(c) Any unexpended funds from the set-aside described in paragraph (b) shall be distributed to counties according to section 245.496, subdivision 2.

Sec. 26. Minnesota Statutes 1994, section 245.496, subdivision 3, is amended to read:

~~Subd. 3. [SUBMISSION AND APPROVAL OF LOCAL COLLABORATIVE PROPOSALS FOR INTEGRATED SYSTEMS.]~~ By December 31, 1994, a local children's mental health collaborative that received start-up funds must submit to the state coordinating council its proposal for creating and funding an integrated service system for children in the target population. A local children's mental health collaborative which forms without receiving start-up funds must submit its proposal for creating and funding an integrated service system within one year of notifying the commissioner of human services of its existence. Within 60 days of receiving the local collaborative proposal the state coordinating council must review the proposal and notify the local children's mental health collaborative as to whether or not the proposal has been approved. If the proposal is not approved, the state coordinating council must indicate changes needed to receive approval.

Sec. 27. Minnesota Statutes 1994, section 245.496, is amended by adding a subdivision to read:

Subd. 4. [APPROVAL OF A COLLABORATIVE'S INTEGRATED SERVICE SYSTEM.] A collaborative may not become a medical assistance provider unless the state coordinating council approves a collaborative's proposed integrated service system design. The state coordinating council shall approve the integrated service system proposal only when the following elements are present:

(1) interagency agreements signed by the head of each member agency who has the authority to

obligate the agency and which set forth the specific financial commitments of each member agency;

(2) an adequate management structure for fiscal and clinical responsibility including appropriate allocation of risk and liability;

(3) a process of utilization review; and

(4) compliance with sections 245.491 to 245.496.

Sec. 28. Minnesota Statutes 1994, section 246.18, subdivision 4, is amended to read:

Subd. 4. [COLLECTIONS DEPOSITED IN THE GENERAL FUND.] Except as provided in subdivisions 2 and, 5, and 6, all receipts from collection efforts for the regional treatment centers, state nursing homes, and other state facilities as defined in section 246.50, subdivision 3, must be deposited in the general fund. The commissioner shall ensure that the departmental financial reporting systems and internal accounting procedures comply with federal standards for reimbursement for program and administrative expenditures and fulfill the purpose of this paragraph.

Sec. 29. Minnesota Statutes 1994, section 246.18, is amended by adding a subdivision to read:

Subd. 6. [COLLECTIONS DEDICATED.] Except for state-operated programs and services funded through a direct appropriation from the legislature, money received within the regional treatment center system for the following state-operated services is dedicated to the commissioner for the provision of those services:

(1) community-based residential and day training and habilitation services for mentally retarded persons;

(2) community health clinic services;

(3) accredited hospital outpatient department services;

(4) certified rehabilitation agency and rehabilitation hospital services; or

(5) community-based transitional support services for adults with serious and persistent mental illness.

These funds must be deposited in the state treasury in a revolving account and funds in the revolving account are appropriated to the commissioner to operate the services authorized, and any unexpended balances do not cancel but are available until spent.

Sec. 30. Minnesota Statutes 1994, section 246.56, is amended by adding a subdivision to read:

Subd. 3. The commissioner of human services is not required to include indirect costs as defined in section 16A.127 in work activity contracts for patients of the regional treatment centers, and is not required to reimburse the general fund for indirect costs related to work activity programs.

Sec. 31. Minnesota Statutes 1994, section 253B.091, is amended to read:

253B.091 [REPORTING JUDICIAL COMMITMENTS INVOLVING PRIVATE TREATMENT PROGRAMS OR FACILITIES.]

Notwithstanding section 253B.23, subdivision 9, when a committing court judicially commits a proposed patient to a treatment program or facility other than a state-operated program or facility, the court shall report the commitment to the commissioner of human services through the supreme court information system for purposes of providing commitment information for firearm background checks under section 245.041.

Sec. 32. Minnesota Statutes 1994, section 254B.05, subdivision 4, is amended to read:

Subd. 4. [REGIONAL TREATMENT CENTERS.] Regional treatment center chemical

dependency treatment units are eligible vendors. The commissioner may expand the capacity of chemical dependency treatment units beyond the capacity funded by direct legislative appropriation to serve individuals who are referred for treatment by counties and whose treatment will be paid for with a county's allocation under section 254B.02 or other funding sources. Notwithstanding the provisions of sections 254B.03 to 254B.041, payment for any person committed at county request to a regional treatment center under chapter 253B for chemical dependency treatment and determined to be ineligible under the chemical dependency consolidated treatment fund, shall become the responsibility of the county.

Sec. 33. Minnesota Statutes 1994, section 256B.0625, subdivision 37, is amended to read:

Subd. 37. ~~[WRAPAROUND INDIVIDUALIZED REHABILITATION SERVICES.]~~ Medical assistance covers wraparound individualized rehabilitation services as defined in section 245.492, subdivision 20, that are provided through a local children's mental health collaborative, as that entity is defined in section 245.492, subdivision 11 23, that are provided by a collaborative, county, or an entity under contract with a county through an integrated service system, as described in section 245.4931, that is approved by the state coordinating council, subject to federal approval.

Sec. 34. Minnesota Statutes 1994, section 256B.092, subdivision 4, is amended to read:

Subd. 4. ~~[HOME AND COMMUNITY-BASED SERVICES FOR PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS.]~~ (a) 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.

(b) Effective July 1, 1995, and contingent upon federal approval and state appropriations made available for this purpose, and in conjunction with section 40, the commissioner of human services shall allocate resources to county agencies for home and community-based waived services for persons with mental retardation or related conditions authorized but not receiving those services as of June 30, 1995, based upon the average resource need of persons with similar functional characteristics. To ensure service continuity for service recipients receiving home and community-based waived services for persons with mental retardation or related conditions prior to July 1, 1995, the commissioner shall make available to the county of financial responsibility home and community-based waived services resources based upon fiscal year 1995 authorized levels.

(c) Home and community-based resources for all recipients shall be managed by the county of financial responsibility within an allowable reimbursement average established for each county. Payments for home and community-based services provided to individual recipients 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. 35. Laws 1993, First Special Session chapter 1, article 7, section 51, subdivision 5, is amended to read:

Subd. 5. Sections 42 and 43 are effective ~~October 1, 1994~~ July 1, 1996.

Sec. 36. ~~[SERVICES FOR DEVELOPMENTALLY DISABLED PERSONS; FARIBAULT REGIONAL CENTER CATCHMENT AREA.]~~

(a) This section governs the downsizing of the Faribault regional center (FRC). As residents are discharged from the Faribault regional center, the buildings will be transferred to the department

of corrections, and the department of human services will develop a system of state-operated services that: (1) meets the needs of clients discharged from the Faribault regional center, (2) is fiscally sound; and (3) accommodates the evolving nature of the health care system.

(b) The Minnesota correctional facility at Faribault (MCF-FRB) shall expand its existing capacity by 300 beds. The department of human services shall transfer buildings related to this expansion according to agreements between the department of corrections and the Faribault community task force, established pursuant to Minnesota Statutes, section 252.51, no sooner than July 1, 1995.

After the city of Faribault has held a public hearing, the Minnesota correctional facility at Faribault may subsequently proceed with expansion of its capacity by an additional 300 beds, on or after a date when the commissioner of human services certifies that the Faribault regional center campus will be vacated because alternative community-based services, including those developed by the department of human services in accordance with section 12, will be available for the remaining residents of the Faribault regional center. The actual date on which the remainder of the Faribault regional center campus will be transferred to the commissioner of corrections shall be determined by mutual agreement between the commissioners of human services and corrections, after consultation with the exclusive representatives and the Faribault community task force. In no event shall the total capacity of the Minnesota correctional facility at Faribault exceed 1,200 beds, and the Minnesota correctional facility at Faribault shall not include any maximum security beds. The transfer of the Faribault regional center campus to the commissioner of corrections shall occur no sooner than July 1, 1998, unless negotiated with the exclusive representatives and community task force.

(c) The department of corrections shall provide necessary and appropriate modifications to road access on the Faribault regional center campus within the available appropriation. The city of Faribault shall not bear any cost of such modifications.

The department of corrections shall request necessary appropriations in future legislative sessions to provide necessary and appropriate modifications to the water-sewage system used by the Faribault regional center, the Minnesota correctional facility at Faribault, and the city of Faribault. The city of Faribault shall not bear any cost of such modifications.

(d) No sooner than July 1, 1995, the Faribault regional center shall transfer the operation of its power plant to the Minnesota correctional facility at Faribault contingent upon the Minnesota correctional facility at Faribault receiving a state appropriation for the full cost of necessary positions. The Faribault regional center employees in positions assigned to the power plant as of the transfer date shall be allowed to transfer to the Minnesota correctional facility at Faribault or exercise their memorandum of understanding options. All employees who transfer shall retain their current classification, employment condition, and salary upon such transfer.

(e) Prior to the transfer of the Faribault regional center laundry to the Minnesota correctional facility at Faribault, the Faribault regional center shall decrease laundry positions as the Faribault regional center resident population declines. However, the department of human services and the Faribault regional center laundry management shall actively pursue additional shared service contracts to offset any involuntary position reductions in the laundry. The additional laundry work done as a result of the initial 300-bed corrections expansion will also be used to offset any involuntary position reductions. Further expansion of corrections beds and the resultant increased laundry will also be used to offset any involuntary reductions. If, after the above, position reductions are necessary, they shall occur pursuant to the memorandum of understanding between the state, the department of human services, and the exclusive representatives.

Upon the transfer of the Faribault regional center campus to the commissioner of corrections, the Faribault regional center may transfer the laundry to the Minnesota correctional facility at Faribault. If the transfer occurs, the Minnesota correctional facility at Faribault shall operate the laundry as a prison industry. The Minnesota correctional facility at Faribault shall maintain existing shared service contracts. The shared service positions shall be maintained by the Minnesota correctional facility at Faribault unless shared service income does not support these positions. If such positions are to be eliminated, such elimination shall be pursuant to the memorandum of understanding. However, other than specified above, the Minnesota correctional facility at Faribault shall only eliminate positions through attrition.

All Faribault regional center employees assigned to the laundry as of the transfer date shall be allowed to transfer to the Minnesota correctional facility at Faribault or exercise their memorandum of understanding options. All employees who transfer shall retain their current classification, employment condition, and salary upon such transfer.

(f) In consultation with the applicable exclusive representatives, the departments of corrections, human services, and employee relations shall establish training programs to enhance the opportunity of the Faribault regional center employees to obtain positions beyond entry level at the Minnesota correctional facility at Faribault. While participating in this training, individuals shall remain on the Faribault regional center payroll and the department of human services shall seek a legislative appropriation for this purpose. The department of corrections shall seek a legislative appropriation for retraining the Faribault regional center employees.

Sec. 37. [SOUTHERN CITIES COMMUNITY HEALTH CLINIC.]

The commissioner of human services shall consult with the Faribault community task force and the exclusive representatives before making any decisions about:

- (1) the future of the Southern Cities Community Health Clinic;
- (2) the services currently provided by that clinic to developmentally disabled clients in the Faribault regional center catchment area; and
- (3) changes in the model for providing those services.

The department of human services shall guarantee the provision of medically necessary psychiatric and dental services to developmentally disabled clients in the Faribault service area until or unless other appropriate arrangements have been made to provide those clients with those services.

Sec. 38. [STATE-OPERATED SERVICES IN THE FARIBAULT CATCHMENT AREA.]

(a) Notwithstanding Minnesota Statutes, section 252.025, subdivision 4, and in addition to the programs already developed, the department of human services shall establish the following state-operated, community-based programs in the Faribault regional center catchment area:

(1) state-operated community residential services to serve as a primary provider for 40 current residents of the Faribault regional center whose clinical symptoms or behaviors make them difficult to serve. Those state-operated, community-based residential services shall be configured as ten four-bed waived services homes. The program configuration may be modified in accordance with paragraph (c).

Beginning July 1, 1995, in addition to the residential services for those 40 clients, the department of human services agrees to seek legislation to develop and establish state-operated, community-based residential services for any other current residents of the Faribault regional center for whom the commissioner of human services finds that respective counties of financial responsibility are unable to find appropriate residential services operated by private providers. Counties shall give the strongest possible consideration to the placement preference of clients and families;

(2) a minimum of four state-operated day training and habilitation facilities for persons leaving the Faribault regional center as the result of downsizing and for other individuals referred by county agencies;

(3) crisis services for developmentally disabled persons in the Faribault regional center catchment area, including crisis beds and mobile intervention teams. These state-operated crisis services shall be configured as three four-bed programs. The program configuration may be modified in accordance with paragraph (c);

(4) area management services sufficient to manage state-operated, community-based programs within the existing Faribault regional center catchment area;

(5) area maintenance services sufficient to maintain the physical facilities housing state-operated services in the Faribault regional center catchment area; and

(6) technical assistance and training services for both public and private providers.

(b) All employees of the state-operated services established under this subdivision shall be state employees under Minnesota Statutes, chapters 43A and 179A, and shall consist of no fewer than 182 full-time employee equivalents, excluding additional personnel that may be necessary to staff additional state-operated, community-based residential services.

(c) Any changes in the configuration and design of programs described in this subdivision must be negotiated and agreed to by the affected exclusive representatives. The parties also must meet and discuss ways to provide the highest quality services, while maintaining or increasing cost effectiveness.

(d) The department of human services shall assist the counties with financial responsibility for those Faribault regional center residents who will be discharged into state-operated, community-based residential programs in developing service options located in and around the city of Faribault.

The department of human services shall seek funding, including the capital bonding necessary to establish the state-operated services authorized in this subdivision, including area management services to be located in or around the city of Faribault.

Sec. 39. [CAMBRIDGE REGIONAL HUMAN SERVICE CENTER COMMUNITY INTEGRATION PROGRAM.]

Subdivision 1. [COMMUNITY INTEGRATION PROGRAMS.] Notwithstanding the requirements of Minnesota Statutes, section 252.025 or 252.50, and sections 36 to 38, the commissioner of human services shall develop the following state-operated community services for persons with developmental disabilities in cooperation with the Cambridge regional human services center: residential services for 12 persons each year of the 1996-1997 biennium for a total of not fewer than 24 persons. The commissioner shall also develop residential services for 12 persons each year of the 1998-1999 biennium. In addition, the commissioner shall authorize the development of state-operated community services for other persons for whom the counties of financial responsibility are unable to find appropriate residential or day training and habilitation services. These services shall be developed in the catchment area currently served by the Cambridge regional human services center in accordance with the requirements of Minnesota Statutes, section 252.51, and shall be in addition to the services and programs currently authorized for the catchment area. The provisions in this subdivision may be implemented when the request for developing the service is made by the county of financial responsibility, and is approved by the individual or the individual's legally authorized agent. During the biennium ending June 30, 1997, the commissioner shall allocate waiver slots for state-operated community services according to the authorization made by the legislature for the biennium. Within the available funding for waived state-operated community services, the commissioner shall assure that the costs for state-operated community services are met on a cost-of-care basis. These services shall be in addition to the services and programs currently operated by the Cambridge regional human services center and the center shall provide administrative and support services for the programs developed under this section.

Subd. 2. [CAMPUS PROGRAMS.] (a) During the 1996-1997 biennium, the commissioner shall maintain capacity at Cambridge regional human services center and will continue to provide residential and crisis services at Cambridge for persons with complex behavioral and social problems committed by the courts from the Faribault regional center and Cambridge regional human services center catchment areas.

The commissioner shall develop a specialized service model at the Cambridge campus to serve citizens of Minnesota who have a developmental disability and exhibit severe behaviors which present a risk to public safety. This service will have the capacity to serve between 40 to 100 individuals and will maintain a staffing ratio of 1:1.938 plus six technical positions for outreach and follow-along care.

During fiscal year 1996, the commissioner shall initiate an implementation process which must include representatives selected by the employees' exclusive representatives. The implementation process will include assessing the actual need for service in this specialized model, defining the service capacity, program design, and establishment of the service model.

This implementation process will also include assessing the service capacity needed to allow Cambridge regional human services center to provide a safety net of residential and crisis services to persons with developmental disabilities and complex behavioral and social problems who are committed by the courts.

The commissioner shall also initiate architectural and engineering predesign required to develop a capital budget proposal for the 1996 legislative session. This proposal shall include any necessary campus infrastructure improvements, building modifications, and construction required to accommodate the above referenced services and related restructuring of the Cambridge campus.

During the fiscal year 1996-1997 biennium the commissioner shall make every reasonable effort, within the limits of available resources, to achieve a 1:1.938 staffing ratio for the 35 individuals residing at the Cambridge regional human service center who will be served in the future by the specialized service model. Any appropriations made specifically for this purpose shall be used to achieve a 1:1.938 staffing ratio at the earliest possible date within the biennium.

(b) The commissioner of human services shall provide a report for the 1996 legislature by January 15, 1996, regarding the number of children with developmental disabilities who are receiving residential services out of state. The report shall include the number of children involved, the location and type of services being received, and the cost of those services.

(c) The satellite office designated for local administration of MinnesotaCare including enrollment staff functions shall be located on the campus of the Cambridge regional human services center.

Sec. 40. [WAIVER ALLOCATION FOR STATE-OPERATED COMMUNITY SERVICES.]

In the administration of waivers for home and community-based services subject to Minnesota Statutes, section 256B.092, the commissioner of human services shall be solely responsible for the allocation of waiver resources to counties and such costs shall be based on average resource need of persons with similar functional characteristics. During the biennium ending June 30, 1997, the commissioner shall allocate waiver slots for state-operated community services according to the authorizations made by the legislature for the biennium, including requests by counties under sections 38 and 39. The commissioner of human services shall assure that the costs for state-operated community-based services are met on a cost-of-care basis. Within available appropriations for home and community-based waivers, the commissioner may establish state-operated, community-based residential services, in addition to those authorized, for residents of regional treatment centers for whom the commissioner finds that the respective counties of financial responsibility are unable to find appropriate residential services operated by private providers. Counties shall give the strongest possible consideration to the placement preferences of clients and families.

Sec. 41. [PILOT PROJECTS TO TEST ALTERNATIVES TO DELIVERY OF MENTAL HEALTH SERVICES.]

Subdivision 1. [AUTHORIZATION FOR PILOT PROJECTS.] The commissioner of human services may approve pilot projects to test alternatives to or the enhanced coordination of the delivery of mental health services required under the Minnesota comprehensive adult mental health act, Minnesota Statutes, sections 245.461 to 245.486.

Subd. 2. [PROGRAM DESIGN AND IMPLEMENTATION.] (a) The pilot projects shall be established to design, plan, and improve the mental health service delivery system for adults with serious and persistent mental illness that would:

(1) provide an expanded array of services from which clients can choose services appropriate to their needs;

(2) be based on purchasing strategies that improve access and coordinate services without cost shifting;

(3) incorporate existing state facilities and resources into the community mental health infrastructure through creative partnerships with local vendors; and

(4) utilize existing categorical funding streams and reimbursement sources in combined and creative ways, except appropriations to regional treatment centers and all funds that are attributable to the operation of state-operated services are excluded unless appropriated specifically by the legislature for a purpose consistent with this section.

(b) All projects must complete their planning phase and be operational by June 30, 1997.

Subd. 3. [PROGRAM EVALUATION.] Evaluation of each project will be based on outcome evaluation criteria negotiated with each project prior to implementation.

Subd. 4. [NOTICE OF PROJECT DISCONTINUATION.] Each project may be discontinued for any reason by the project's managing entity or the commissioner of human services, after 90 days' written notice to the other party.

Subd. 5. [PLANNING FOR PILOT PROJECTS.] Each local plan for a pilot project must be developed under the direction of the county board, or multiple county boards acting jointly, as the local mental health authority. The planning process for each pilot shall include, but not be limited to, mental health consumers, families, advocates, local mental health advisory councils, local and state providers, representatives of state and local public employee bargaining units, and the department of human services. As part of the planning process, the county board or boards shall designate a managing entity responsible for receipt of funds and management of the pilot project.

Subd. 6. [DUTIES OF COMMISSIONER.] (a) For purposes of the pilot projects, the commissioner shall facilitate integration of funds or other resources as needed and requested by each project. These resources may include:

(1) residential services funds administered under Minnesota Rules, parts 9535.2000 to 9535.3000, in an amount to be determined by mutual agreement between the project's managing entity and the commissioner of human services after an examination of the county's historical utilization of facilities located both within and outside of the county and licensed under Minnesota Rules, parts 9520.0500 to 9520.0690;

(2) community support services funds administered under Minnesota Rules, parts 9535.1700 to 9535.1760;

(3) other mental health special project funds;

(4) medical assistance, general assistance medical care, MinnesotaCare and group residential housing if requested by the project's managing entity, and if the commissioner determines this would be consistent with the state's overall health care reform efforts; and

(5) regional treatment center nonfiscal resources to the extent agreed to by the project's managing entity and the regional treatment center.

(b) The commissioner shall consider the following criteria in awarding start-up and implementation grants for the pilot projects:

(1) the ability of the proposed projects to accomplish the objectives described in subdivision 2;

(2) the size of the target population to be served; and

(3) geographical distribution.

(c) The commissioner shall review overall status of the projects at least every two years and recommend any legislative changes needed by January 15 of each odd-numbered year.

(d) The commissioner may waive administrative rule requirements which are incompatible with the implementation of the pilot project.

(e) The commissioner may exempt the participating counties from fiscal sanctions for noncompliance with requirements in laws and rules which are incompatible with the implementation of the pilot project.

(f) The commissioner may award grants to an entity designated by a county board or group of county boards to pay for start-up and implementation costs of the pilot project.

Subd. 7. [DUTIES OF COUNTY BOARD.] The county board, or other entity which is approved to administer a pilot project, shall:

(1) administer the project in a manner which is consistent with the objectives described in subdivision 2 and the planning process described in subdivision 5;

(2) assure that no one is denied services for which they would otherwise be eligible; and

(3) provide the commissioner of human services with timely and pertinent information through the following methods:

(i) submission of community social services act plans and plan amendments;

(ii) submission of social services expenditure and grant reconciliation reports, based on a coding format to be determined by mutual agreement between the project's managing entity and the commissioner; and

(iii) submission of data and participation in an evaluation of the pilot projects, to be designed cooperatively by the commissioner and the projects.

Sec. 42. [LOCALLY MANAGED INTEGRATED FUND DEMONSTRATION PILOT PROJECT.]

Subdivision. 1. [DEFINITIONS.] (a) "Eligible persons" means individuals who reside within the geographic area designated under subdivision 2 and who are otherwise eligible as defined in Minnesota Statutes, section 256B.092. Other persons with a developmental disability as defined in United States Code, title 42, section 6001, may be determined eligible by the local managing entity to participate in these pilots.

(b) "Local managing entity" means the county agency or alliance of agencies approved by the county under contract with the Minnesota department of human services and participating in each local demonstration project that manages the resources and the delivery of services to eligible individuals.

Subd. 2. [GEOGRAPHIC AREA.] The commissioner shall designate the geographic areas in which eligible individuals and organizations will be included in the project.

Subd. 3. [PAYMENT.] The commissioner shall establish the method and amount of payments and prepayments for the management and delivery of services. The managing entity may integrate these funds with local resources appropriated for services to persons with mental retardation or related conditions and may require transfer of resources from other county agencies for eligible persons who reside within the geographic area and who are the financial responsibility of another county. The commissioner shall contract with the local managing entity and the contract shall be consistent with these established methods and amounts for payment.

Subd. 4. [SERVICE DELIVERY.] Each managing entity shall be responsible for management and delivery of services for eligible individuals within their geographic area. Managing entities:

(1) shall accept the prospective, per capita payment from the commissioner in return for the provision of comprehensive and coordinated services for eligible individuals enrolled in the project;

(2) may contract with health care, long-term care, and other providers to serve eligible persons enrolled in the project; and

(3) may integrate state, federal, and county resources into an account and draw funding from this single source to purchase or provide services for eligible persons.

Subd. 5. [REPORTING.] Each participating local managing entity shall submit information as required by the commissioner, including data required for assessing client satisfaction, quality of care, cost, and utilization of services for purposes of project evaluation.

Subd. 6. [ALTERNATIVE METHODS.] Upon federal waiver approval to proceed with these pilots, the commissioner may approve alternative methods to meet the intent of existing rules and

statutes relating to services for eligible persons. The commissioner shall ensure that in no case are the rights and protections afforded under these rules and statutes abridged. The commissioner shall not waive the rights or procedural protections under Minnesota Statutes, sections 245.825; 245.91 to 245.97; 252.41, subdivision 9; 256.045; 256B.092; 626.556; and 626.557, including the county agency's responsibility to arrange for appropriate services and procedures for the monitoring of psychotropic medications.

Subd. 7. [COMMISSIONER DUTIES.] For purposes of this project, waiver of certain statutory provisions is necessary in accordance with this section, specifically subdivision 6. The commissioner shall seek all federal waivers as necessary to implement this section. In the biennium ending June 30, 1997, the commissioner may establish up to two pilot projects.

Sec. 43. [STATE-OPERATED, COMMUNITY-BASED SERVICES; REPORT ON COST-EFFECTIVE ALTERNATIVE.]

The commissioner shall develop a more cost-effective model than the four-bed, state-operated, or private community-based services model for purposes of serving high level care clients who are released from regional treatment centers. The commissioner must report recommendations to the legislature by January 15, 1996.

Sec. 44. [AH GWAH CHING NURSING HOME.]

Notwithstanding Minnesota Statutes, sections 429.061, subdivision 2, and 435.19, subdivision 2, the commissioner may, by contract with the city of Walker, agree to an assessment for sewer pond repairs which will constitute a valid lien on property now under the management and control of the commissioner of human services currently being used for the Ah Gwah Ching nursing home and the lien hereby authorized may, if not paid when due, be recovered in a civil action against the state or may be enforced as if the property described above were privately owned.

Sec. 45. [TRANSFER OF FUNDS.]

During the biennium ending June 30, 1997, state funds, which had been used during the 1994-95 biennium to supplement payments to state operated home- and community-based waiver services, shall be transferred to the medical assistance account in order to implement the requirements of Minnesota Statutes, section 256B.092, subdivision 4. Sufficient money shall be retained in the applicable accounts to fund cost-of-living adjustments in the state operated community waived services programs.

Sec. 46. [EFFECTIVE DATES.]

Sections 28 and 29 (246.18, subdivisions 4 and 6) are effective the day following final enactment.

Section 42 is effective January 1, 1996.

ARTICLE 9

HEALTH DEPARTMENT

Section 1. Minnesota Statutes 1994, section 62N.381, subdivision 2, is amended to read:

Subd. 2. [RANGE OF RATES.] The reimbursement rate negotiated for a contract period must not be more than 20 percent above or below the individual ambulance service's current customary charges, plus the rate of growth allowed under section 62J.04, subdivision 1. If the network and ambulance service cannot agree on a reimbursement rate, each party shall submit their rate proposal along with supportive data to the commissioner emergency medical services regulatory board.

Sec. 2. Minnesota Statutes 1994, section 62N.381, subdivision 3, is amended to read:

Subd. 3. [DEVELOPMENT OF CRITERIA.] The commissioner emergency medical services regulatory board, in consultation with representatives of the Minnesota Ambulance Association, regional emergency medical services programs, community integrated service networks, and integrated service networks, shall develop guidelines to use in reviewing rate proposals and making a final reimbursement rate determination.

Sec. 3. Minnesota Statutes 1994, section 62N.381, subdivision 4, is amended to read:

Subd. 4. [REVIEW OF RATE PROPOSALS.] The ~~commissioner~~ emergency medical services regulatory board, using the guidelines developed under subdivision 3, shall review the rate proposals of the ambulance service and community integrated service network or integrated service network and shall adopt either the network's or the ambulance service's proposal. The ~~commissioner board~~ shall require the network and ambulance service to adhere to this reimbursement rate for the contract period.

Sec. 4. Minnesota Statutes 1994, 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 state government special revenue 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~~ 1996 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 <u>\$1,017</u>
Non-JCAHO hospitals	\$2,228 plus \$138 per bed <u>\$762 plus \$34 per bed</u>
Nursing home	\$324 plus \$76 per bed <u>\$78 plus \$19 per bed</u>

For fiscal years ~~1993~~ 1996 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 <u>\$517</u>
Boarding care homes	\$249 plus \$58 per bed <u>\$78 plus \$19 per bed</u>

Supervised living facilities

~~\$249 plus \$58 per bed~~
\$78 plus \$19 per bed.

Sec. 5. Minnesota Statutes 1994, section 144.226, subdivision 1, is amended to read:

Subdivision 1. [WHICH SERVICES ARE FOR FEE.] The fees for any of the following services shall be in an amount prescribed by rule of the commissioner:

(a) ~~The issuance of a certified copy or certification of a vital record, or a certification that the record cannot be found, provided that a fee shall not be charged for any certified copy required for service in the armed forces or the Merchant Marine of the United States or required in the presentation of claims to the United States Veterans Administration of any state or territory of the United States, or for any copy requested by the commissioner of human services for the discharge of duties relating to state wards. No fee shall be charged for verification of information requested by official agencies of this state, local governments in this state, or the federal government;~~

(b) The replacement of a birth certificate;

(c) The filing of a delayed registration of birth or death;

(d) The alteration, correction, or completion of any vital record, provided that no fee shall be charged for an alteration, correction, or completion requested within one year after the filing of the certificate; and

(e) The verification of information from or noncertified copies of vital records. Fees charged shall approximate the costs incurred in searching and copying the records. The fee shall be payable at time of application.

Sec. 6. [144.394] [SMOKING PREVENTION.]

The commissioner may sell at market value, all nonsmoking or tobacco use prevention advertising materials. Proceeds from the sale of the advertising materials are appropriated to the department of health for its nonsmoking program.

Sec. 7. Minnesota Statutes 1994, section 144.801, subdivision 3, is amended to read:

Subd. 3. [COMMISSIONER BOARD.] ~~"Commissioner" means the commissioner of health of the state of Minnesota~~ "Board" means the emergency medical services regulatory board.

Sec. 8. Minnesota Statutes 1994, section 144.801, subdivision 5, is amended to read:

Subd. 5. [LICENSE.] "License" means authority granted by the ~~commissioner~~ board for the operation of an ambulance service in the state of Minnesota.

Sec. 9. Minnesota Statutes 1994, section 144.802, is amended to read:

144.802 [LICENSING.]

Subdivision 1. [LICENSES; CONTENTS, CHANGES, AND TRANSFERS.] No natural person, partnership, association, corporation or unit of government may operate an ambulance service within this state unless it possesses a valid license to do so issued by the ~~commissioner~~ board. The license shall specify the base of operations, primary service area, and the type or types of ambulance service for which the licensee is licensed. The licensee shall obtain a new license if it wishes to establish a new base of operation, or to expand its primary service area, or to provide a new type or types of service. A license, or the ownership of a licensed ambulance service, may be transferred only after the approval of the ~~commissioner~~ board, based upon a finding that the proposed licensee or proposed new owner of a licensed ambulance service meets or will meet the requirements of section 144.804. If the proposed transfer would result in a change in or addition of a new base of operations, expansion of the service's primary service area, or provision of a new type or types of ambulance service, the ~~commissioner~~ board shall require the prospective licensee or owner to comply with subdivision 3. The ~~commissioner~~ board may approve the license or ownership transfer prior to completion of the application process described in subdivision 3 upon obtaining written assurances from the proposed licensee or proposed new owner that no change in the service's base of operations, expansion of the service's primary service area, or provision of a

new type or types of ambulance service will occur during the processing of the application. The cost of licenses shall be in an amount prescribed by the ~~commissioner~~ board pursuant to section 144.122. Licenses shall expire and be renewed as prescribed by the ~~commissioner~~ board pursuant to section 144.122. Fees collected shall be deposited to the trunk highway fund.

Subd. 2. [REQUIREMENTS FOR NEW LICENSES.] The ~~commissioner~~ board shall not issue a license authorizing the operation of a new ambulance service, provision of a new type or types of ambulance service by an existing service, or establishment of a new base of operation or an expanded primary service area for an existing service unless the requirements of sections 144.801 to 144.807 are met.

Subd. 3. [APPLICATIONS; NOTICE OF APPLICATION; RECOMMENDATIONS.] (a) Each prospective licensee and each present licensee wishing to offer a new type or types of ambulance service, to establish a new base of operation, or to expand a primary service area, shall make written application for a license to the ~~commissioner~~ board on a form provided by the ~~commissioner~~ board.

(b) The board shall review the application for completeness, clarity, and content.

(c) For applications for the provision of ambulance services in a service area located within a county, the ~~commissioner~~ board shall promptly send notice of the completed application to the county board and to each community health board, governing body of a regional emergency medical services system designated under section 144.8093, ambulance service, and municipality in the area in which ambulance service would be provided by the applicant. The ~~commissioner~~ board shall publish the notice, at the applicant's expense, in the State Register and in a newspaper in the municipality in which the base of operation will be located, or if no newspaper is published in the municipality or if the service would be provided in more than one municipality, in a newspaper published at the county seat of the county in which the service would be provided.

(~~e~~) (d) For applications for the provision of ambulance services in a service area larger than a county, the ~~commissioner~~ board shall promptly send notice of the completed application to the municipality in which the service's base of operation will be located and to each community health board, county board, governing body of a regional emergency medical services system designated under section 144.8093, and ambulance service located within the counties in which any part of the service area described by the applicant is located, and any contiguous counties. The ~~commissioner~~ board shall publish this notice, at the applicant's expense, in the State Register.

~~(d)~~ The commissioner (e) Within 30 days of receiving a completed application, the board shall forward the application, along with any recommendations regarding the application, and shall request that the chief administrative law judge appoint an administrative law judge to hold a public hearing in the municipality in which the service's base of operation will be located. The public hearing shall be conducted as contested case hearing under chapter 14.

(~~e~~) (f) Each municipality, county, community health board, governing body of a regional emergency medical services system, ambulance service, and other person wishing to make recommendations concerning the disposition of the application shall make written recommendations to the administrative law judge within 30 days of the publication of notice of the application in the State Register.

(~~f~~) (g) The administrative law judge shall:

(1) hold a public hearing in the municipality in which the service's base of operations is or will be located;

(2) provide notice of the public hearing in the newspaper or newspapers in which notice was published under paragraph (b) for two successive weeks at least ten days before the date of the hearing;

(3) allow any interested person the opportunity to be heard, to be represented by counsel, and to present oral and written evidence at the public hearing;

(4) provide a transcript of the hearing at the expense of any individual requesting it; and

(5) consider and make part of the public record the recommendations of the board.

~~(g)~~ (h) The administrative law judge shall review ~~and comment upon~~ the application and shall ~~make written recommendations~~ forward a decision and order as to its disposition to the ~~commissioner~~ board within 90 days of receiving notice of the application. In making the ~~recommendations~~ decision, the administrative law judge shall consider and make written comments as to whether the proposed service, change in base of operations, or expansion in primary service area is needed, based on consideration of the following factors:

(1) the relationship of the proposed service, change in base of operations or expansion in primary service area to the current community health plan as approved by the commissioner of health under section 145A.12, subdivision 4;

(2) the recommendations or comments of the governing bodies of the counties ~~and municipalities~~, and regional emergency medical services system designated under section 144.8093 in which the service would be provided;

(3) the deleterious effects on the public health from duplication, if any, of ambulance services that would result from granting the license;

(4) the estimated effect of the proposed service, change in base of operation or expansion in primary service area on the public health;

(5) whether any benefit accruing to the public health would outweigh the costs associated with the proposed service, change in base of operations, or expansion in primary service area.

The administrative law judge shall ~~recommend that order the commissioner either board to grant or deny a license or recommend order that a modified license be granted.~~ The reasons for the ~~recommendation~~ order shall be set forth in detail. The administrative law judge shall make the ~~recommendations~~ order and reasons available to any individual requesting them.

Subd. 3a. [LICENSURE OF AIR AMBULANCE SERVICES.] Except for submission of a written application to the ~~commissioner~~ board on a form provided by the ~~commissioner~~ board, an application to provide air ambulance service shall be exempt from the provisions of subdivisions 3 and 4.

A license issued pursuant to this subdivision need not designate a primary service area.

No license shall be issued under this subdivision unless the ~~commissioner of health~~ board determines that the applicant complies with the requirements of applicable federal and state statutes and rules governing aviation operations within the state.

Subd. 3b. [SUMMARY APPROVAL OF PRIMARY SERVICE AREAS.] Except for submission of a written application to the ~~commissioner~~ board on a form provided by the ~~commissioner~~ board, an application to provide changes in a primary service area shall be exempt from subdivisions 3, paragraphs (d) to (g); and 4, if:

(1) the application is for a change of primary service area to improve coverage, to improve coordination with 911 emergency dispatching, or to improve efficiency of operations;

(2) the application requests redefinition of contiguous or overlapping primary service areas;

(3) the application shows approval from the ambulance licensees whose primary service areas are directly affected by a change in the applicant's primary service area;

(4) the application shows that the applicant requested review and comment on the application, and has included those comments received from: all county boards in the areas of coverage included in the application; all community health boards in the areas of coverage included in the application; all directors of 911 public safety answering point areas in the areas of coverage included in the application; and all regional emergency medical systems areas designated under section 144.8093 in the areas of coverage included in the application; and

(5) the application shows consideration of the factors listed in subdivision 3, paragraph (g).

Subd. 4. [~~COMMISSIONER'S DECISION~~ ISSUANCE OF LICENSE.] Within 30 days after receiving the administrative law judge's report order, the ~~commissioner~~ board shall grant or deny a license to the applicant. ~~In granting or denying a license, the commissioner shall consider the administrative law judge's report, the evidence contained in the application, and any hearing record and other applicable evidence. The commissioner's decision shall be based on a consideration of the factors contained in subdivision 3, clause (g). If the commissioner's decision is different from the administrative law judge's recommendations, the commissioner shall set forth in detail the reasons for differing from the recommendations.~~

Subd. 5. [~~CONTESTED CASES.~~] The ~~commissioner's~~ board's decision made under subdivision 3a or 4 the administrative law judge's decision under subdivision 3 shall be the final administrative decision. Any person aggrieved by the ~~commissioner's~~ board's decision or action shall be entitled to judicial review in the manner provided in sections 14.63 to 14.69.

Subd. 6. [~~TEMPORARY LICENSE.~~] Notwithstanding other provisions herein, the ~~commissioner~~ board may issue a temporary license for instances in which a primary service area would be deprived of ambulance service. The temporary license shall expire when an applicant has been issued a regular license under this section. The temporary license shall be valid no more than six months from date of issuance. A temporary licensee must provide evidence that the licensee will meet the requirements of section 144.804 and the rules adopted under this section.

Sec. 10. Minnesota Statutes 1994, section 144.803, is amended to read:

144.803 [~~LICENSING; SUSPENSION AND REVOCATION.~~]

The ~~commissioner~~ board may, ~~after conducting~~ initiate a contested case hearing upon reasonable notice, ~~to suspend or, revoke, or refuse to renew the license of a licensee upon finding that the licensee has violated sections 144.801 to 144.808 or has ceased to provide the service for which it is licensed. The decision of the administrative law judge in the contested case hearing shall be the decision of the board.~~

Sec. 11. Minnesota Statutes 1994, section 144.804, is amended to read:

144.804 [~~STANDARDS.~~]

Subdivision 1. [~~DRIVERS AND ATTENDANTS.~~] No publicly or privately owned basic ambulance service shall be operated in the state unless its drivers and attendants possess a current emergency care course certificate authorized by rules adopted by the ~~commissioner of health board~~ according to chapter 14. Until August 1, 1994, a licensee may substitute a person currently certified by the American Red Cross in advanced first aid and emergency care or a person who has successfully completed the United States Department of Transportation first responder curriculum, and who has also been trained to use basic life support equipment as required by rules adopted by the ~~commissioner~~ board under section 144.804, subdivision 3, for one of the persons on a basic ambulance, provided that person will function as the driver while transporting a patient. The ~~commissioner~~ board may grant a variance to allow a licensed ambulance service to use attendants certified by the American Red Cross in advanced first aid and emergency care in order to ensure 24-hour emergency ambulance coverage. ~~The commissioner shall study the roles and responsibilities of first responder units and report the findings by January 1, 1991. This study shall address at a minimum:~~

- ~~(1) education and training;~~
- ~~(2) appropriate equipment and its use;~~
- ~~(3) medical direction and supervision; and~~
- ~~(4) supervisory and regulatory requirements.~~

Subd. 2. [~~EQUIPMENT AND STAFF.~~] (a) Every ambulance offering ambulance service shall be equipped as required by the ~~commissioner~~ board and carry at least the minimal equipment necessary for the type of service to be provided as determined by standards adopted by the ~~commissioner~~ board pursuant to subdivision 3.

(b) Each ambulance service shall offer service 24 hours per day every day of the year, unless otherwise authorized by the ~~commissioner~~ board.

(c) Each ambulance while transporting a patient shall be staffed by at least a driver and an attendant, according to subdivision 1. An ambulance service may substitute for the attendant a physician, osteopath, registered nurse, or physician's assistant who is qualified by training to use appropriate equipment in the ambulance. Advanced life support procedures including, but not limited to, intravenous fluid administration, drug administration, endotracheal intubation, cardioversion, defibrillation, and intravenous access may be performed by the physician, osteopath, registered nurse, or physician's assistant who has appropriate training and authorization, and who provides all of the equipment and supplies not normally carried on basic ambulances.

(d) An ambulance service shall not deny emergency ambulance service to any person needing emergency ambulance service because of inability to pay or due to source of payment for services if this need develops within the licensee's primary service area. Transport for such a patient may be limited to the closest appropriate emergency medical facility.

Subd. 3. [TYPES OF SERVICES TO BE REGULATED.] The ~~commissioner~~ board may adopt rules needed to carry out sections 144.801 to 144.8091, including the following types of ambulance service:

(a) basic ambulance service that has appropriate personnel, vehicles, and equipment, and is maintained according to rules adopted by the ~~commissioner~~ board according to chapter 14, and that provides a level of care so as to ensure that life-threatening situations and potentially serious injuries can be recognized, patients will be protected from additional hazards, basic treatment to reduce the seriousness of emergency situations will be administered and patients transported to an appropriate medical facility for treatment;

(b) intermediate ambulance service that has appropriate personnel, vehicles, and equipment, and is maintained according to standards the ~~commissioner~~ board adopts according to chapter 14, and that provides basic ambulance service and intravenous infusions or defibrillation or both. Standards adopted by the commissioner shall include, but not be limited to, equipment, training, procedures, and medical control;

(c) advanced ambulance service that has appropriate personnel, vehicles, and equipment, and is maintained according to standards the ~~commissioner~~ board adopts according to chapter 14, and that provides basic ambulance service, and in addition, advanced airway management, defibrillation, and administration of intravenous fluids and pharmaceuticals. Vehicles of advanced ambulance service licensees not equipped or staffed at the advanced ambulance service level shall not be identified to the public as capable of providing advanced ambulance service.

(d) specialized ambulance service that provides basic, intermediate, or advanced service as designated by the ~~commissioner~~ board, and is restricted by the ~~commissioner~~ board to (1) less than 24 hours of every day, (2) designated segments of the population, or (3) certain types of medical conditions; and

(e) air ambulance service, that includes fixed-wing and helicopter, and is specialized ambulance service.

Until standards have been developed under clauses (b), (d), and (e), the current provisions of Minnesota Rules shall govern these services.

Subd. 5. [LOCAL GOVERNMENT'S POWERS.] Local units of government may, with the approval of the ~~commissioner~~ board, establish standards for ambulance services which impose additional requirements upon such services. Local units of government intending to impose additional requirements shall consider whether any benefit accruing to the public health would outweigh the costs associated with the additional requirements. Local units of government which desire to impose such additional requirements shall, prior to promulgation of relevant ordinances, rules or regulations, furnish the ~~commissioner~~ board with a copy of such proposed ordinances, rules or regulations, along with information which affirmatively substantiates that the proposed ordinances, rules or regulations: will in no way conflict with the relevant rules of the department

of health; will establish additional requirements tending to protect the public health; will not diminish public access to ambulance services of acceptable quality; and will not interfere with the orderly development of regional systems of emergency medical care. The commissioner board shall base any decision to approve or disapprove such standards upon whether or not the local unit of government in question has affirmatively substantiated that the proposed ordinances, rules or regulations meet these criteria.

Subd. 6. [RULES ON PRIMARY SERVICE AREAS.] The commissioner board shall promulgate rules defining primary service areas under section 144.801, subdivision 8, under which the commissioner board shall designate each licensed ambulance service as serving a primary service area or areas.

Subd. 7. [DRIVERS OF AMBULANCES.] An ambulance service vehicle shall be staffed by a driver possessing a current Minnesota driver's license or equivalent and whose driving privileges are not under suspension or revocation by any state. If red lights and siren are used, the driver must also have completed training approved by the commissioner board in emergency driving techniques. An ambulance transporting patients must be staffed by at least two persons who are trained according to subdivision 1, or section 144.809, one of whom may be the driver. A third person serving as driver shall be trained according to this subdivision.

Sec. 12. Minnesota Statutes 1994, section 144.806, is amended to read:

144.806 [PENALTIES.]

Any person who violates a provision of sections 144.801 to 144.806 is guilty of a misdemeanor. The commissioner board may issue fines to assure compliance with sections 144.801 to 144.806 and rules adopted under those sections. The commissioner board shall adopt rules to implement a schedule of fines by January 1, 1991.

Sec. 13. Minnesota Statutes 1994, section 144.807, is amended to read:

144.807 [REPORTS.]

Subdivision 1. [REPORTING OF INFORMATION.] Operators of ambulance services licensed pursuant to sections 144.801 to 144.806 shall report information about ambulance service to the commissioner board as the commissioner board may require. The reports shall be classified as "private data on individuals" under the Minnesota government data practices act, chapter 13.

Subd. 2. [FAILURE TO REPORT.] Failure to report all information required by the commissioner board shall constitute grounds for licensure revocation.

Sec. 14. Minnesota Statutes 1994, section 144.808, is amended to read:

144.808 [INSPECTIONS.]

The commissioner board may inspect ambulance services as frequently as deemed necessary. These inspections shall be for the purpose of determining whether the ambulance and equipment is clean and in proper working order and whether the operator is in compliance with sections 144.801 to 144.804 and any rules that the commissioner board adopts related to sections 144.801 to 144.804.

Sec. 15. Minnesota Statutes 1994, section 144.809, is amended to read:

144.809 [RENEWAL OF BASIC EMERGENCY CARE COURSE CERTIFICATE; FEE.]

Subdivision 1. [STANDARDS FOR RECERTIFICATION.] The commissioner board shall adopt rules establishing minimum standards for expiration and recertification of basic emergency care course certificates. These standards shall require:

(1) four years after initial certification, and every four years thereafter, formal classroom training and successful completion of a written test and practical examination, both of which must be approved by the commissioner board; and

(2) two years after initial certification, and every four years thereafter, in-service continuing

education, including knowledge and skill proficiency testing, all of which must be conducted under the supervision of a medical director or medical advisor and approved by the ~~commissioner~~ board.

Course requirements under clause (1) shall not exceed 24 hours. Course requirements under clause (2) shall not exceed 36 hours, of which at least 12 hours may consist of course material developed by the medical director or medical advisor.

Individuals may choose to complete, two years after initial certification, and every two years thereafter, formal classroom training and successful completion of a written test and practical examination, both of which are approved by the ~~commissioner~~ board, in lieu of completing requirements in clauses (1) and (2).

Subd. 2. [UPGRADING TO BASIC EMERGENCY CARE COURSE CERTIFICATE.] ~~By August 1, 1994,~~ The ~~commissioner~~ board shall adopt rules authorizing the equivalence of the following as credit toward successful completion of the ~~commissioner's~~ board's basic emergency care course:

(1) successful completion of the United States Department of Transportation first responder curriculum;

(2) a minimum of two years of documented continuous service as an ambulance driver, as authorized in section 144.804, subdivision 7;

(3) documented clinical experience obtained through work or volunteer activity as a first responder; and

(4) documented continuing education in emergency care.

Subd. 3. [LIMITATION ON FEES.] No fee set by the ~~commissioner~~ board for biennial renewal of a basic emergency care course certificate by a volunteer member of an ambulance service, fire department, or police department shall exceed \$2.

Sec. 16. Minnesota Statutes 1994, section 144.8091, is amended to read:

144.8091 [REIMBURSEMENT TO NONPROFIT AMBULANCE SERVICES.]

Subdivision 1. [REPAYMENT FOR VOLUNTEER TRAINING.] Any political subdivision, or nonprofit hospital or nonprofit corporation operating a licensed ambulance service shall be reimbursed by the ~~commissioner~~ board for the necessary expense of the initial training of a volunteer ambulance attendant upon successful completion by the attendant of a basic emergency care course, or a continuing education course for basic emergency care, or both, which has been approved by the ~~commissioner~~ board, pursuant to section 144.804. Reimbursement may include tuition, transportation, food, lodging, hourly payment for the time spent in the training course, and other necessary expenditures, except that in no instance shall a volunteer ambulance attendant be reimbursed more than \$450 for successful completion of a basic course, and \$225 for successful completion of a continuing education course.

Subd. 2. [VOLUNTEER ATTENDANT DEFINED.] For purposes of this section, "volunteer ambulance attendant" means a person who provides emergency medical services for a Minnesota licensed ambulance service without the expectation of remuneration and who does not depend in any way upon the provision of these services for the person's livelihood. An individual may be considered a volunteer ambulance attendant even though that individual receives an hourly stipend for each hour of actual service provided, except for hours on standby alert, even though this hourly stipend is regarded as taxable income for purposes of state or federal law, provided that this hourly stipend does not exceed \$3,000 within one year of the final certification examination. Reimbursement will be paid under provisions of this section when documentation is provided the ~~department of health~~ board that the individual has served for one year from the date of the final certification exam as an active member of a Minnesota licensed ambulance service.

Sec. 17. Minnesota Statutes 1994, 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~~ emergency medical services regulatory board 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; providing discretionary grants for emergency medical service projects 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. 2a. [DEFINITION.] For purposes of this section, "board" means the emergency medical services regulatory board.

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. 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~~ board. 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~~ board 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~~ board 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.

Sec. 18. Minnesota Statutes 1994, section 144.8095, is amended to read:

144.8095 [FUNDING FOR THE EMERGENCY MEDICAL SERVICES REGIONS.]

The ~~commissioner of health~~ emergency medical services regulatory board shall distribute funds appropriated from the general fund equally among the emergency medical service regions. Each regional board may use this money to reimburse eligible emergency medical services personnel for continuing education costs related to emergency care that are personally incurred and are not reimbursed from other sources. Eligible emergency medical services personnel include, but are not limited to, dispatchers, emergency room physicians, emergency room nurses, first responders, emergency medical technicians, and paramedics.

Sec. 19. Minnesota Statutes 1994, section 144A.33, subdivision 3, is amended to read:

Subd. 3. [FUNDING OF ADVISORY COUNCIL EDUCATION.] A license application or renewal fee for nursing homes and boarding care homes under section 144.53 or 144A.07 must be increased by ~~\$2.75~~ \$5 per bed to fund the development and education of resident and family advisory councils.

Sec. 20. Minnesota Statutes 1994, 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, and shopping;
- (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.

"Home care service" does not include the following activities conducted by the commissioner of health or a board of health as defined in section 145A.02, subdivision 2: communicable disease investigations or testing; administering or monitoring a prescribed therapy necessary to control or prevent a communicable disease; or the monitoring of an individual's compliance with a health directive as defined in section 144.4172, subdivision 6.

Sec. 21. Minnesota Statutes 1994, section 144A.47, is amended to read:

144A.47 [INFORMATION AND REFERRAL SERVICES.]

The commissioner shall ensure that information and referral services relating to home care are available in all regions of the state. The commissioner shall collect and make available information about available home care services, sources of payment, providers, and the rights of consumers. The commissioner may require home care providers to provide information requested for the purposes of this section, ~~including price information, as a condition of registration or licensure. Specific price information furnished by providers under this section is not public data and must not be released without the written permission of the agency.~~ The commissioner may publish and make available:

- (1) general information ~~and a summary of the range of prices of~~ describing home care services in the state;
- (2) limitations on hours, availability of services, and eligibility for third-party payments, applicable to individual providers; and
- (3) other information the commissioner determines to be appropriate.

Sec. 22. Minnesota Statutes 1994, section 144B.01, subdivision 5, is amended to read:

Subd. 5. [RESIDENTIAL CARE HOME OR HOME.] "Residential care home" or "home" means an establishment with a minimum of five beds, where adult residents are provided sleeping

accommodations and three or more meals per day and where at least two or more supportive services or at least one health-related service are provided or offered to all residents by the home. A residential care home is not required to offer every supportive or health-related service. A "residential care home" does not include:

(1) a board and lodging establishment licensed under chapter 157 and the provisions of Minnesota Rules, parts 9530.4100 to 9530.4450;

(2) a boarding care home or a supervised living facility licensed under chapter 144;

(3) a home care provider licensed under chapter 144A;

(4) any housing arrangement which consists of apartments containing a separate kitchen or kitchen equipment that will allow residents to prepare meals and where supportive services may be provided, on an individual basis, to residents in their living units either by the management of the residential care home or by home care providers under contract with the home's management; ~~and~~

(5) a board or lodging establishment which serves as a shelter for battered women or other similar purpose; and

(6) an elderly housing with services establishment registered under chapter 144D.

Sec. 23. Minnesota Statutes 1994, section 144C.01, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATION.] (a) Unless paragraph (c) applies, consistent with the responsibilities of the state board of investment and the various ambulance services, the ambulance service personnel longevity award and incentive program must be administered by the ~~commissioner of health emergency medical services regulatory board~~. The administrative responsibilities of the ~~commissioner of health board~~ for the program relate solely to the record keeping, award application, and award payment functions. The state board of investment is responsible for the investment of the ambulance service personnel longevity award and incentive trust. The applicable ambulance service is responsible for determining, consistent with this chapter, who is a qualified ambulance service person, what constitutes a year of credited ambulance service, what constitutes sufficient documentation of a year of prior service, and for submission of all necessary data to the ~~commissioner of health board~~ in a manner consistent with this chapter. Determinations of an ambulance service are final.

(b) The ~~commissioner of health board~~ may administer the ~~commissioner's~~ its assigned responsibilities regarding the program directly or may retain a qualified governmental or nongovernmental plan administrator under contract to administer those responsibilities regarding the program. A contract with a qualified plan administrator must be the result of an open competitive bidding process and must be reopened for competitive bidding at least once during every five-year period after July 1, 1993.

(c) The commissioner of employee relations shall review the options within state government for the most appropriate administration of pension plans or similar arrangements for emergency service personnel and recommend to the governor the most appropriate future pension plan or nonpension plan administrative arrangement for this chapter. If the governor concurs in the recommendation, the governor shall transfer the future administrative responsibilities relating to this chapter to that administrative agency.

Sec. 24. Minnesota Statutes 1994, section 144C.05, subdivision 1, is amended to read:

Subdivision 1. [AWARD PAYMENTS.] (a) The ~~commissioner of health emergency medical services regulatory board~~ or the ~~commissioner's~~ board's designee under section 144C.01, subdivision 2, shall pay ambulance service personnel longevity awards to qualified ambulance service personnel determined to be entitled to an award under section 144C.08 by the ~~commissioner board~~ based on the submissions by the various ambulance services. Amounts necessary to pay the ambulance service personnel longevity award are appropriated from the ambulance service personnel longevity award and incentive trust account to the ~~commissioner of health board~~.

(b) If the state of Minnesota is unable to meet its financial obligations as they become due, the commissioner of health shall undertake all necessary steps to discontinue paying ambulance service personnel longevity awards until the state of Minnesota is again able to meet its financial obligations as they become due.

Sec. 25. Minnesota Statutes 1994, section 144C.07, is amended to read:

144C.07 [CREDITING QUALIFIED AMBULANCE PERSONNEL SERVICE.]

Subdivision 1. [SEPARATE RECORD KEEPING.] The ~~commissioner of health board~~ or the ~~commissioner's board's~~ designee under section 144C.01, subdivision 2, shall maintain a separate record of potential award accumulations for each qualified ambulance service person under subdivision 2.

Subd. 2. [POTENTIAL ALLOCATIONS.] (a) On September 1, annually, the ~~commissioner of health board~~ or the ~~commissioner's board's~~ designee under section 144C.01, subdivision 2, shall determine the amount of the allocation of the prior year's accumulation to each qualified ambulance service person. The prior year's net investment gain or loss under paragraph (b) must be allocated and that year's general fund appropriation, plus any transfer from the suspense account under section 144C.03, subdivision 2, and after deduction of administrative expenses, also must be allocated.

(b) The difference in the market value of the assets of the ambulance service personnel longevity award and incentive trust account as of the immediately previous June 30 and the June 30 occurring 12 months earlier must be reported on or before August 15 by the state board of investment. The market value gain or loss must be expressed as a percentage of the total potential award accumulations as of the immediately previous June 30, and that positive or negative percentage must be applied to increase or decrease the recorded potential award accumulation of each qualified ambulance service person.

(c) The appropriation for this purpose, after deduction of administrative expenses, must be divided by the total number of additional ambulance service personnel years of service recognized since the last allocation or 1,000 years of service, whichever is greater. If the allocation is based on the 1,000 years of service, any allocation not made for a qualified ambulance service person must be credited to the suspense account under section 144C.03, subdivision 2. A qualified ambulance service person must be credited with a year of service if the person is certified by the chief administrative officer of the ambulance service as having rendered active ambulance service during the 12 months ending as of the immediately previous June 30. If the person has rendered prior active ambulance service, the person must be additionally credited with one-fifth of a year of service for each year of active ambulance service rendered before June 30, 1993, but not to exceed in any year one additional year of service or to exceed in total five years of prior service. Prior active ambulance service means employment by or the provision of service to a licensed ambulance service before June 30, 1993, as determined by the person's current ambulance service based on records provided by the person that were contemporaneous to the service. The prior ambulance service must be reported on or before August 15 to the ~~commissioner of health board~~ in an affidavit from the chief administrative officer of the ambulance service.

Sec. 26. Minnesota Statutes 1994, section 144C.08, is amended to read:

144C.08 [AMBULANCE SERVICE PERSONNEL LONGEVITY AWARD.]

(a) A qualified ambulance service person who has terminated active ambulance service, who has at least five years of credited ambulance service, who is at least 50 years old, and who is among the 400 persons with the greatest amount of credited ambulance service applying for a longevity award during that year, is entitled, upon application, to an ambulance service personnel longevity award. An applicant whose application is not approved because of the limit on the number of annual awards may apply in a subsequent year.

(b) If a qualified ambulance service person who meets the age and service requirements specified in paragraph (a) dies before applying for a longevity award, the estate of the decedent is entitled, upon application, to the decedent's ambulance service personnel longevity award, without reference to the limit on the number of annual awards.

(c) An ambulance service personnel longevity award is the total amount of the person's accumulations indicated in the person's separate record under section 144C.07 as of the August 15 preceding the application. The amount is payable only in a lump sum.

(d) Applications for an ambulance service personnel longevity award must be received by the ~~commissioner of health board~~ or the ~~commissioner's board's~~ designee under section 144C.01, subdivision 2, by August 15, annually. Ambulance service personnel longevity awards are payable only as of the last business day in October annually.

Sec. 27. Minnesota Statutes 1994, section 144C.09, subdivision 2, is amended to read:

Subd. 2. [NONASSIGNABILITY.] No entitlement or claim of a qualified ambulance service person or the person's beneficiary to an ambulance service personnel longevity award is assignable, or subject to garnishment, attachment, execution, levy, or legal process of any kind, except as provided in section 518.58, 518.581, or 518.611. The ~~commissioner of health board~~ may not recognize any attempted transfer, assignment, or pledge of an ambulance service personnel longevity award.

Sec. 28. Minnesota Statutes 1994, section 144C.10, is amended to read:

144C.10 [SCOPE OF ADMINISTRATIVE DUTIES.]

For purposes of administering the award and incentive program, the ~~commissioner of health board~~ cannot hear appeals, direct ambulance services to take any specific actions, investigate or take action on individual complaints, or otherwise act on information beyond that submitted by the licensed ambulance services.

Sec. 29. [144D.01] [DEFINITIONS.]

Subdivision 1. [SCOPE.] As used in sections 144D.01 to 144D.06, the following terms have the meanings given them.

Subd. 2. [ADULT.] "Adult" means a natural person who has attained the age of 18 years.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of health or the commissioner's designee.

Subd. 4. [ELDERLY HOUSING WITH SERVICES ESTABLISHMENT OR ESTABLISHMENT.] "Elderly housing with services establishment" or "establishment" means an establishment providing sleeping accommodations to one or more adult residents, at least 80 percent of which are 55 years of age or older, and offering or providing, for a fee, one or more health-related or supportive service, whether offered or provided directly by the establishment or by another entity arranged for by the establishment.

Elderly housing with services establishment does not include:

- (1) a nursing home licensed under chapter 144A;
- (2) a hospital, boarding care home, or supervised living facility licensed under sections 144.50 to 144.56;
- (3) a board and lodging establishment licensed under chapter 157 and Minnesota Rules, parts 9520.0500 to 9520.0670, 9525.0215 to 9525.0355, 9525.0500 to 9525.0660, or 9530.4100 to 9530.4450;
- (4) a board and lodging establishment which serves as a shelter for battered women or other similar purpose;
- (5) a family adult foster care home licensed under Minnesota Rules, parts 9543.0010 to 9543.0150; or
- (6) private homes in which the residents are related by kinship, law, or affinity with the providers of services.

Subd. 5. [SUPPORTIVE SERVICES.] "Supportive services" means arranging for medical services, health-related services, social services, transportation, help with personal laundry, or handling or assisting with personal funds of residents.

Subd. 6. [HEALTH-RELATED SERVICES.] "Health-related services" include professional nursing services, home health aide tasks, and home care aide tasks identified in Minnesota Rules, parts 4668.0100, subparts 1 and 2; and 4668.0110, subpart 1, or the central storage of medication for residents under section 144A.485, subdivision 2, clause (6).

Sec. 30. [144D.02] [REGISTRATION REQUIRED.]

No entity may establish, operate, conduct, or maintain an elderly housing with services establishment in this state without registering and operating as required in sections 144D.01 to 144D.06.

Sec. 31. [144D.03] [REGISTRATION.]

Subdivision 1. [REGISTRATION PROCEDURES.] The commissioner shall establish forms and procedures for annual registration of elderly housing with services establishments. The commissioner shall charge an annual registration fee of \$35. No fee shall be refunded. A registered establishment shall notify the commissioner within 30 days of any change in the business name or address of the establishment, the name or mailing address of the owner or owners, or the name or mailing address of the managing agent. There shall be no fee for submission of the notice.

Subd. 2. [REGISTRATION INFORMATION.] The establishment shall provide the following information to the commissioner in order to be registered:

(1) the business name, street address, and mailing address of the establishment;

(2) the name and mailing address of the owner or owners of the establishment and, if the owner or owners are not natural persons, identification of the type of business entity of the owner or owners, and the names and addresses of the officers and members of the governing body, or comparable persons for partnerships, limited liability corporations, or other types of business organizations of the owner or owners;

(3) the name and mailing address of the managing agent, whether through management agreement or lease agreement, of the establishment, if different from the owner or owners, and the name of the on-site manager, if any;

(4) verification that the establishment has entered into an elderly housing with services contract, as required in section 144D.04, with each resident or resident's representative;

(5) the name and address of at least one natural person who shall be responsible for dealing with the commissioner on all matters provided for in sections 144D.01 to 144D.06, and on whom personal service of all notices and orders shall be made, and who shall be authorized to accept service on behalf of the owner or owners and the managing agent, if any; and

(6) the signature of the authorized representative of the owner or owners or, if the owner or owners are not natural persons, signatures of at least two authorized representatives of each owner, one of which shall be an officer of the owner.

Personal service on the person identified under clause (5) by the owner or owners in the registration shall be considered service on the owner or owners, and it shall not be a defense to any action that personal service was not made on each individual or entity. The designation of one or more individuals under this subdivision shall not affect the legal responsibility of the owner or owners under sections 144D.01 to 144D.06.

Sec. 32. [144D.04] [ELDERLY HOUSING WITH SERVICES CONTRACTS.]

Subdivision 1. [CONTRACT REQUIRED.] No elderly housing with services establishment may operate in this state unless a written elderly housing with services contract, as defined in subdivision 2, is executed between the establishment and each resident or resident's representative

and unless the establishment operates in accordance with the terms of the contract. The resident or the resident's representative shall be given a complete copy of the contract and all supporting documents and attachments and any changes whenever changes are made.

Subd. 2. [CONTENTS OF CONTRACT.] An elderly housing with services contract, which need not be entitled as such to comply with this section, shall include at least the following elements in itself or through supporting documents or attachments:

- (1) name, street address, and mailing address of the establishment;
- (2) the name and mailing address of the owner or owners of the establishment and, if the owner or owners is not a natural person, identification of the type of business entity of the owner or owners;
- (3) the name and mailing address of the managing agent, through management agreement or lease agreement, of the establishment, if different from the owner or owners;
- (4) the name and address of at least one natural person who is authorized to accept service on behalf of the owner or owners and managing agent;
- (5) statement describing the registration and licensure status of the establishment and any provider providing health-related or supportive services under an arrangement with the establishment;
- (6) term of the contract;
- (7) description of the services to be provided to the resident in the base rate to be paid by resident;
- (8) description of any additional services available for an additional fee from the establishment directly or through arrangements with the establishment;
- (9) fee schedules outlining the cost of any additional services;
- (10) description of the process through which the contract may be modified, amended, or terminated;
- (11) description of the establishment's complaint resolution process available to residents;
- (12) the resident's designated representative, if any;
- (13) the establishment's referral procedures if the contract is terminated;
- (14) criteria used by the establishment to determine who may continue to reside in the elderly housing with services establishment;
- (15) billing and payment procedures and requirements;
- (16) statement regarding the ability of residents to receive services from service providers with whom the establishment does not have an arrangement; and
- (17) statement regarding the availability of public funds for payment for residence or services in the establishment.

Subd. 3. [CONTRACTS IN PERMANENT FILES.] Elderly housing with services contracts and related documents executed by each resident or resident's representative shall be maintained by the establishment in files from the date of execution until three years after the contract is terminated. The contracts shall be made available for on-site inspection by the commissioner upon request at any time.

Sec. 33. [144D.05] [AUTHORITY OF COMMISSIONER.]

The commissioner shall, upon receipt of information which may indicate the failure of the elderly housing with services establishment, a resident, a resident's representative, or a service provider to comply with a legal requirement to which one or more of them may be subject, make

appropriate referrals to other governmental agencies and entities having jurisdiction over the subject matter. The commissioner may also make referrals to any public or private agency the commissioner considers available for appropriate assistance to those involved.

The commissioner shall have standing to bring an action for injunctive relief in the district court in the district in which an establishment is located to compel the elderly housing with services establishment to meet the requirements of this chapter or other requirements of the state or of any county or local governmental unit to which the establishment is otherwise subject. Proceedings for securing an injunction may be brought by the commissioner through the attorney general or through the appropriate county attorney. The sanctions in this section do not restrict the availability of other sanctions.

Sec. 34. [144D.06] [OTHER LAWS.]

An elderly housing with services establishment shall obtain and maintain all other licenses, permits, registrations, or other governmental approvals required of it in addition to registration under this chapter, except that an establishment registered under this chapter is exempt, at its option, from the requirement of obtaining and maintaining an adult foster care license under Minnesota Rules, parts 9543.0010 to 9543.0150, or a lodging license under chapter 157. An elderly housing with services establishment is subject to the provisions of sections 504.01 to 504.28 and 566.01 to 566.175. An elderly housing with services establishment which is also described in section 157.031 is exempt from the requirements of that section while it is registered under this chapter.

Sec. 35. [144E.01] [EMERGENCY MEDICAL SERVICES REGULATORY BOARD.]

Subdivision 1. [MEMBERSHIP.] (a) The emergency medical services regulatory board consists of the following members, all of whom must work in Minnesota, except for the person listed in clause (14):

- (1) an emergency physician certified by the American board of emergency physicians;
- (2) a representative of Minnesota hospitals;
- (3) a representative of fire chiefs;
- (4) a full-time firefighter who serves as a first responder and who is a member of a professional firefighter's union;
- (5) a volunteer firefighter who serves as a first responder;
- (6) an attendant currently practicing on a licensed ambulance service who is a paramedic or an emergency medical technician;
- (7) an ambulance director for a licensed ambulance service;
- (8) a representative of sheriffs;
- (9) a member of a local board of health to represent community health services;
- (10) two representatives of regional emergency medical services programs, one of whom must be from the metropolitan regional emergency medical services program;
- (11) a registered nurse currently practicing in a hospital emergency department;
- (12) a pediatrician, certified by the American board of pediatrics, with experience in emergency medical services;
- (13) a family practice physician who is currently involved in emergency medical services; and
- (14) a public member who resides in Minnesota and is at least 65 years of age.

(b) The governor shall appoint members under paragraph (a). Appointments under clauses (1) to (9) and (11) to (13) are subject to the advice and consent of the senate. In making appointments

under clauses (1) to (9) and (11) to (13), the governor shall consider recommendations of the American college of emergency physicians, the Minnesota hospital association, the Minnesota and state fire chief's association, the Minnesota ambulance association, the Minnesota emergency medical services association, the Minnesota state sheriff's association, the association of Minnesota counties, the Minnesota nurses association, and the Minnesota chapter of the academy of pediatrics.

(c) No member appointed under paragraph (a) may serve consecutive terms.

(d) At least seven members appointed under paragraph (a) must reside outside of the seven-county metropolitan area, as defined in section 473.121.

Subd. 2. [EX OFFICIO MEMBERS.] The speaker of the house of representatives and the committee on rules and administration of the senate shall appoint one representative and one senator to serve as ex officio, nonvoting members.

Subd. 3. [CHAIR.] The governor shall designate one of the members appointed under subdivision 1 as chair of the board.

Subd. 4. [COMPENSATION; TERMS.] Membership terms, compensation, and removal of members appointed under subdivision 1, are governed by section 15.0575.

Subd. 5. [STAFF.] The board shall appoint an executive director who shall serve in the unclassified service and may appoint other staff.

Subd. 6. [DUTIES OF THE BOARD.] (a) The emergency medical services regulatory board shall:

(1) administer and enforce the provisions of this chapter and other duties as assigned to the board;

(2) advise applicants for state or federal emergency medical services funds, review and comment on such applications, and approve the use of such funds unless otherwise required by federal law;

(3) make recommendations to the legislature on improving the access, delivery, and effectiveness of the state's emergency medical services delivery system; and

(4) establish procedures for investigating, hearing, and resolving complaints against emergency medical services providers.

(b) The emergency medical services board may prepare an initial work plan, which may be updated biennially. The work plan may include provisions to:

(1) prepare an emergency medical services assessment which addresses issues affecting the statewide delivery system;

(2) establish a statewide public information and education system regarding emergency medical services;

(3) create, in conjunction with the department of public safety, a statewide injury and trauma prevention program; and

(4) designate an annual emergency medical services personnel recognition day.

Subd. 7. [CONFLICT OF INTEREST.] No member of the emergency medical services board may participate or vote in board proceedings in which the member has a direct conflict of interest, financial or otherwise.

Sec. 36. [145.890] [CHILDREN WITH SPECIAL NEEDS.]

When cost-effective, the commissioner may use money received for the services for children with special health care needs program to purchase health coverage for eligible children.

Sec. 37. Minnesota Statutes 1994, section 145A.15, is amended to read:

145A.15 [HOME VISITING PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] ~~The commissioner of health shall establish a~~ expand the current grant program to fund additional projects designed to prevent child abuse and neglect and reduce juvenile delinquency by promoting positive parenting, resiliency in children, and a healthy beginning for children by providing early intervention services for families at risk of child abuse and neglect in need. Grant dollars shall be available to train paraprofessionals to provide in-home intervention services and to allow public health nurses to do case management of services. The grant program shall provide early intervention services for families in need and will include:

(1) expansion of current public health nurse and family aide home visiting programs and public health home visiting projects which prevent child abuse and neglect, prevent juvenile delinquency, and build resiliency in children;

(2) early intervention to promote a healthy and nurturing beginning;

(3) distribution of educational and public information programs and materials in hospital maternity divisions, well-baby clinics, obstetrical clinics, and community clinics; and

(3) (4) training of home visitors in skills necessary for comprehensive home visiting which promotes a healthy and nurturing beginning for the child.

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 include a strong child abuse and neglect prevention focus for families. Families in need of services. Priority will be given to families considered to be at risk for child abuse and neglect in need of additional services. These families 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 types of violence 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 low resiliency to adversities and environmental stresses; or

(8) lack of sufficient financial resources to meet their needs.

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 contact families at the birth of the child through a public health nurse or trained program representative who will meet the family, provide information, describe the benefits of the program, and offer a home visit to the family to occur during the first weeks of the newborn's life in the home setting;

(2) visit the family and newborn in the home setting at which time the public health nurse or trained individual will answer parents' questions, give information, including information on breast feeding, and make referrals to any other appropriate services;

(3) conduct a screening process to determine if families need additional support or are at risk for child abuse and neglect and provide additional home visiting services to at-risk needed by the

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) (4) establish clear objectives and protocols for the home visits;

(3) (5) determine the frequency and duration of home visits based on a risk-need assessment of the client; except that home visits ~~shall~~ may begin in the second as early as the first trimester of pregnancy and continue based on the need of the client until the child reaches age six;

(6) refer and actively assist the family in accessing new parent and family education, self-help and support services available in the community;

(4) (7) 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) (8) 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 and nondomestic 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) sensitivity and respect for diverse cultural preferences practices in child rearing and family systems, including but not limited to complex family relationships, safety, appropriate services, family preservation, family finances for self-sufficiency, and other special needs or circumstances;

(6) community resources, social service agencies, and family support activities or programs;

(7) healthy 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 needs assessment measures; and

(13) caring for the special needs of newborns and mothers before and after the birth of the infant.

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. 38. Minnesota Statutes 1994, section 147.01, subdivision 6, is amended 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 residing in Minnesota and the states contiguous to Minnesota. The surcharge applies to a physician who is licensed as of or after October 1, 1992, and whose license is issued or renewed on or after April 1, 1992, and is assessed 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. 39. Minnesota Statutes 1994, section 148.921, subdivision 2, is amended to read:

Subd. 2. [PERSONS PREVIOUSLY QUALIFIED.] (a) The board shall grant a license for a licensed psychologist 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 December 31, 1993, filed with the board a written declaration of intent to seek licensure under this subdivision;~~

(3) (2) complied with all requirements of section 148.91, subdivisions 2 to 4, before December 31, 1997; and

(4) (3) completed at least two full years or their equivalent of post-master's supervised psychological employment, including predoctoral internship, before December 31, 1998.

(b) Notwithstanding paragraph (a), the board shall not grant a license for a licensed psychologist under this subdivision ~~to a person who files a written declaration of licensure after October 31, 1992, unless the applicant demonstrates that the applicant was a resident of Minnesota on October 31, 1992, and meets all other~~ the requirements for licensure under this subdivision.

Sec. 40. Minnesota Statutes 1994, section 157.03, is amended to read:

157.03 [LICENSES REQUIRED; FEES.]

~~Each year~~ (a) A license is required annually for every person, firm, or corporation engaged in the business of conducting ~~an a~~ hotel, motel, restaurant, alcoholic beverage establishment, lodging house, boarding house, or resort, or place of refreshment, establishment, boarding establishment, resort, mobile food unit, seasonal food stand, food cart, or special event food stand or who shall hereafter engage thereafter engages in conducting any such a business, ~~except vending machine operators licensed under the license provisions of sections 28A.01 to 28A.16, must procure a license for each hotel, motel, restaurant, lodging house, boarding house, or resort, or place of refreshment so conducted. For any hotel, motel, resort, campground, or manufactured home park as defined in section 327.15, in which food, fountain, or bar service is furnished, one license, in addition to the hotel, resort, manufactured home park, or campground license, shall be sufficient for all restaurants and places of refreshment conducted on the same premises and under the same management with the hotel, motel, resort, manufactured home park, or campground. Each license~~

~~shall expire and be renewed as prescribed by the commissioner pursuant to section 144.122. Any person wishing to operate a place of business as licensed under this section shall first make application, pay the required fee, and receive approval for operation, including plan review approval. Application shall be made on forms provided by the commissioner and shall require the applicant to state the full name and address of the owner of the building, structure, or enclosure, and the lessee and manager of the hotel, motel, restaurant, alcoholic beverage establishment, boarding establishment, lodging establishment, resort, mobile food unit, seasonal food stand, food cart, or special event food stand. Initial and renewal licenses for all hotels, motels, restaurants, alcoholic beverage establishments, lodging establishments, boarding establishments, resorts, mobile food units, seasonal food stands, food carts, or special event food stands shall be issued for the calendar year for which application is made and shall expire on December 31 of that year. Any proprietor person who operates a place of business after the expiration date without first having made application for of a license and or without having made payment of paid the fee thereof shall be deemed to have violated the provisions of this chapter and be subject to prosecution, enforcement action as provided in this chapter the Health Enforcement Consolidation Act, sections 144.989 to 144.993. In addition thereto, a penalty in an amount prescribed by the commissioner pursuant to section 144.122 of \$25 shall be added to the amount total of the license fee and paid by the proprietor, as provided herein, if the application has not reached the office of the state commissioner of health within 30 days following the expiration of license; or, in the case of a new business, 30 days after the opening date of the business. Any person, firm, or corporation desiring to conduct a hotel, motel, restaurant, lodging house, boarding house, or resort, or place of refreshment shall make application on forms provided by the department for a license therefor, which shall require the applicant to state the full name and address of the owner of the building, structure, or enclosure, the lessee and manager of the hotel, motel, restaurant, lodging house, boarding house, or resort, or place of refreshment, the location of the same, the name under which the business is to be conducted, and any other information as may be required therein by the state commissioner of health to complete the application for license. The application shall be accompanied by a license fee as hereinafter provided for any mobile food unit, seasonal food stand, and food cart operating without a license, and a penalty of \$50 shall be added to the total of the license fee for hotels, motels, restaurants, alcoholic beverage establishments, lodging establishments, boarding establishments, and resorts.~~

~~For hotels, motels, lodging houses, and resorts, the license fee may be graduated according to the number of sleeping rooms and the amount of the fees shall be prescribed by the state commissioner of health pursuant to section 144.122.~~

~~For restaurants, places of refreshment, and boarding houses, the license fee may be based on the average number of employees. The number of employees counted for each establishment shall be based upon the total number of employees employed full time and employed part time when added together to total the hours of full time employment. Employees shall include all persons, except children of the licensee under the age of 18, at work in any capacity, either voluntary or paid, and whether or not reported under the labor laws of this state.~~

~~If the license fee is based upon the average number of employees, every licensee shall, at the time of application, certify as to the number of employees on forms provided by the state commissioner of health and the state commissioner of health shall have access, on demand, to any and all employment records for purposes of substantiating or correcting numbers of declared employees.~~

~~License fees for restaurants, places of refreshment, and boarding houses shall be in an amount prescribed by the state commissioner of health pursuant to section 144.122.~~

No school, as defined in sections 120.05 and 120.101, may be required to pay a license fee.

(b) Establishments licensed under chapter 157 shall pay the following fees:

- (1) all establishments except special event food stands shall pay an annual base fee of \$100;
- (2) in addition to the base fee in clause (1) each establishment shall pay annually a fee for each fee category as specified in this clause:
 - (i) limited food menu selection, \$30;

- (ii) small menu selection with limited equipment, \$55;
 - (iii) small establishment with full menu selection, \$150;
 - (iv) large establishment with full menu selection, \$250;
 - (v) temporary food service, \$30;
 - (vi) alcohol service from bar, \$75;
 - (vii) beer or wine table service, \$30;
 - (viii) lodging per unit, \$4, a maximum of \$400;
 - (ix) first swimming pool, \$100;
 - (x) additional swimming pool, \$50;
 - (xi) first spa, \$50;
 - (xii) additional spa, \$25;
 - (xiii) private water or sewer, \$30;
- (3) a special event food stand shall pay a fee of \$60 per event; and

(4) an initial license application for food, beverage, or lodging establishments must be accompanied by a fee of \$150 for review of the construction or remodeling plans.

When hotels, motels, restaurants, alcoholic beverage establishments, lodging establishments, boarding establishments, resorts, and mobile food units are extensively remodeled, a fee of \$150 must accompany the remodeling plans. Neither an initial license plan review fee nor a remodeling plan review fee shall be required for seasonal food stands, food carts, and special event food stands.

Sec. 41. [157.0315] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] The definitions in this section apply to sections 157.03 and 157.0351 to 157.0359.

Subd. 2. [ALCOHOLIC BEVERAGE ESTABLISHMENT.] "Alcoholic beverage establishment" means a building, structure, enclosure, or any part thereof used as, maintained as, advertised as, or held out to be a place where alcoholic beverages are served.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of health.

Subd. 4. [BOARDING ESTABLISHMENT.] "Boarding establishment" means a building, structure, enclosure, or any part thereof used as, maintained as, advertised as, or held out to be a place where food or nonalcoholic beverages are furnished to five or more regular boarders, whether with or without sleeping accommodations, for periods of one week or more.

Subd. 5. [FOOD AND BEVERAGE ESTABLISHMENT.] "Food and beverage establishment" means a restaurant, alcoholic beverage establishment, boarding establishment, mobile food unit, seasonal food stand, food cart, or special event food stand.

Subd. 6. [FOOD CART.] "Food cart" means a nonmotorized vehicle limited to serving food that is not defined by rule as potentially hazardous food, except precooked frankfurters and other ready-to-eat link sausages.

Subd. 7. [HOTEL OR MOTEL.] "Hotel or motel" means a building, structure, enclosure, or any part thereof used as, maintained as, advertised as, or held out to be a place where sleeping accommodations are furnished to the public and furnishing accommodations for periods of less than one week.

Subd. 8. [LODGING ESTABLISHMENT.] "Lodging establishment" means a building,

structure, enclosure, or any part thereof used as, maintained as, advertised as, or held out to be a place where sleeping accommodations are furnished to the public as regular roomers, for periods of one week or more, and having five or more beds to let to the public.

Subd. 9. [MOBILE FOOD UNIT.] "Mobile food unit" means a food service establishment that is a vehicle mounted unit, either motorized or trailered, and readily movable without disassembling, for transport to another location and remaining for no more than 14 days, annually, at any one place.

Subd. 10. [PERSON.] "Person" has the meaning given in section 1031.005, subdivision 16.

Subd. 11. [RESORT.] "Resort" means a building, structure, enclosure, or any part thereof located on, or on property neighboring, any lake, stream, skiing or hunting area, or any recreational area for purposes of providing convenient access thereto, kept, used, maintained, or advertised as, or held out to the public to be a place where sleeping accommodations are furnished to the public, and primarily to those seeking recreation for periods of one day, one week, or longer, and having for rent five or more cottages, rooms, or enclosures.

Subd. 12. [RESTAURANT.] "Restaurant" means a building, structure, enclosure, or any part thereof used as, maintained as, advertised as, or held out to be a place where food or nonalcoholic beverages are served or prepared for service to the public.

Subd. 13. [SEASONAL FOOD STAND.] "Seasonal food stand" means a food stand that is disassembled and moved from location to location, remaining no more than 14 days, annually, at any one place; or a permanent food service stand or building that operates no more than 14 days annually.

Subd. 14. [SPECIAL EVENT FOOD STAND.] "Special event food stand" means a food service used in conjunction with celebrations and special events, used not more than twice annually, and remaining no more than three consecutive days at any one location.

Sec. 42. [157.0352] [LICENSES REQUIRED; FEES.]

Subdivision 1. [LICENSE REQUIRED ANNUALLY.] A license is required annually for every person engaged in the business of conducting a hotel, motel, restaurant, alcoholic beverage establishment, boarding establishment, lodging establishment, resort, mobile food unit, seasonal food stand, food cart, or special event food stand or who thereafter engages in conducting any such business. Any person wishing to operate a place of business licensed in this section shall first make application, pay the required fee, and receive approval for operation, including plan review approval. Application shall be made on forms provided by the commissioner and shall require the applicant to state the full name and address of the owner of the building, structure, or enclosure, the lessee and manager of the hotel, motel, restaurant, alcoholic beverage establishment, boarding establishment, lodging establishment, resort, mobile food unit, seasonal food stand, food cart, or special event food stand; the name under which the business is to be conducted; and any other information as may be required by the commissioner to complete the application for license.

Subd. 2. [LICENSE RENEWAL.] Initial and renewal licenses for all hotels, motels, restaurants, alcoholic beverage establishments, lodging establishments, boarding establishments, resorts, mobile food units, seasonal food stands, and food carts shall be issued for the calendar year for which application is made and shall expire on December 31 of such year. Any person who operates a place of business after the expiration date of a license or without having paid the fee shall be deemed to have violated the provisions of this chapter and shall be subject to enforcement action, as provided in the Health Enforcement Consolidation Act, sections 144.989 to 144.993. In addition, a penalty of \$25 shall be added to the total of the license fee for any mobile food unit, seasonal food stand, and food cart operating without a license, and a penalty of \$50 shall be added to the total of the license fee for all other food, beverage, and lodging establishments.

Subd. 3. [ESTABLISHMENT FEES; DEFINITIONS.] For the purposes of establishing food, beverage, and lodging establishment fees, the following definitions have the meanings given them.

(a) "Limited food menu selection" means a fee category that provides one or more of the following:

- (1) prepackaged food that receives heat treatment and is served in the package;
 - (2) frozen pizza that is heated and served;
 - (3) a continental breakfast such as rolls, coffee, juice, milk, and cold cereal;
 - (4) soft drinks, coffee, or nonalcoholic beverages; or
 - (5) does not prepare food on site, however serves food that was prepared elsewhere and provides cleaning of eating, drinking, or cooking utensils.
- (b) "Small menu selection with limited equipment" means a fee category that has no salad bar and provides one or more of the following:
- (1) food service equipment that is limited to a deep fat fryer, a grill, two hot holding containers, and one or more microwave ovens;
 - (2) service of dipped ice cream or soft serve frozen desserts;
 - (3) service of breakfast in an owner-occupied bed and breakfast establishment; or
 - (4) is a boarding establishment.
- (c) "Small establishment with full menu selection" means a fee category that provides one or more of the following:
- (1) food service equipment that includes a range, oven, steam table, salad bar, or salad preparation area;
 - (2) food service equipment that includes more than one deep fat fryer, one grill, or two hot holding containers; or
 - (3) an establishment where food is prepared at one location and served at one or more separate locations.
- (d) "Large establishment with full menu selection" means either a fee category that meets the criteria in paragraph (c), clause (1) or (2), for a small establishment with full menu selection and:
- (1) seats more than 175 people;
 - (2) offers the full menu selection an average of five or more days a week during the weeks of operation; or means a service category that meets the criteria in paragraph (c), clause (3), for a small establishment with full menu selection; and
 - (3) prepares and serves 500 meals per day.
- (e) "Temporary food service" means a fee category where food is prepared and served from a mobile food unit, seasonal food stand, or food cart.
- (f) "Alcohol service from bar" means a fee category where alcoholic mixed drinks are served, or where beer or wine are served from a bar.
- (g) "Beer or wine table service" means a fee category where the only alcoholic beverage service is beer or wine, served to customers seated at tables.
- (h) "Individual water" means a fee category with a water supply other than a community public water supply as defined in Minnesota Rules, chapter 4720.
- (i) "Individual sewer" means a fee category with an individual sewage treatment system which uses subsurface treatment and disposal.
- (j) "Lodging per unit" means a fee category including the number of guest rooms, cottages, or other rental units of a hotel, motel, lodging establishment, or resort; or the number of beds in a dormitory.

(k) "Public pool" means a fee category that has the meaning given in Minnesota Rules, part 4717.0250, subpart 8.

(l) "Spa pool" means a fee category that has the meaning given in Minnesota Rules, part 4717.0250, subpart 9.

(m) "Special event food stand" means a fee category where food is prepared and served in conjunction with celebrations or special events, but not more than twice annually, and where the facility is used no more than three consecutive days per event.

Sec. 43. [157.0353] [ADDITIONAL REGISTRATION REQUIRED FOR BOARDING AND LODGING ESTABLISHMENTS OR LODGING ESTABLISHMENTS; SPECIAL SERVICES.]

Subdivision 1. [DEFINITIONS.] (a) "Supportive services" means the provision of supervision and minimal assistance with independent living skills such as social and recreational opportunities, assistance with transportation, arranging for meetings and appointments, and arranging for medical and social services. Supportive services also include providing reminders to residents to take medications that are self-administered or providing storage for medications if requested.

(b) "Health supervision services" means the provision of assistance in the preparation and administration of medications other than injectables, the provision of therapeutic diets, taking vital signs, or providing assistance in dressing, grooming, bathing, or with walking devices.

Subd. 2. [REGISTRATION.] A board and lodging establishment or a lodging establishment that provides supportive services or health supervision services must register with the commissioner annually. The registration must include the name, address, and telephone number of the establishment, the types of services that are being provided, a description of the residents being served, the type and qualifications of staff in the facility, and other information that is necessary to identify the needs of the residents and the types of services that are being provided. The commissioner shall develop and furnish to the boarding and lodging establishment or lodging establishment the necessary form for submitting the registration. The requirement for registration is effective until the rules required by sections 144B.01 to 144B.17 are effective.

Subd. 3. [RESTRICTION ON THE PROVISION OF SERVICES.] Effective July 1, 1995, and until one year after the rules required under sections 144B.01 to 144B.17 are adopted, a boarding and lodging establishment or lodging establishment registered under subdivision 2 may provide health supervision services only if a licensed nurse is on site in the establishment for at least four hours a week to provide monitoring of health supervision services for the residents. A boarding and lodging establishment or lodging establishment that admits or retains residents using wheelchairs or walkers must have the necessary clearances from the office of the state fire marshal.

Subd. 4. [RESIDENTIAL CARE HOME LICENSE REQUIRED.] Upon adoption of the rules required by sections 144B.01 to 144B.17, a boarding and lodging establishment or lodging establishment registered under subdivision 2, that provides either supportive care or health supervision services, must obtain a residential care home license from the commissioner within one year from the adoption of those rules.

Subd. 5. [SERVICES THAT MAY NOT BE PROVIDED IN A BOARDING AND LODGING ESTABLISHMENT OR LODGING ESTABLISHMENT.] A boarding and lodging establishment or lodging establishment may not admit or retain individuals who:

(1) would require assistance from establishment staff because of the following needs: bowel incontinence, catheter care, use of injectable or parenteral medications, wound care, or dressing changes or irrigations of any kind; or

(2) require a level of care and supervision beyond supportive services or health supervision services.

Subd. 6. [CERTAIN INDIVIDUALS MAY PROVIDE SERVICES.] This section does not prohibit the provision of health care services to residents of a boarding and lodging establishment or lodging establishment by family members of the resident or by a registered or licensed home care agency employed by the resident.

Subd. 7. [EXEMPTION FOR ESTABLISHMENTS WITH A HUMAN SERVICES LICENSE.] This section does not apply to a boarding and lodging establishment or lodging establishment that is licensed by the commissioner of human services under chapter 245A.

Subd. 8. [VIOLATIONS.] The commissioner may revoke the establishment license if the establishment is found to be in violation of this section. Violation of this section is a gross misdemeanor.

Sec. 44. [157.0354] [POSTING REQUIREMENTS.]

Every hotel, motel, restaurant, alcoholic beverage establishment, boarding establishment, lodging establishment, resort, mobile food unit, seasonal food stand, food cart, or special event food stand securing a license or license fee receipt under the provisions of this chapter shall post in a conspicuous place a copy of the license or receipt.

Sec. 45. [157.0355] [LEVELS OF RISK; DEFINITIONS.]

Subdivision 1. [HIGH-RISK ESTABLISHMENT.] "High-risk establishment" means any hotel, motel, restaurant, alcoholic beverage establishment, boarding establishment, lodging establishment, or resort that:

(1) serves potentially hazardous foods that require extensive processing on the premises, including manual handling, cooling, reheating, or holding for service;

(2) prepares foods several hours or days before service;

(3) serves menu items that epidemiologic experience has demonstrated to be common vehicles of food-borne illness;

(4) has a public swimming pool; or

(5) draws its drinking water from a surface water supply.

Subd. 2. [MEDIUM-RISK ESTABLISHMENT.] "Medium-risk establishment" means a hotel, motel, restaurant, alcoholic beverage establishment, boarding establishment, lodging establishment, or resort that:

(1) serves potentially hazardous foods but with minimal holding between preparation and service; or

(2) serves medium-risk foods, such as pizza, that require extensive handling, followed by heat treatment.

Subd. 3. [LOW-RISK ESTABLISHMENT.] "Low-risk establishment" means a hotel, motel, restaurant, alcoholic beverage establishment, boarding establishment, lodging establishment, or resort that is not a high-risk or medium-risk establishment.

Subd. 4. [TEMPORARY FOOD SERVICE AND SPECIAL EVENT FOOD STANDS.] Mobile food units, seasonal food stands, food carts, and special event food stands are not defined as high-, medium-, or low-risk establishments.

Sec. 46. [157.0356] [INSPECTION; FREQUENCY; ORDERS.]

Subdivision 1. [INSPECTIONS.] It shall be the duty of the commissioner to inspect, or cause to be inspected, every hotel, motel, restaurant, alcoholic beverage establishment, boarding establishment, lodging establishment, resort, mobile food unit, seasonal food stand, food cart, and special event food stand in this state. For the purpose of conducting inspections, the commissioner shall have the right to enter and have access thereto at any time during the conduct of business.

Subd. 2. [INSPECTION FREQUENCY.] The frequency of inspections of the establishments shall be based on the degree of health risk.

(a) High-risk establishments must be inspected at least once a year.

(b) Medium-risk establishments must be inspected at least once every 18 months.

(c) Low-risk establishments must be inspected at least once every two years.

Subd. 3. [ORDERS.] When, upon inspection, it is found that the business and property so inspected is not being conducted, or is not equipped, in the manner required by the provisions of this chapter or the rules of the commissioner, or is being conducted in violation of any of the laws of this state pertaining to the business, it is the duty of the commissioner to notify the person in charge of the business, or the owner or agent of the buildings so occupied, of the condition found and issue an order for correction of the violations. Each person shall comply with the provisions of this chapter or the rules of the commissioner. A reasonable time may be granted by the commissioner for compliance with the provisions of this chapter.

Sec. 47. [157.0357] [INSPECTION RECORDS.]

The commissioner shall keep inspection records for all hotels, motels, restaurants, alcoholic beverage establishments, boarding establishments, lodging establishments, resorts, mobile food units, seasonal food stands, food carts, and special event food stands, together with the name of the owner and operator.

Sec. 48. [157.0359] [EXEMPTIONS.]

This chapter shall not be construed to apply to:

(1) interstate carriers under the supervision of the United States Department of Health and Human Services;

(2) any building constructed and primarily used for religious worship;

(3) any building owned, operated, and used by a college or university in accordance with health regulations promulgated by the college or university under chapter 14;

(4) any person, firm, or corporation whose principal mode of business is licensed under sections 28A.04 and 28A.05, is exempt at that premises from licensure as a food or beverage establishment; provided that the holding of any license pursuant to sections 28A.04 and 28A.05 shall not exempt any person, firm, or corporation from the applicable provisions of this chapter or the rules of the state commissioner of health relating to food and beverage service establishments;

(5) family day care homes and group family day care homes governed by sections 245A.01 to 245A.16;

(6) nonprofit senior citizen centers for the sale of home-baked goods; and

(7) food not prepared at an establishment and brought in by members of an organization for consumption by members at a potluck event.

Sec. 49. [214.055] [FEES TO RECOVER EXPENDITURES.]

A health-related licensing board that is created on or after September 1, 1995, must establish a fee structure which fully recovers its expenditures during a five-year period.

Sec. 50. Minnesota Statutes 1994, section 447.32, subdivision 5, is amended to read:

Subd. 5. [BOARD MEETINGS.] Regular meetings of the hospital board must be held at least once a month, at a time and place the board sets by resolution. A hospital board which no longer operates a district hospital shall meet annually, or more frequently as determined by the board. Special meetings may be held:

(1) at any time upon the call of the chair or of any two other members;

(2) upon written notice mailed to each member three days before the meeting;

(3) upon other notice as the board by resolution may provide; or

(4) without notice if each member is present or files with the clerk a written consent to holding

the meeting. The 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 regular meeting or at a duly called special meeting, if a quorum is present. A majority of all the members of the board constitutes a quorum, but a lesser number may meet and adjourn from time to time and compel the attendance of absent members.

Sec. 51. [REPORT ON UNITED STATES ARMY SPRAYING OF ZINC CADMIUM SULFIDE AND OTHER CHEMICALS.]

The commissioner of health, in collaboration with the pollution control agency, the department of natural resources, the Leech Lake Reservation Tribal Council, Hennepin county, and the school of public health at the University of Minnesota shall review the National Academy of Science's report on the past and future adverse effects, if any, on public health and the environment, from the spraying of zinc cadmium sulfide and other chemicals in Minnesota in the 1950s and 1960s by the United States Army. The commissioner of health's report shall be submitted to the legislature within six months of completion of the National Academy of Science's report and shall contain recommendations for additional initiatives, if any, in Minnesota.

Sec. 52. [REVIEW BY ATTORNEY GENERAL.]

The attorney general shall determine:

(1) whether the spraying by the United States Army of zinc cadmium sulfide and other chemicals in Minnesota in the 1950s and 1960s, or any associated actions or failure to act, violated any provisions of state or federal law or the state or federal constitutions; and

(2) what legal actions might be available to prevent similar problems in the future and to recover damages and costs resulting from the spraying.

The attorney general's findings must be included in the report required in section 48.

Sec. 53. [OSTEOPOROSIS PREVENTION AND TREATMENT REPORT.]

The commissioner of health shall provide a report to the chairs of the house health and human services committee and the senate health care committee by January 15, 1996, providing information relating to the need for an osteoporosis prevention and treatment program to promote the awareness of and knowledge about the causes of osteoporosis and other related issues. The commissioner may conduct an assessment of the problem of osteoporosis, and provide the information in the report, to identify:

(1) the number of persons in the state afflicted with osteoporosis and the groups which appear to be most at risk for this disease;

(2) the level of public and professional awareness about osteoporosis;

(3) the needs of osteoporosis patients, their families, and caregivers;

(4) the needs of health care providers, including physicians, nurses, managed care organizations, and other health care providers, in treating and preventing osteoporosis;

(5) the services available to osteoporosis patients, including the existence of treatment programs, support groups, and rehabilitation services;

(6) the number and location of bone density testing equipment in the state; and

(7) available technical assistance, educational materials, and programs nationwide.

In addition, the commissioner is authorized to establish an osteoporosis prevention and treatment program, and may apply for and receive grants and gifts from any governmental agency, private entity, or other person to fund the program.

Sec. 54. [PESTICIDE REPORT AND PILOT PROJECT.]

The commissioner of health shall study and determine the extent of pesticide poisoning in

Minnesota and recommend remedies to address this problem and report back to the legislature by January 15, 1997.

Sec. 55. [EMERGENCY MEDICAL SERVICES; TRANSITION PLAN.]

The commissioner of administration through the management analysis division, in consultation with the commissioners of health and public safety, the emergency medical services regions, the Minnesota Ambulance Association, the Minnesota Hospital Association, third-party payors, the Minnesota Association of Emergency Medical Services Physicians, and the Minnesota Fire Chiefs Association shall develop a transition plan to transfer the appropriate emergency medical services-related authority from the commissioner of health to the board, created pursuant to sections 35, 56, and 59. The transition plan shall include any necessary legislative language to transfer authority and corresponding funding to the board. The transition plan must be presented to the legislature by February 15, 1996.

Sec. 56. [LEGISLATIVE FINDING; INTENT.]

The legislature finds that the emergency medical services (EMS) system and the critical public health needs it addresses would be greatly enhanced by establishing an independent governing body that has the responsibility and authority to ensure the efficient and effective operation of the system. The legislature further finds that the creation of an independent governing body can better coordinate all aspects of the EMS response system with various prevention efforts. This cooperation between prevention and response will positively affect the state's efforts to decrease death and disability due to trauma.

The legislature intends that the transfer required by section 58 not increase the level of funding for the functions transferred.

Sec. 57. [REPORT.]

The commissioner of health shall submit a report to the legislature by March 1, 1996, regarding the registration program for elderly housing with services establishments and recommendations for appropriate level of home care licensure for housing with services establishments. The commissioner shall also include in the report recommendations as to whether home sharing arrangements should be excluded from the registration program.

The report shall also address whether there is a need to include in the registration requirement condominiums organized under Minnesota Statutes, chapter 515A, cooperatives organized under Minnesota Statutes, chapter 308A, common interest communities organized under Minnesota Statutes, chapter 515B, or owners associations of any of the foregoing organized under Minnesota Statutes, chapter 317, where the units which comprise such condominiums, cooperatives, or common interest communities are occupied by the persons who are owners, members, or shareholders.

Sec. 58. [TRANSFER.]

The powers and duties of the commissioner of health under Minnesota Statutes, sections 62N.381, 144.801 to 144.8095, and chapter 144C are transferred to the emergency medical services regulatory board under Minnesota Statutes, section 15.039.

Sec. 59. [INITIAL BOARD.]

Subdivision 1. [MEMBERSHIP TERMS.] Notwithstanding section 35, subdivision 4 (144E.01, subdivision 4), for the initial emergency medical services board, five members shall have an initial term of two years, five members shall have an initial term of three years, and five members shall serve four years. Notwithstanding section 35, subdivision 1, paragraph (c), a member of the initial board appointed to a term of less than four years may serve a successive term.

Subd. 2. [COMPENSATION.] Notwithstanding section 35, subdivision 4 (144E.01, subdivision 4), for the biennium ending June 30, 1997, members of the emergency medical services board shall not be compensated except for expenses.

Sec. 60. [REVISOR'S INSTRUCTION; FOOD SERVICE STANDARDS.]

The revisor of statutes, in coordination with the health department, shall determine and implement appropriate cross-reference changes required as a result of sections 5, 40 to 48, and the repealer section (sections 144.226 and 157.03 to 157.0359).

Sec. 61. [REPEALER.]

Subdivision 1. [FOOD SERVICE STANDARDS.] Minnesota Statutes 1994, sections 38.161; 38.162; 157.01; 157.02; 157.031; 157.04; 157.045; 157.05; 157.08; 157.12; 157.13; and 157.14, are repealed.

Subd. 2. [EMERGENCY MEDICAL SERVICES REGULATORY BOARD.] Minnesota Statutes 1994, section 144.8097, is repealed effective July 1, 1996.

Sec. 62. [EFFECTIVE DATES.]

Subdivision 1. [EMERGENCY MEDICAL SERVICES REGULATORY BOARD.] Sections 1 to 3 (62N.381, subdivisions 2 to 4); 7 to 18 (144.801 to 144.8095); and 23 to 28 (144C.01 to 144C.10) are effective July 1, 1996. Sections 35, 56, and 59 (144E.01, subdivisions 1 to 7, legislative finding, initial board) are effective July 1, 1996. Section 58 (transfer) is effective July 1, 1996.

Subd. 2. [SPRAYING.] Sections 51 and 52 (spraying) are effective the day following final enactment.

Subd. 3. [HOME VISITING PROGRAM.] The amendments to Minnesota Statutes, section 145A.15, subdivisions 1 and 3, do not become effective until July 1, 1996, for home health visiting programs that received a grant under Minnesota Statutes, section 145A.14, and that were in existence on December 31, 1994.

Subd. 4. [ELDERLY HOUSING.] Sections 22 (144B.01, subdivision 5); and 29 to 34 (144D.01 to 144D.06), are effective August 1, 1996. Section 57 (elderly housing report) is effective the day following final enactment.

ARTICLE 10

CHILD SUPPORT ENFORCEMENT

Section 1. Minnesota Statutes 1994, section 62A.045, is amended to read:

62A.045 [PAYMENTS ON BEHALF OF WELFARE RECIPIENTS.]

(a) No ~~policy of accident and sickness insurance regulated under this chapter; vendor of risk management services regulated under section 60A.23; nonprofit health service plan corporation regulated under chapter 62C; health maintenance organization regulated under chapter 62D; or self-insured plan regulated under chapter 62E~~ health plan issued or renewed to provide coverage to a Minnesota resident shall contain any provision denying or reducing benefits because services are rendered to a person who is eligible for or receiving medical benefits pursuant to title XIX of the Social Security Act (Medicaid) in this or any other state; chapter 256; 256B; or 256D or services pursuant to section 252.27; 256.9351 to 256.9361; 260.251, subdivision 1a; or 393.07, subdivision 1 or 2. No insurer health carrier providing benefits under ~~poieies~~ plans covered by this section shall use eligibility for medical programs named in this section as an underwriting guideline or reason for nonacceptance of the risk.

(b) If payment for covered expenses has been made under state medical programs for health care items or services provided to an individual, and a third party has a legal liability to make payments, the rights of payment and appeal of an adverse coverage decision for the individual, or in the case of a child their responsible relative or caretaker, will be subrogated to the state and/or its authorized agent.

(c) Notwithstanding any law to the contrary, when a person covered under by a ~~policy of accident and sickness insurance, risk management plan, nonprofit health service plan, health maintenance organization, or self-insured~~ health plan receives medical benefits according to any statute listed in this section, payment for covered services or notice of denial for services billed by the provider must be issued directly to the provider. If a person was receiving medical benefits

through the department of human services at the time a service was provided, the provider must indicate this benefit coverage on any claim forms submitted by the provider to the insurer health carrier for those services. If the commissioner of human services notifies the insurer health carrier that the commissioner has made payments to the provider, payment for benefits or notices of denials issued by the insurer health carrier must be issued directly to the commissioner. Submission by the department to the insurer health carrier of the claim on a department of human services claim form is proper notice and shall be considered proof of payment of the claim to the provider and supersedes any contract requirements of the insurer health carrier relating to the form of submission. Liability to the insured for coverage is satisfied to the extent that payments for those benefits are made by the insurer health carrier to the provider or the commissioner as required by this section.

(d) When a state agency has acquired the rights of an individual eligible for medical programs named in this section and has health benefits coverage through a health carrier, the health carrier shall not impose requirements that are different from requirements applicable to an agent or assignee of any other individual covered.

(e) For the purpose of this section, health plan includes coverage offered by integrated service networks, community integrated service networks, any plan governed under the federal Employee Retirement Income Security Act of 1974 (ERISA), United States Code, title 29, sections 1001 to 1461, and coverage offered under the exclusions listed in section 62A.011, subdivision 3, clauses (2), (6), (9), (10), and (12).

Sec. 2. Minnesota Statutes 1994, section 62A.046, is amended to read:

62A.046 [COORDINATION OF BENEFITS.]

(4) Subdivision 1. [LIMITATION ON DENIAL OF COVERAGE; PAYMENT.] No group contract providing coverage for hospital and medical treatment or expenses issued or renewed after August 1, 1984, which is responsible for secondary coverage for services provided, may deny coverage or payment of the amount it owes as a secondary payor solely on the basis of the failure of another group contract, which is responsible for primary coverage, to pay for those services.

(2) Subd. 2. [DEPENDENT COVERAGE.] A group contract which provides coverage of a claimant as a dependent of a parent who has legal responsibility for the dependent's medical care pursuant to a court order under section 518.171 must make payments directly to the provider of care, the custodial parent, or the department of human services pursuant to section 62A.045. In such cases, liability to the insured is satisfied to the extent of benefit payments made to the provider under this section.

(3) Subd. 3. [APPLICATION.] This section applies to an insurer, a vendor of risk management services regulated under section 60A.23, a nonprofit health service plan corporation regulated under chapter 62C and a health maintenance organization regulated under chapter 62D. Nothing in this section shall require a secondary payor to pay the obligations of the primary payor nor shall it prevent the secondary payor from recovering from the primary payor the amount of any obligation of the primary payor that the secondary payor elects to pay.

(4) Subd. 4. [DEDUCTIBLE PROVISION.] Payments made by an enrollee or by the commissioner on behalf of an enrollee in the children's health plan under sections 256.9351 to 256.9361, or a person receiving benefits under chapter 256B or 256D, for services that are covered by the policy or plan of health insurance shall, for purposes of the deductible, be treated as if made by the insured.

(5) Subd. 5. [PAYMENT RECOVERY.] The commissioner of human services shall recover payments made by the children's health plan from the responsible insurer, for services provided by the children's health plan and covered by the policy or plan of health insurance.

(6) Subd. 6. [COORDINATION OF BENEFITS.] Insurers, vendors of risk management services, nonprofit health service plan corporations, fraternal, and health maintenance organizations may coordinate benefits to prohibit greater than 100 percent coverage when an insured, subscriber, or enrollee is covered by both an individual and a group contract providing coverage for hospital and medical treatment or expenses. Benefits coordinated under this

paragraph must provide for 100 percent coverage of an insured, subscriber, or enrollee. To the extent appropriate, all coordination of benefits provisions currently applicable by law or rule to insurers, vendors of risk management services, nonprofit health service plan corporations, fraternal, and health maintenance organizations, shall apply to coordination of benefits between individual and group contracts, except that the group contract shall always be the primary plan. This paragraph does not apply to specified accident, hospital indemnity, specified disease, or other limited benefit insurance policies.

Sec. 3. Minnesota Statutes 1994, section 62A.048, is amended to read:

62A.048 [DEPENDENT COVERAGE.]

~~(a) A policy of accident and sickness insurance health plan that covers an employee who is a Minnesota resident must, if it provides dependent coverage, allow dependent children who do not reside with the covered employee participant to be covered on the same basis as if they reside with the covered employee participant. Neither the amount of support provided by the employee to the dependent child nor the residency of the child may be used as an excluding or limiting factor for coverage or payment for health care. Every health plan must provide coverage in accordance with section 518.171 to dependents covered by a qualified court or administrative order meeting the requirements of section 518.171, and enrollment of a child cannot be denied on the basis that the child was born out of wedlock, the child is not claimed as a dependent on a parent's federal income tax return, or the child does not reside with the parent or in the health carrier's service area.~~

(b) For the purpose of this section, health plan includes coverage offered by integrated service networks, community integrated service networks coverage designed solely to provide dental or vision care, and any plan governed under the federal Employee Retirement Income Security Act of 1974 (ERISA), United States Code, title 29, sections 1001 to 1461.

Sec. 4. Minnesota Statutes 1994, section 62A.27, is amended to read:

62A.27 [COVERAGE FOR ADOPTED CHILDREN.]

~~An individual or group policy or plan of health and accident insurance regulated under this chapter or chapter 64B, subscriber contract regulated under chapter 62C, or health maintenance contract regulated under chapter 62D; (a) A health plan that provides coverage to a Minnesota resident must cover adopted children of the insured, subscriber, participant, or enrollee on the same basis as other dependents. Consequently, the policy or plan shall not contain any provision concerning preexisting condition limitations, insurability, eligibility, or health underwriting approval concerning adopted children placed for adoption with the participant.~~

(b) The coverage required by this section is effective from the date of placement for the purpose of adoption and continues unless the placement is disrupted prior to legal adoption and the child is removed from placement. For purposes of this section, placement for adoption means the assumption and retention by a person of a legal obligation for total or partial support of a child in anticipation of adoption of the child. The child's placement with a person terminates upon the termination of the legal obligation for total or partial support.

(c) For the purpose of this section, health plan includes coverage offered by integrated service networks, community integrated service networks coverage that is designed solely to provide dental or vision care, and any plan under the federal Employee Retirement Income Security Act of 1974 (ERISA), United States Code, title 29, sections 1001 to 1461.

Sec. 5. Minnesota Statutes 1994, section 256.74, is amended by adding a subdivision to read:

Subd. 6. [GOOD CAUSE CLAIMS.] All applications for good cause exemption from cooperation with child support enforcement shall be reviewed by designees of the county human services board to ensure the validity of good cause determinations.

Sec. 6. Minnesota Statutes 1994, section 256.76, subdivision 1, is amended to read:

Subdivision 1. Upon the completion of the investigation the county agency shall decide whether the child is eligible for assistance under the provisions of sections 256.72 to 256.87 and determine

the amount of the assistance and the date on which the assistance begins. A decision on an application for assistance must be made as promptly as possible and no more than 30 days from the date of application. Notwithstanding section 393.07, the county agency shall not delay approval or issuance of assistance pending formal action of the county board of commissioners. The first month's grant shall be based upon that portion of the month from the date of application, or from the date that the applicant meets all eligibility factors, whichever occurs later, provided that on the date that assistance is first requested, the county agency shall inquire and determine whether the person requesting assistance is in immediate need of food, shelter, clothing, or other emergency assistance. If an emergency need is found to exist, the applicant shall be granted assistance pursuant to section 256.871 within a reasonable period of time. It shall make a grant of assistance which shall be binding upon the county and be complied with by the county until the grant is modified or vacated. The county agency shall notify the applicant of its decision in writing. The assistance shall be paid monthly to the applicant or to the vendor of medical care upon order of the county agency from funds appropriated to the county agency for this purpose. ~~The county agency shall, upon the granting of assistance under these sections, file an order on the form to be approved by the state agency with the auditor of the county. After the order is filed, warrants shall be drawn and payments made only in accordance with this order to or for recipients of this assistance or in accordance with any subsequent order.~~

Sec. 7. Minnesota Statutes 1994, section 257.55, subdivision 1, is amended to read:

Subdivision 1. [PRESUMPTION.] A man is presumed to be the biological father of a child if:

(a) He and the child's biological mother are or have been married to each other and the child is born during the marriage, or within 280 days after the marriage is terminated by death, annulment, declaration of invalidity, dissolution, or divorce, or after a decree of legal separation is entered by a court;

(b) Before the child's birth, he and the child's biological mother have attempted to marry each other by a marriage solemnized in apparent compliance with law, although the attempted marriage is or could be declared void, voidable, or otherwise invalid, and,

(1) if the attempted marriage could be declared invalid only by a court, the child is born during the attempted marriage, or within 280 days after its termination by death, annulment, declaration of invalidity, dissolution or divorce; or

(2) if the attempted marriage is invalid without a court order, the child is born within 280 days after the termination of cohabitation;

(c) After the child's birth, he and the child's biological mother have married, or attempted to marry, each other by a marriage solemnized in apparent compliance with law, although the attempted marriage is or could be declared void, voidable, or otherwise invalid, and,

(1) he has acknowledged his paternity of the child in writing filed with the state registrar of vital statistics;

(2) with his consent, he is named as the child's father on the child's birth certificate; or

(3) he is obligated to support the child under a written voluntary promise or by court order;

(d) While the child is under the age of majority, he receives the child into his home and openly holds out the child as his biological child;

(e) He and the child's biological mother acknowledge his paternity of the child in a writing signed by both of them under section 257.34 and filed with the state registrar of vital statistics. If another man is presumed under this paragraph to be the child's father, acknowledgment may be effected only with the written consent of the presumed father or after the presumption has been rebutted;

(f) Evidence of statistical probability of paternity based on blood or genetic testing establishes the likelihood that he is the father of the child, calculated with a prior probability of no more than 0.5 (50 percent), is 99 percent or greater;

(g) He and the child's biological mother have executed a recognition of parentage in accordance with section 257.75 and another man is presumed to be the father under this subdivision; or

(h) He and the child's biological mother have executed a recognition of parentage in accordance with section 257.75 and another man and the child's mother have executed a recognition of parentage in accordance with section 257.75.

Sec. 8. Minnesota Statutes 1994, section 257.57, subdivision 2, is amended to read:

Subd. 2. The child, the mother, or personal representative of the child, the public authority chargeable by law with the support of the child, the personal representative or a parent of the mother if the mother has died or is a minor, a man alleged or alleging himself to be the father, or the personal representative or a parent of the alleged father if the alleged father has died or is a minor may bring an action:

(1) at any time for the purpose of declaring the existence of the father and child relationship presumed under section 257.55, subdivision 1, paragraph (d), (e), (f), (g), or (h), or the nonexistence of the father and child relationship presumed under clause (d) of that subdivision;

(2) for the purpose of declaring the nonexistence of the father and child relationship presumed under section 257.55, subdivision 1, paragraph (e) or (g), only if the action is brought within three years after the date of the execution of the declaration or recognition of parentage; or

(3) for the purpose of declaring the nonexistence of the father and child relationship presumed under section 257.55, subdivision 1, paragraph (f), only if the action is brought within three years after the party bringing the action, or the party's attorney of record, has been provided the blood or genetic test results.

Sec. 9. Minnesota Statutes 1994, section 257.62, subdivision 1, is amended to read:

Subdivision 1. [BLOOD OR GENETIC TESTS REQUIRED.] The court may, and upon request of a party shall, require the child, mother, or alleged father to submit to blood or genetic tests. A copy of the test results must be served on the parties as provided in section 543.20. Any objection to the results of blood or genetic tests must be made in writing no later than 15 days prior to a hearing at which time those test results may be introduced into evidence. Test results served upon a party must include notice of this right to object. If the alleged father is dead, the court may, and upon request of a party shall, require the decedent's parents or brothers and sisters or both to submit to blood or genetic tests. However, in a case involving these relatives of an alleged father, who is deceased, the court may refuse to order blood or genetic tests if the court makes an express finding that submitting to the tests presents a danger to the health of one or more of these relatives that outweighs the child's interest in having the tests performed. Unless the person gives consent to the use, the results of any blood or genetic tests of the decedent's parents, brothers, or sisters may be used only to establish the right of the child to public assistance including but not limited to social security and veterans' benefits. The tests shall be performed by a qualified expert appointed by the court.

Sec. 10. Minnesota Statutes 1994, section 257.62, subdivision 5, is amended to read:

Subd. 5. [POSITIVE TEST RESULTS.] (a) If the results of blood or genetic tests completed in a laboratory accredited by the American Association of Blood Banks indicate that the likelihood of the alleged father's paternity, calculated with a prior probability of no more than 0.5 (50 percent), is 92 percent or greater, upon motion the court shall order the alleged father to pay temporary child support determined according to chapter 518. The alleged father shall pay the support money into court pursuant to the rules of civil procedure to await the results of the paternity proceedings.

(b) If the results of blood or genetic tests completed in a laboratory accredited by the American Association of Blood Banks indicate that likelihood of the alleged father's paternity, calculated with a prior probability of no more than 0.5 (50 percent), is 99 percent or greater, the alleged father is presumed to be the parent and the party opposing the establishment of the alleged father's paternity has the burden of proving by clear and convincing evidence that the alleged father is not the father of the child.

Sec. 11. Minnesota Statutes 1994, section 257.62, subdivision 6, is amended to read:

Subd. 6. [TESTS, EVIDENCE ADMISSIBLE.] In any hearing brought under subdivision 5, a certified report of the facts and results of a laboratory analysis or examination of blood or genetic tests, that is performed in a laboratory accredited to meet the Standards for Parentage Testing of the American Association of Blood Banks and is prepared and attested by a qualified expert appointed by the court, shall be admissible in evidence without proof of the seal, signature, or official character of the person whose name is signed to it, ~~unless a demand is made by a party in a motion or responsive motion made within the time limit for making and filing a responsive motion that the matter be heard on oral testimony before the court.~~ If no objection is made, the blood or genetic test results are admissible as evidence without the need for foundation testimony or other proof of authenticity or accuracy.

Sec. 12. Minnesota Statutes 1994, section 257.64, subdivision 3, is amended to read:

Subd. 3. If a party refuses to accept a recommendation made under subdivision 1 and blood or genetic tests have not been taken, the court shall require the parties to submit to blood or genetic tests, ~~if practicable.~~ Any objection to blood or genetic testing results must be made in writing no later than 15 days before any hearing at which time the results may be introduced into evidence. Test results served upon a party must include a notice of this right to object. Thereafter the court shall make an appropriate final recommendation. If a party refuses to accept the final recommendation the action shall be set for trial.

Sec. 13. Minnesota Statutes 1994, section 257.69, subdivision 1, is amended to read:

Subdivision 1. [REPRESENTATION BY COUNSEL.] In all proceedings under sections 257.51 to 257.74, any party may be represented by counsel. ~~If the public authority charged by law with support of a child is a party, The county attorney shall represent the public authority. If the child receives public assistance and no conflict of interest exists, the county attorney shall also represent the custodial parent. If a conflict of interest exists, the court shall appoint counsel for the custodial parent at no cost to the parent. If the child does not receive public assistance, the county attorney may represent the custodial parent at the parent's request.~~ The court shall appoint counsel for a party who is unable to pay timely for counsel in proceedings under sections 257.51 to 257.74.

Sec. 14. Minnesota Statutes 1994, section 257.69, subdivision 2, is amended to read:

Subd. 2. [GUARDIAN; LEGAL FEES.] The court may order expert witness and guardian ad litem fees and other costs of the trial and pretrial proceedings, including appropriate tests, to be paid by the parties in proportions and at times determined by the court. The court shall require a party to pay part of the fees of court-appointed counsel according to the party's ability to pay, but if counsel has been appointed the appropriate agency shall pay the party's proportion of all other fees and costs. The agency responsible for child support enforcement shall pay the fees and costs for blood or genetic tests in a proceeding in which it is a party, is the real party in interest, or is acting on behalf of the child. However, at the close of a proceeding in which paternity has been established under sections 257.51 to 257.74, the court shall order the adjudicated father to reimburse the public agency, if the court finds he has sufficient resources to pay the costs of the blood or genetic tests. When a party bringing an action is represented by the county attorney, no filing fee shall be paid to the court administrator.

Sec. 15. Minnesota Statutes 1994, section 518.171, subdivision 1, is amended to read:

Subdivision 1. [ORDER.] Compliance with this section constitutes compliance with a qualified medical child support order as described in the federal Employee Retirement Income Security Act of 1974 (ERISA) as amended by the federal Omnibus Budget Reconciliation Act of 1993 (OBRA).

(a) Every child support order must:

(1) expressly assign or reserve the responsibility for maintaining medical insurance for the minor children and the division of uninsured medical and dental costs; and

(2) contain the names and last known addresses, if any, of the dependents unless the court prohibits the inclusion of an address and orders the custodial parent to provide the address to the

administrator of the health plan. The court shall order the party with the better group dependent health and dental insurance coverage or health insurance plan to name the minor child as beneficiary on any health and dental insurance plan that is available to the party on:

(i) a group basis;

(ii) through an employer or union; or

(iii) through a group health plan governed under the ERISA and included within the definitions relating to health plans found in section 62A.011, 62A.048, or 62E.06, subdivision 2.

"Health insurance" or "health insurance coverage" as used in this section means coverage that is comparable to or better than a number two qualified plan as defined in section 62E.06, subdivision 2. "Health insurance" or "health insurance coverage" as used in this section does not include medical assistance provided under chapter 256, 256B, or 256D.

(b) If the court finds that dependent health or dental insurance is not available to the obligor or obligee on a group basis or through an employer or union, or that group insurance is not accessible to the obligee, the court may require the obligor (1) to obtain other dependent health or dental insurance, (2) to be liable for reasonable and necessary medical or dental expenses of the child, or (3) to pay no less than \$50 per month to be applied to the medical and dental expenses of the children or to the cost of health insurance dependent coverage.

(c) If the court finds that the available dependent health or dental insurance does not pay all the reasonable and necessary medical or dental expenses of the child, including any existing or anticipated extraordinary medical expenses, and the court finds that the obligor has the financial ability to contribute to the payment of these medical or dental expenses, the court shall require the obligor to be liable for all or a portion of the medical or dental expenses of the child not covered by the required health or dental plan. Medical and dental expenses include, but are not limited to, necessary orthodontia and eye care, including prescription lenses.

(d) Unless otherwise agreed by the parties and approved by the court, if the court finds that the obligee is not receiving public assistance for the child and has the financial ability to contribute to the cost of medical and dental expenses for the child, including the cost of insurance, the court shall order the obligee and obligor to each assume a portion of these expenses based on their proportionate share of their total net income as defined in section 518.54, subdivision 6.

(e) Payments ordered under this section are subject to section 518.611. An obligee who fails to apply payments received to the medical expenses of the dependents may be found in contempt of this order.

Sec. 16. Minnesota Statutes 1994, section 518.171, subdivision 3, is amended to read:

Subd. 3. [IMPLEMENTATION.] A copy of the court order for insurance coverage shall be forwarded to the obligor's employer or union and to the health or dental insurance carrier or employer by the obligee or the public authority responsible for support enforcement only when ordered by the court or when the following conditions are met:

(1) the obligor fails to provide written proof to the obligee or the public authority, within 30 days of the effective date of the court order, that the insurance has been obtained ~~or that application for insurability has been made;~~

(2) the obligee or the public authority serves written notice of its intent to enforce medical support on the obligor by mail at the obligor's last known post office address; and

(3) the obligor fails within 15 days after the mailing of the notice to provide written proof to the obligee or the public authority that the insurance coverage existed as of the date of mailing.

The employer or union shall forward a copy of the order to the health and dental insurance plan offered by the employer.

Sec. 17. Minnesota Statutes 1994, section 518.171, subdivision 4, is amended to read:

Subd. 4. [EFFECT OF ORDER.] (a) The order is binding on the employer or union and the health and dental insurance plan when service under subdivision 3 has been made. An employer or union that is included under ERISA may not deny enrollment based on exclusionary clauses described in section 62A.048. 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 health insurance plan otherwise available to the obligor that is comparable to a number two qualified plan. If the obligor is not enrolled in a health insurance plan, the employer or union shall also enroll the obligor in the chosen plan if enrollment of the obligor is necessary in order to obtain dependent coverage under the plan. Enrollment of dependents and the obligor shall be immediate and not dependent upon open enrollment periods. Enrollment is not subject to the underwriting policies described in section 62A.048.

(b) An employer or union that willfully fails to comply with the order is liable for any health or dental expenses incurred by the dependents during the period of time the dependents were eligible to be enrolled in the insurance program, and for any other premium costs incurred because the employer or union willfully failed to comply with the order. An employer or union that fails to comply with the order is subject to contempt under section 518.615 and is also subject to a fine of \$500 to be paid to the obligee or public authority. Fines paid to the public authority are designated for child support enforcement services.

(c) 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. 18. Minnesota Statutes 1994, section 518.171, subdivision 5, is amended to read:

Subd. 5. [ELIGIBLE CHILD.] A minor child that an obligor is required to cover as a beneficiary pursuant to this section is eligible for insurance coverage as a dependent of the obligor until the child is emancipated or until further order of the court. The health or dental insurance carrier or employer may not disenroll or eliminate coverage of the child unless the health or dental insurance carrier or employer is provided satisfactory written evidence that the court order is no longer in effect, or the child is or will be enrolled in comparable health coverage through another health or dental insurance plan that will take effect no later than the effective date of the disenrollment, or the employer has eliminated family health and dental coverage for all of its employees, or that the required premium has not been paid by or on behalf of the child. If disenrollment or elimination of coverage of a child under this subdivision is based upon nonpayment of premium, the health or dental insurance plan must provide 30 days written notice to the child's nonobligor parent prior to the disenrollment or elimination of coverage.

Sec. 19. Minnesota Statutes 1994, section 518.171, subdivision 7, is amended to read:

Subd. 7. [RELEASE OF INFORMATION.] When an order for dependent insurance coverage is in effect, the obligor's employer, union, or insurance agent shall release to the obligee or the public authority, upon request, information on the dependent coverage, including the name of the ~~insurer~~ health or dental insurance carrier or employer. The employer, union, or health or dental insurance plan shall provide the obligee with insurance identification cards and all necessary written information to enable the obligee to utilize the insurance benefits for the covered dependents. Notwithstanding any other law, information reported pursuant to section 268.121 shall be released to the public agency responsible for support enforcement that is enforcing an order for medical health or dental insurance coverage under this section. The public agency responsible for support enforcement is authorized to release to the obligor's insurer health or dental insurance carrier or employer or employer information necessary to obtain or enforce medical support.

Sec. 20. Minnesota Statutes 1994, section 518.171, subdivision 8, is amended to read:

Subd. 8. [OBLIGOR LIABILITY.] (a) An obligor who fails to maintain medical or dental insurance for the benefit of the children as ordered or fails to provide other medical support as ordered is liable to the obligee for any medical or dental expenses incurred from the effective date of the court order, including health and dental insurance premiums paid by the obligee because of the obligor's failure to obtain coverage as ordered. Proof of failure to maintain insurance or noncompliance with an order to provide other medical support constitutes a showing of increased need by the obligee pursuant to section 518.64 and provides a basis for a modification of the obligor's child support order.

(b) Payments for services rendered to the dependents that are directed to the obligor, in the form of reimbursement by the ~~insurer~~ health or dental insurance carrier or employer, must be endorsed over to and forwarded to the vendor or custodial parent or public authority when the reimbursement is not owed to the obligor. An obligor retaining insurance reimbursement not owed to the obligor may be found in contempt of this order and held liable for the amount of the reimbursement. Upon written verification by the ~~insurer~~ health or dental insurance carrier or employer of the amounts paid to the obligor, the reimbursement amount is subject to all enforcement remedies available under subdivision 10, including income withholding pursuant to section 518.611. The monthly amount to be withheld until the obligation is satisfied is 20 percent of the original debt or \$50, whichever is greater.

Sec. 21. Minnesota Statutes 1994, section 518.611, subdivision 2, is amended to read:

Subd. 2. [CONDITIONS OF INCOME WITHHOLDING.] (a) Withholding shall result when:

(1) the obligor requests it in writing to the public authority;

(2) the custodial parent requests it by making a motion to the court and the court finds that previous support has not been paid on a timely or consistent basis or that the obligor has threatened expressly or otherwise to stop or reduce payments; or

(3) the obligor fails to make the maintenance or support payments, and the following conditions are met:

(i) the obligor is at least 30 days in arrears;

(ii) the obligee or the public authority serves written notice of income withholding, showing arrearage, on the obligor at least 15 days before service of the notice of income withholding and a copy of the court's order on the payor of funds;

(iii) within the 15-day period, the obligor fails to move the court to deny withholding on the grounds that an arrearage of at least 30 days does not exist as of the date of the notice of income withholding, or on other grounds limited to mistakes of fact, and, ex parte, to stay service on the payor of funds until the motion to deny withholding is heard;

(iv) the obligee or the public authority serves a copy of the notice of income withholding, a copy of the court's order or notice of order, and the provisions of this section on the payor of funds; and

(v) the obligee serves on the public authority a copy of the notice of income withholding, a copy of the court's order, an application, and the fee to use the public authority's collection services.

For those persons not applying for the public authority's IV-D services, a monthly service fee of \$15 must be charged to the obligor in addition to the amount of child support ordered by the court and withheld through automatic income withholding, or for persons applying for the public authority's IV-D services, the service fee under section 518.551, subdivision 7, applies. The county agency shall explain to affected persons the services available and encourage the applicant to apply for IV-D services.

(b) To pay the arrearage specified in the notice of income withholding, the employer or payor of funds shall withhold from the obligor's income an additional amount equal to 20 percent of the monthly child support or maintenance obligation until the arrearage is paid.

(c) The obligor may move the court, under section 518.64, to modify the order respecting the amount of maintenance or support.

(d) Every order for support or maintenance shall provide for a conspicuous notice of the provisions of this subdivision that complies with section 518.68, subdivision 2. An order without this notice remains subject to this subdivision.

(e) Absent a court order to the contrary, if an arrearage exists at the time an order for ongoing support or maintenance would otherwise terminate, income withholding shall continue in effect in an amount equal to the former support or maintenance obligation plus an additional amount equal to 20 percent of the monthly child support obligation, until all arrears have been paid in full.

Sec. 22. Minnesota Statutes 1994, 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 considered 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 sanctions under section 518.615. If an employer violates this subdivision, a court may award the employee twice the wages lost as a result of this violation. If a court finds the employer violates this subdivision, the court shall impose a civil fine of not less than \$500.

Sec. 23. Minnesota Statutes 1994, section 518.613, subdivision 7, is amended to read:

Subd. 7. [WAIVER.] (a) The court may waive the requirements of this section if the court finds that there is no arrearage in child support or maintenance as of the date of the hearing, ~~that it would not be contrary to the best interests of the child,~~ and: (1) one party demonstrates and the court finds that there is good cause to waive the requirements of this section or to terminate automatic income withholding on an order previously entered under this section; or (2) all parties reach a written agreement that provides for an alternative payment arrangement and the agreement is approved by the court after a finding that the agreement is likely to result in regular and timely payments. The court's findings waiving the requirements of this section must include a written explanation of the reasons why automatic withholding would not be in the best interests of the

child and, in a case that involves modification of support, that past support has been timely made. If the court waives the requirements of this section:

(1) in all cases where the obligor is at least 30 days in arrears, withholding must be carried out pursuant to section 518.611;

(2) the obligee may at any time and without cause request the court to issue an order for automatic income withholding under this section; and

(3) the obligor may at any time request the public authority to begin withholding pursuant to this section, by serving upon the public authority the request and a copy of the order for child support or maintenance. Upon receipt of the request, the public authority shall serve a copy of the court's order and the provisions of section 518.611 and this section on the obligor's employer or other payor of funds. The public authority shall notify the court that withholding has begun at the request of the obligor pursuant to this clause.

(b) For purposes of this subdivision, "parties" includes the public authority in cases when it is a party pursuant to section 518.551, subdivision 9.

Sec. 24. Minnesota Statutes 1994, section 518.615, subdivision 3, is amended to read:

Subd. 3. [LIABILITY.] The employer, trustee, or payor of funds is liable to the obligee or the agency responsible for child support enforcement for any amounts required to be withheld that were not paid. The court may enter judgment against the employer, trustee, or payor of funds for support not withheld or remitted. An employer, trustee, or payor of funds found guilty of contempt shall be punished by a fine of not more than \$250 as provided in chapter 588. The court may also impose other contempt sanctions authorized under chapter 588.

Sec. 25. [REPEALER.]

Minnesota Statutes 1994, sections 62C.141; 62C.143; 62D.106; and 62E.04, subdivisions 9 and 10, are repealed.

Sec. 26. [EFFECTIVE DATE.]

Sections 1 to 6 and 14 to 19 (62A.045; 62A.046; 62A.048; 62A.27; 256.74, subdivision 6; 256.76, subdivision 1; 257.69, subdivision 2; 518.171, subdivisions 1, 3, 4, 5, and 7) are effective retroactive to August 10, 1993.

ARTICLE 11

DHS FLEXIBILITY REFORMS

Section 1. Minnesota Statutes 1994, 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;~~

~~(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 manage and implement the moratorium exception process in accordance with sections 144A.071 and 144A.073.~~

Sec. 2. Minnesota Statutes 1994, section 245.4873, subdivision 2, is amended to read:

~~Subd. 2. [STATE LEVEL; COORDINATION.] The state coordinating council consists of the commissioners or designees of commissioners of the departments of human services, health, education, and corrections, and a representative of the Minnesota district judges association juvenile committee, in conjunction with the commissioner of commerce or a designee of the commissioner, and the director or designee of the director of the office of strategic and long range planning. The members of the council shall annually alternate chairing the council beginning with the commissioner of human services and proceeding in the order as listed in this subdivision. The council shall meet at least quarterly to The children's cabinet, under section 4.045, in consultation with a representative of the Minnesota district judges association juvenile committee, shall:~~

(1) educate each agency about the policies, procedures, funding, and services for children with emotional disturbances of all agencies represented;

(2) develop mechanisms for interagency coordination on behalf of children with emotional disturbances;

(3) identify barriers including policies and procedures within all agencies represented that interfere with delivery of mental health services for children;

(4) recommend policy and procedural changes needed to improve development and delivery of mental health services for children in the agency or agencies they represent;

(5) identify mechanisms for better use of federal and state funding in the delivery of mental health services for children; and

(6) perform the duties required under sections 245.494 to 245.496.

Sec. 3. Minnesota Statutes 1994, section 245.494, subdivision 2, is amended to read:

~~Subd. 2. [STATE COORDINATING COUNCIL CHILDREN'S CABINET REPORT.] Each year, beginning By February 1, 1995 1996, the state coordinating council children's cabinet, under section 4.045, in consultation with a representative of the Minnesota district judges association juvenile committee, must submit a report to the legislature on the status of the local children's mental health collaboratives. The report must include the number of local children's mental health collaboratives, the amount and type of resources committed to local children's mental health collaboratives, the additional federal revenue received as a result of local children's mental health collaboratives, the services provided, the number of children served, outcome indicators, the identification of barriers to additional collaboratives and funding integration, and recommendations for further improving service coordination and funding integration.~~

Sec. 4. Minnesota Statutes 1994, section 245.825, is amended to read:

245.825 [USE OF AVERSIVE OR DEPRIVATION PROCEDURES IN FACILITIES SERVING PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS.]

Subdivision 1. [RULES GOVERNING USE OF AVERSIVE AND DEPRIVATION PROCEDURES.] The commissioner of human services shall by October, 1983, promulgate rules governing the use of aversive and deprivation procedures in all licensed facilities and licensed services serving persons with mental retardation or related conditions, as defined in section 252.27, subdivision 1a. No provision of these rules shall encourage or require the use of aversive and deprivation procedures. The rules shall prohibit: (a) the application of certain aversive or deprivation procedures in facilities except as authorized and monitored by the ~~designated regional review committees~~ commissioner; (b) the use of aversive or deprivation procedures that restrict

the consumers' normal access to nutritious diet, drinking water, adequate ventilation, necessary medical care, ordinary hygiene facilities, normal sleeping conditions, and necessary clothing; and (c) the use of faradic shock without a court order. The rule shall further specify that consumers may not be denied ordinary access to legal counsel and next of kin. In addition, the rule may specify other prohibited practices and the specific conditions under which permitted practices are to be carried out. For any persons receiving faradic shock, a plan to reduce and eliminate the use of faradic shock shall be in effect upon implementation of the procedure.

Subd. 1a. [ADVISORY COMMITTEE.] Notwithstanding the provisions of Minnesota Rules, parts 9525.2700 to 9525.2810, the commissioner shall establish an advisory committee on the use of aversive and deprivation procedures.

Subd. 1b. [REVIEW AND APPROVAL.] Notwithstanding the provisions of Minnesota Rules, parts 9525.2700 to 9525.2810, the commissioner may designate the county case manager to authorize the use of controlled procedures as defined in Minnesota Rules, parts 9525.2710, subpart 9 and 9525.2740, subparts 1 and 2, after review and approval by the interdisciplinary team and the internal review committee as required in Minnesota Rules, part 9525.2750, subparts 1a and 2. Use of controlled procedures must be reported to the commissioner in accordance with the requirements of Minnesota Rules, part 9525.2750, subpart 2a. The commissioner must provide all reports to the advisory committee at least quarterly.

~~Subd. 2. [REGIONAL REVIEW COMMITTEE.] After the rules have been promulgated the commissioner shall appoint regional review committees to monitor the rules.~~

Sec. 5. Minnesota Statutes 1994, section 256.045, subdivision 4a, is amended to read:

Subd. 4a. [CASE MANAGEMENT APPEALS.] Any recipient of case management services pursuant to section 256B.092, who contests the county agency's action or failure to act in the provision of those services, other than a failure to act with reasonable promptness or a suspension, reduction, denial, or termination of services, must submit a written request for a conciliation conference to the county agency. The county agency shall inform the commissioner of the receipt of a request when it is submitted and shall schedule a conciliation conference. The county agency shall notify the recipient, the commissioner, and all interested persons of the time, date, and location of the conciliation conference. ~~The commissioner shall designate a representative to be present at the conciliation conference to assist in the resolution of the dispute without the need for a hearing.~~ The commissioner may assist the county by providing mediation services or by identifying other resources that may assist in the mediation between the parties. Within 30 days, the county agency shall conduct the conciliation conference and inform the recipient in writing of the action the county agency is going to take and when that action will be taken and notify the recipient of the right to a hearing under this subdivision. The conciliation conference shall be conducted in a manner consistent with the commissioner's instructions. If the county fails to conduct the conciliation conference and issue its report within 30 days, or, at any time up to 90 days after the conciliation conference is held, a recipient may submit to the commissioner a written request for a hearing before a state human services referee to determine whether case management services have been provided in accordance with applicable laws and rules or whether the county agency has assured that the services identified in the recipient's individual service plan have been delivered in accordance with the laws and rules governing the provision of those services. The state human services referee shall recommend an order to the commissioner, who shall, in accordance with the procedure in subdivision 5, issue a final order within 60 days of the receipt of the request for a hearing, unless the commissioner refuses to accept the recommended order, in which event a final order shall issue within 90 days of the receipt of that request. The order may direct the county agency to take those actions necessary to comply with applicable laws or rules. The commissioner may issue a temporary order prohibiting the demission of a recipient of case management services from a residential or day habilitation program licensed under chapter 245A, while a county agency review process or an appeal brought by a recipient under this subdivision is pending, or for the period of time necessary for the county agency to implement the commissioner's order. The commissioner shall not issue a final order staying the demission of a recipient of case management services from a residential or day habilitation program licensed under chapter 245A.

Sec. 6. Minnesota Statutes 1994, section 256B.27, subdivision 2a, is amended to read:

Subd. 2a. Each year the commissioner shall provide for the on-site audit of the cost reports of nursing homes participating as vendors of medical assistance. The commissioner shall select for audit at least ~~five~~ 15 percent of these nursing homes at random ~~and at least 20 percent from the remaining nursing homes~~, or using factors including, but not limited to: change in ownership; frequent changes in administration in excess of normal turnover rates; complaints to the commissioner of health about care, safety, or rights; where previous inspections or reinspections under section 144A.10 have resulted in correction orders related to care, safety, or rights; or where persons involved in ownership or administration of the facility have been indicted for alleged criminal activity.

Sec. 7. Minnesota Statutes 1994, section 256E.08, subdivision 6, is amended to read:

Subd. 6. [FEES FOR SERVICES.] The county board may, ~~subject to approval of the commissioner~~, establish a schedule of fees based upon clients' ability to pay to be charged to recipients of community social services. Payment, in whole or in part, for services may be accepted from any person except that no fee may be charged to persons or families whose adjusted gross household income is below the federal poverty level. When services are provided to any person, including a recipient of aids administered by the federal, state or county government, payment of any charges due may be billed to and accepted from a public assistance agency or from any public or private corporation.

Sec. 8. Minnesota Statutes 1994, section 393.07, subdivision 5, is amended to read:

Subd. 5. [COMPLIANCE WITH FEDERAL SOCIAL SECURITY ACT; MERIT SYSTEM.] The commissioner of human services shall have authority to require such methods of administration as are necessary for compliance with requirements of the federal Social Security Act, as amended, and for the proper and efficient operation of all welfare programs. This authority to require methods of administration includes methods relating to the establishment and maintenance of personnel standards on a merit basis as concerns all employees of local social services agencies except those employed in an institution, sanitarium, or hospital. The commissioner of human services shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods. The adoption of methods relating to the establishment and maintenance of personnel standards on a merit basis of all such employees of the local social services agencies and the examination thereof, and the administration thereof shall be directed and controlled exclusively by the commissioner of human services.

Notwithstanding the provisions of any other law to the contrary, every employee of every local social services agency who occupies a position which requires as prerequisite to eligibility therefor graduation from an accredited four year college or a certificate of registration as a registered nurse under section 148.231, must be employed in such position under the merit system established under authority of this subdivision. Every such employee now employed by a local social services agency and who is not under said merit system is transferred, as of January 1, 1962, to a position of comparable classification in the merit system with the same status therein as the employee had in the county of employment prior thereto and every such employee shall be subject to and have the benefit of the merit system, including seniority within the local social services agency, as though the employee had served thereunder from the date of entry into the service of the local social services agency.

By March 1, 1996, the commissioner of human services shall report to the chair of the senate health care and family services finance division and the chair of the house health and human services finance division on options for the delivery of merit-based employment services by entities other than the department of human services in order to reduce the administrative costs to the state while maintaining compliance with applicable federal regulations.

Sec. 9. Minnesota Statutes 1994, section 393.12, is amended to read:

393.12 [FEES FOR SOCIAL SERVICES.]

A local social services agency may charge fees for social services furnished to a family or individual not on public assistance. The local social services agency shall establish fee schedules based on the recipient's ability to pay and for day care services on the recommendations of the

appropriate advisory council. ~~The schedules shall be subject to the approval of the commissioner of human services.~~

Sec. 10. [DEAF AND HARD OF HEARING CONSOLIDATION.]

The regional service center for the deaf and hard of hearing located on the St. Peter regional treatment center campus may be consolidated with the St. Peter regional treatment center deaf services program. The regional treatment center deaf program will continue to provide mental health support services to the regional treatment center patients. The St. Peter regional treatment center deaf program will also act as the area regional services center under the management oversight of the commissioner. Community-based services will be provided by the St. Peter regional treatment center deaf services program in accordance with Minnesota Statutes, sections 256C.22 to 256C.27.

Sec. 11. [INSTRUCTION TO REVISOR.]

The revisor of statutes is instructed to substitute the term "children's cabinet" in place of "state coordinating council" wherever the term appears in Minnesota Statutes, chapter 245.

Sec. 12. [REPEALER.]

Minnesota Statutes 1994, sections 144A.31, subdivisions 2b, 4, 5, 6, and 7; 245.492, subdivision 20; 245.825, subdivision 2; and 245.98, subdivision 3, are repealed."

Delete the title and insert:

"A bill for an act relating to human services; including provisions for human services administration; life skills and self-sufficiency; childrens' programs; economic self-sufficiency; medical assistance and general assistance medicare; long-term care; community mental health and regional treatment centers; health department; child support enforcement; department of human services flexibility reforms; appropriating money; amending Minnesota Statutes 1994, sections 14.03, subdivision 3; 16B.08, subdivision 5; 62A.045; 62A.046; 62A.048; 62A.27; 62N.381, subdivisions 2, 3, and 4; 144.0721, by adding subdivisions; 144.0723, subdivisions 1, 2, 3, 4, and 6; 144.122; 144.226, subdivision 1; 144.56, by adding a subdivision; 144.562, subdivision 2; 144.702, subdivision 2; 144.801, subdivisions 3 and 5; 144.802; 144.803; 144.804; 144.806; 144.807; 144.808; 144.809; 144.8091; 144.8093; 144.8095; 144A.071, subdivisions 2, 3, 4a, and by adding a subdivision; 144A.073, subdivisions 1, 2, 3, 4, 5, 8, and by adding a subdivision; 144A.31, subdivision 2a; 144A.33, subdivision 3; 144A.43, subdivision 3; 144A.47; 144B.01, subdivision 5; 144C.01, subdivision 2; 144C.05, subdivision 1; 144C.07; 144C.08; 144C.09, subdivision 2; 144C.10; 145A.15; 147.01, subdivision 6; 148.921, subdivision 2; 157.03; 171.07, by adding a subdivision; 198.003, subdivisions 3 and 4; 245.041; 245.4871, subdivisions 12, 33a, and by adding a subdivision; 245.4873, subdivisions 2 and 6; 245.4874; 245.4875, subdivision 2, and by adding a subdivision; 245.4878; 245.4882, subdivision 5; 245.4885, subdivision 2; 245.4886, by adding a subdivision; 245.492, subdivisions 2, 6, 9, and 23; 245.493, subdivision 2; 245.4932, subdivisions 1, 2, 3, and 4; 245.494, subdivisions 1, 2, and 3; 245.495; 245.496, subdivision 3, and by adding a subdivision; 245.825; 245A.02, by adding a subdivision; 245A.03, subdivision 2a; 245A.04, subdivisions 3, 3b, 7, and 9; 245A.06, subdivisions 2, 4, and by adding a subdivision; 245A.07, subdivision 3; 245A.09, by adding subdivisions; 245A.14, subdivisions 6 and 7; 246.18, subdivision 4, and by adding a subdivision; 246.23, subdivision 2; 246.56, by adding a subdivision; 252.27, subdivisions 1, 1a, 2a, and by adding subdivisions; 252.275, subdivisions 3, 4, and 8; 252.292, subdivision 4; 252.46, subdivisions 1, 3, 6, 17, and by adding subdivisions; 253B.091; 254A.17, subdivision 3; 254B.02, subdivision 1; 254B.05, subdivisions 1 and 4; 256.014, subdivision 1; 256.015, subdivisions 1, 2, and 7; 256.025, subdivisions 1, 2, and 3; 256.026; 256.034, subdivision 1; 256.045, subdivisions 3, 4, 4a, and 5; 256.12, subdivision 14; 256.73, subdivisions 2 and 3a; 256.736, subdivisions 3 and 13; 256.74, subdivision 1, and by adding a subdivision; 256.76, subdivision 1; 256.8711; 256.9353, subdivision 8; 256.9365; 256.9657, subdivisions 3 and 4; 256.9685, subdivision 1b, and by adding subdivisions; 256.969, subdivisions 1, 2b, 9, 10, 16, and by adding subdivisions; 256.975, by adding a subdivision; 256.98, subdivisions 1 and 8; 256.983, subdivision 4; 256B.042, subdivision 2; 256B.055, subdivision 12; 256B.056, subdivision 4, and by adding a subdivision; 256B.0575; 256B.059, subdivisions 1, 3, and 5; 256B.0595, subdivisions 1, 2, 3, and 4; 256B.06, subdivision 4; 256B.0625, subdivisions 5, 8, 8a, 13, 13a, 17, 18, 19a, 37, and by adding subdivisions; 256B.0627,

subdivisions 1, 2, 4, and 5; 256B.0628, subdivision 2, and by adding a subdivision; 256B.0641, subdivision 1; 256B.0911, subdivisions 2, 2a, 3, 4, and 7; 256B.0913, subdivisions 4, 5, 8, 12, 14, and by adding subdivisions; 256B.0915, subdivisions 2, 3, 5, and by adding subdivisions; 256B.092, subdivision 4, and by adding a subdivision; 256B.093, subdivisions 1, 2, 3, and by adding a subdivision; 256B.15, subdivisions 1a, 2, and by adding a subdivision; 256B.19, subdivisions 1b, 1c, and 1d; 256B.27, subdivision 2a; 256B.431, subdivisions 2b, 2j, 15, 17, 23, and by adding a subdivision; 256B.432, subdivisions 1, 2, 3, 5, and 6; 256B.49, subdivision 1, and by adding subdivisions; 256B.501, subdivisions 1, 3, 3c, 3g, 8, and by adding subdivisions; 256B.69, subdivisions 4, 5, 6, 9, and by adding subdivisions; 256D.02, subdivision 5; 256D.03, subdivisions 3, 3b, and 4; 256D.05, subdivision 7; 256D.36, subdivision 1; 256D.385; 256D.405, subdivision 3; 256D.425, subdivision 1, and by adding a subdivision; 256D.435, subdivisions 1, 3, 4, 5, 6, and by adding a subdivision; 256D.44, subdivisions 1, 2, 3, 4, 5, and 6; 256D.45, subdivision 1; 256D.46, subdivisions 1 and 2; 256D.48, subdivision 1; 256E.08, subdivision 6; 256E.115; 256F.01; 256F.02; 256F.03, subdivision 5, and by adding a subdivision; 256F.04, subdivisions 1 and 2; 256F.05, subdivisions 2, 3, 4, 5, 7, 8, and by adding a subdivision; 256F.06, subdivisions 1, 2, and 4; 256F.09; 256H.01, subdivisions 9 and 12; 256H.02; 256H.03, subdivisions 1, 2a, 4, 6, and by adding a subdivision; 256H.05, subdivision 6; 256H.08; 256H.11, subdivision 1; 256H.12, subdivisions 1, 3, and by adding a subdivision; 256H.15, subdivision 1; 256H.18; 256H.20, subdivision 3a; 256I.03, subdivision 5, and by adding a subdivision; 256I.04, subdivisions 2b and 3; 256I.05, subdivisions 1, 1a, and 5; 256I.06, subdivisions 2 and 6; 257.3571, subdivision 1; 257.3572; 257.3577, subdivision 1; 257.55, subdivision 1; 257.57, subdivision 2; 257.62, subdivisions 1, 5, and 6; 257.64, subdivision 3; 257.69, subdivisions 1 and 2; 393.07, subdivisions 5 and 10; 393.12; 447.32, subdivision 5; 501B.89, subdivision 1, and by adding a subdivision; 518.171, subdivisions 1, 3, 4, 5, 7, and 8; 518.611, subdivisions 2 and 4; 518.613, subdivision 7; 518.615, subdivision 3; 524.6-207; 550.37, subdivision 14; and Laws 1993, First Special Session chapter 1, article 7, section 51, subdivision 5; and article 8, section 30, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 144; 145; 157; 214; 245; 245A; 256; and 256B; proposing coding for new law as Minnesota Statutes, chapters 144D; and 144E; repealing Minnesota Statutes 1994, sections 38.161; 38.162; 62C.141; 62C.143; 62D.106; 62E.04, subdivisions 9 and 10; 144.8097; 144A.31, subdivisions 2b, 4, 5, 6, and 7; 157.01; 157.02; 157.031; 157.04; 157.045; 157.05; 157.08; 157.12; 157.13; 157.14; 245.492, subdivision 20; 245.825, subdivision 2; 245.98, subdivision 3; 252.275, subdivisions 4a and 10; 256.851; 256D.35, subdivisions 14 and 19; 256D.36, subdivision 1a; 256D.37; 256D.425, subdivision 3; 256D.435, subdivisions 2, 7, 8, 9, and 10; 256D.44, subdivision 7; 256E.06, subdivisions 12 and 13; 256F.05, subdivisions 2a and 4a; 256F.06, subdivision 3; 256F.09, subdivision 4; and 256H.03, subdivisions 2 and 5."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Don Samuelson, Dallas C. Sams, Sheila M. Kiscaden, Dan Stevens, Linda Berglin

House Conferees: (Signed) Lee Greenfield, Linda Wejcman, Thomas Huntley, Tony Onnen, Barb Vickerman

SUSPENSION OF RULES

Mr. Moe, R.D. moved that Joint Rule 2.06 be suspended as it relates to the Conference Committee report on S.F. No. 1110. The motion prevailed.

Mr. Samuelson moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1110 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. 1110 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 11, as follows:

Those who voted in the affirmative were:

Beckman	Johnson, D.E.	Langseth	Olson	Samuelson
Belanger	Johnson, D.J.	Larson	Ourada	Solon
Berg	Johnson, J.B.	Lesewski	Pariseau	Spear
Chandler	Johnston	Lessard	Piper	Stevens
Chmielewski	Kelly	Metzen	Pogemiller	Stumpf
Cohen	Kiscaden	Moe, R.D.	Price	Terwilliger
Day	Kleis	Mondale	Ranum	Vickerman
Dille	Knutson	Morse	Reichgott Junge	Wiener
Finn	Kramer	Murphy	Riveness	
Flynn	Krentz	Neuville	Robertson	
Hottinger	Kroening	Novak	Runbeck	
Janezich	Laidig	Oliver	Sams	

Those who voted in the negative were:

Anderson	Betzold	Hanson	Marty	Pappas
Berglin	Frederickson	Limmer	Merriam	Scheevel
Bertram				

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 until 2:00 p.m. The motion prevailed.

The hour of 2:00 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.

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, 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, herewith returned: S.F. No. 1076.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1995

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. 127: A bill for an act relating to state lands; authorizing the conveyance of certain tax-forfeited land that borders public water or natural wetlands in Hennepin county.

Senate File No. 127 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1995

Mr. Terwilliger moved that the Senate do not concur in the amendments by the House to S.F. No. 127, 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. 399: A bill for an act relating to recreational vehicles; driving while intoxicated; providing for forfeiture of snowmobiles, all-terrain vehicles, and motorboats for designated, DWI-related offenses; extending vehicle forfeiture law by expanding the definition of prior conviction to include other types of vehicles; amending Minnesota Statutes 1994, sections 84.83, subdivision 2; 84.927, subdivision 1; 169.1217, subdivision 1; and 171.30, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 84; and 86B.

Senate File No. 399 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1995

Mr. Knutson moved that the Senate do not concur in the amendments by the House to S.F. No. 399, 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. 258: A bill for an act relating to occupations and professions; board of medical practice; providing for the registration of physician assistants by the board of medical practice; providing for rulemaking; providing penalties; amending Minnesota Statutes 1994, sections 116J.70, subdivision 2a; 136A.1356, subdivision 1; 144.335, subdivision 1; 148B.60, subdivision 3; 151.01, subdivision 23; 151.37, subdivision 2a; 214.23, subdivision 1; and 604A.01, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 147A; repealing Minnesota Statutes 1994, sections 147.34; 147.35; and 147.36; Minnesota Rules, parts 5600.2600; 5600.2605; 5600.2610; 5600.2615; 5600.2620; 5600.2625; 5600.2630; 5600.2635; 5600.2640; 5600.2645; 5600.2650; 5600.2655; 5600.2660; 5600.2665; and 5600.2670.

Senate File No. 258 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1995

CONCURRENCE AND REPASSAGE

Ms. Piper moved that the Senate concur in the amendments by the House to S.F. No. 258 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 258 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 2, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Kroening	Mondale	Robertson
Beckman	Frederickson	Laidig	Morse	Runbeck
Berg	Hanson	Langseth	Murphy	Sams
Berglin	Janezich	Larson	Neuville	Solon
Bertram	Johnson, D.E.	Lesewski	Oliver	Spear
Betzold	Johnson, J.B.	Lessard	Olson	Stevens
Chmielewski	Johnston	Limmer	Ourada	Stumpf
Cohen	Kleis	Marty	Pariseau	Terwilliger
Day	Knutson	Merriam	Piper	Vickerman
Dille	Kramer	Metzen	Pogemiller	Wiener
Finn	Krentz	Moe, R.D.	Ranum	

Ms. Kiscaden and Mr. Scheevel 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. 557: A bill for an act relating to employment; authorizing the legislative commission on employee relations to modify compensation for certain managerial positions in the higher education board; ratifying certain labor agreements; amending Minnesota Statutes 1994, sections 3.855, subdivision 3; 179A.04, subdivision 3; and 179A.16, subdivisions 6, 7, and 8.

Senate File No. 557 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1995

Ms. Flynn moved that the Senate do not concur in the amendments by the House to S.F. No. 557, 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. 1170: A bill for an act relating to occupations and professions; requiring licensure or certification of geoscientists; adding geoscientists to the board of architecture, engineering, land surveying, landscape architecture, and interior design; providing for certain duties for the board; amending Minnesota Statutes 1994, sections 214.01, subdivision 3; 214.04, subdivision 3; 319A.02, subdivision 2; 326.02, subdivisions 1, 4, 4a, and by adding a subdivision; 326.03, subdivisions 1 and 4; 326.04; 326.05; 326.06; 326.07; 326.08, subdivision 2; 326.09; 326.10, subdivisions 1, 2, and 7; 326.11, subdivision 1; 326.111, subdivisions 1, 2, 3, 4, and 6; 326.12; 326.13; and 326.14.

Senate File No. 1170 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1995

CONCURRENCE AND REPASSAGE

Mr. Mondale moved that the Senate concur in the amendments by the House to S.F. No. 1170 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1170: A bill for an act relating to occupations and professions; requiring licensure or certification of geoscientists; adding geoscientists to the board of architecture, engineering, land surveying, landscape architecture, and interior design; providing for certain duties for the board; providing for signatures on certain documents; amending Minnesota Statutes 1994, sections 214.01, subdivision 3; 214.04, subdivision 3; 319A.02, subdivision 2; 326.02, subdivisions 1, 4, 4a, and by adding a subdivision; 326.03, subdivisions 1 and 4; 326.04; 326.05; 326.06; 326.07; 326.08, subdivision 2; 326.09; 326.10, subdivisions 1, 2, and 7; 326.11, subdivision 1; 326.111, subdivisions 1, 2, 3, 4, and 6; 326.12; 326.13; and 326.14.

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 43 and nays 16, as follows:

Those who voted in the affirmative were:

Beckman	Frederickson	Langseth	Morse	Solon
Berg	Janezich	Larson	Piper	Spear
Berglin	Johnson, D.E.	Lesewski	Pogemiller	Stevens
Bertram	Johnson, J.B.	Lessard	Price	Stumpf
Betzold	Johnston	Marty	Ranum	Terwilliger
Chmielewski	Kiscaden	Merriam	Robertson	Vickerman
Cohen	Krentz	Metzen	Runbeck	Wiener
Dille	Kroening	Moe, R.D.	Sams	
Flynn	Laidig	Mondale	Samuelson	

Those who voted in the negative were:

Anderson	Hanson	Kramer	Neuville	Ourada
Chandler	Kleis	Limmer	Oliver	Pariseau
Day	Knutson	Murphy	Olson	Scheevel
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 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. 1393: A bill for an act relating to public finance; providing conditions and requirements for the issuance of debt and use of the proceeds; authorizing use of capital improvement bonds for indoor ice arenas; exempting issuance of certain debt from election requirements; authorizing home rule charter cities to issue tax anticipation certificates; authorizing operation of certain recreational facilities; providing for the computation of tax increment from certain hazardous substance subdistricts; authorizing continuing disclosure agreements; providing for funding of self-insurance by political subdivisions; providing for the issuance of temporary obligations and modifying issuance procedures; amending Minnesota Statutes 1994, sections 373.40, subdivision 1; 447.46; 462C.05, subdivision 1; 469.041; 469.174, subdivision 4, and by adding subdivisions; 469.175, subdivision 1; 469.177, subdivisions 1, 1a, and 2; 471.16, subdivision 1; 471.191, subdivisions 1 and 2; 471.98, subdivision 3; 471.981, subdivisions 2, 4a, 4b, and 4c; 475.51, subdivision 4; 475.52, subdivision 6; 475.58, subdivision 1, and by adding a subdivision; 475.60, by adding a subdivision; 475.61, by adding a subdivision; 475.63; and 475.79; Laws 1971, chapter 773, section 4, as amended; proposing coding for new law in Minnesota Statutes, chapters 373; and 410.

There has been appointed as such committee on the part of the House:

Rest, Milbert and Abrams.

Senate File No. 1393 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1995

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. 1551: A bill for an act relating to agricultural economics; providing loans and incentives for agricultural energy resources development for family farms and cooperatives; amending Minnesota Statutes 1994, sections 41B.02, subdivision 19; 41B.046, subdivision 1, and by adding a subdivision; and 216C.41, subdivisions 1, 2, 3, and 4.

There has been appointed as such committee on the part of the House:

Winter, Trimble and Ozment.

Senate File No. 1551 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1995

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 5 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1246: A bill for an act relating to state government; abolishing periodic reports; repealing obsolete rules of the departments of agriculture, commerce, health, human services, public safety, public service, and revenue and the pollution control agency; removing internal references to repealed rules; providing a deadline for certain actions by state and local government agencies; clarifying statutory waiver requirements with respect to the housing finance agency for the civil service pilot project; requiring legislative review of certain agency reorganization efforts; establishing the office of citizen advocate in the department of administration; modifying provisions relating to data classification; workers' compensation premium collection; employment classifications and procedures; and benefits; providing penalties; establishing a task force to recommend a governmental structure for environmental and natural resource functions and services; requiring establishment of an employee participation committee before agency restructuring; abolishing the department of natural resources, the board of water and soil resources, the office of environmental assistance, the pollution control agency, the environmental quality board, the harmful substances compensation board, the petroleum tank release compensation board, and the agricultural chemical response board; providing for appointments; abolishing the transportation regulation board; transferring its functions to other agencies; establishing pilot projects to improve the efficiency and effectiveness of state agencies; authorizing waivers of certain rules and policies; abolishing the legislative commission on children, youth, and their families, the legislative water commission, the legislative commission on the economic status of women, the legislative commission on child protection, the legislative commission on health care access, the legislative commission on long-term health care, the legislative commission on waste management, and the legislative tax study commission; transferring functions of the legislative commission on Minnesota resources to the office of strategic and long-range planning; establishing the department of children, families, and learning; making related changes; amending Minnesota Statutes 1994, sections 4.071, subdivision 2; 13.67; 15A.081, subdivision 1; 43A.04, subdivision 1; 43A.08, subdivision 1; 43A.10, subdivision 8; 43A.13, subdivision 6; 43A.15, by adding a subdivision; 43A.19, subdivision 1; 43A.191,

subdivisions 1, 2, and 3; 43A.24, subdivision 2; 43A.27, subdivision 3; 43A.316; 43A.317, subdivision 5; 62J.04, subdivision 1a; 62J.45, subdivision 8; 62Q.33, subdivision 5; 84.0274, subdivision 7; 85.019, subdivision 2; 86.72, subdivisions 2 and 3; 89.022, subdivision 2; 103A.43; 103B.321, subdivision 1; 115A.07, subdivision 3; 115A.15, subdivision 5; 115A.158, subdivision 2; 115A.165; 115A.193; 115A.22, subdivision 5; 115A.5501, subdivisions 2 and 4; 115A.551, subdivisions 4 and 5; 115A.557, subdivision 4; 115A.9157, subdivision 6; 115A.96, subdivision 2; 115A.961, subdivision 2; 115A.9651, subdivision 2; 115A.97, subdivisions 5 and 6; 115B.20, subdivisions 2, 5, and 6; 116C.712, subdivision 5; 116J.555, subdivision 2; 116P.02; 116P.03; 116P.05, subdivision 2, and by adding a subdivision; 116P.06; 116P.07; 116P.08, subdivisions 3, 4, 5, 6, and 7; 116P.09; 116P.10; 116P.11; 116P.12; 116Q.02; 174.02, subdivisions 4, 5, and by adding subdivisions; 174.06, by adding a subdivision; 174.10; 218.041, subdivision 6; 219.074, subdivisions 1 and 2; 256.9352, subdivision 3; 256B.0644; 256B.431, subdivision 2i; 256F.13, subdivision 1; 290.431; 290.432; 356.87; and 473.846; Minnesota Rules, parts 1540.2140; 7001.0140, subpart 2; 7001.0180; 8130.3500, subpart 3; and 8130.6500, subpart 5; proposing coding for new law in Minnesota Statutes, chapters 15; 16B; 174; and 465; proposing coding for new law as Minnesota Statutes, chapter 119A; repealing Minnesota Statutes 1994, sections 3.861; 3.873; 3.885; 3.887; 3.9222; 3.9227; 14.115, subdivision 8; 62J.04, subdivision 4; 62J.07; 62N.24; 103B.351; 115A.03, subdivision 16; 115A.08; 115A.14; 115A.29; 115A.38; 115A.411; 115A.913, subdivision 5; 115A.9157, subdivision 4; 115A.965, subdivision 7; 115A.981, subdivision 3; 115B.22, subdivision 8; 115B.43, subdivision 4; 116P.05, subdivision 1; 174.05; 174.06; 174A.01; 174A.02; 174A.03; 174A.04; 216C.051; 218.011, subdivision 7; 218.041, subdivision 7; 256B.504; 473.149, subdivisions 2c and 6; 473.845, subdivision 4; and 473.848, subdivision 4; Minnesota Rules, parts 1540.0010, subparts 12, 18, 21, 22, and 24; 1540.0060; 1540.0070; 1540.0080; 1540.0100; 1540.0110; 1540.0120; 1540.0130; 1540.0140; 1540.0150; 1540.0160; 1540.0170; 1540.0180; 1540.0190; 1540.0200; 1540.0210; 1540.0220; 1540.0230; 1540.0240; 1540.0260; 1540.0320; 1540.0330; 1540.0340; 1540.0350; 1540.0370; 1540.0380; 1540.0390; 1540.0400; 1540.0410; 1540.0420; 1540.0440; 1540.0450; 1540.0460; 1540.0490; 1540.0500; 1540.0510; 1540.0520; 1540.0770; 1540.0780; 1540.0800; 1540.0810; 1540.0830; 1540.0880; 1540.0890; 1540.0900; 1540.0910; 1540.0920; 1540.0930; 1540.0940; 1540.0950; 1540.0960; 1540.0970; 1540.0980; 1540.0990; 1540.1000; 1540.1005; 1540.1010; 1540.1020; 1540.1030; 1540.1040; 1540.1050; 1540.1060; 1540.1070; 1540.1080; 1540.1090; 1540.1100; 1540.1110; 1540.1120; 1540.1130; 1540.1140; 1540.1150; 1540.1160; 1540.1170; 1540.1180; 1540.1190; 1540.1200; 1540.1210; 1540.1220; 1540.1230; 1540.1240; 1540.1250; 1540.1255; 1540.1260; 1540.1280; 1540.1290; 1540.1300; 1540.1310; 1540.1320; 1540.1330; 1540.1340; 1540.1350; 1540.1360; 1540.1380; 1540.1400; 1540.1410; 1540.1420; 1540.1430; 1540.1440; 1540.1450; 1540.1460; 1540.1470; 1540.1490; 1540.1500; 1540.1510; 1540.1520; 1540.1530; 1540.1540; 1540.1550; 1540.1560; 1549.1570; 1540.1580; 1540.1590; 1540.1600; 1540.1610; 1540.1620; 1540.1630; 1540.1640; 1540.1650; 1540.1660; 1540.1670; 1540.1680; 1540.1690; 1540.1700; 1540.1710; 1540.1720; 1540.1730; 1540.1740; 1540.1750; 1540.1760; 1540.1770; 1540.1780; 1540.1790; 1540.1800; 1540.1810; 1540.1820; 1540.1830; 1540.1840; 1540.1850; 1540.1860; 1540.1870; 1540.1880; 1540.1890; 1540.1900; 1540.1905; 1540.1910; 1540.1920; 1540.1930; 1540.1940; 1540.1950; 1540.1960; 1540.1970; 1540.1980; 1540.1990; 1540.2000; 1540.2010; 1540.2015; 1540.2020; 1540.2090; 1540.2100; 1540.2110; 1540.2120; 1540.2180; 1540.2190; 1540.2200; 1540.2210; 1540.2220; 1540.2230; 1540.2240; 1540.2250; 1540.2260; 1540.2270; 1540.2280; 1540.2290; 1540.2300; 1540.2310; 1540.2320; 1540.2325; 1540.2330; 1540.2340; 1540.2350; 1540.2360; 1540.2370; 1540.2380; 1540.2390; 1540.2400; 1540.2410; 1540.2420; 1540.2430; 1540.2440; 1540.2450; 1540.2490; 1540.2500; 1540.2510; 1540.2530; 1540.2540; 1540.2550; 1540.2560; 1540.2570; 1540.2580; 1540.2590; 1540.2610; 1540.2630; 1540.2640; 1540.2650; 1540.2660; 1540.2720; 1540.2730; 1540.2740; 1540.2760; 1540.2770; 1540.2780; 1540.2790; 1540.2800; 1540.2810; 1540.2820; 1540.2830; 1540.2840; 1540.3420; 1540.3430; 1540.3440; 1540.3450; 1540.3460; 1540.3470; 1540.3560; 1540.3600; 1540.3610; 1540.3620; 1540.3630; 1540.3700; 1540.3780; 1540.3960; 1540.3970; 1540.3980; 1540.3990; 1540.4000; 1540.4010; 1540.4020; 1540.4030; 1540.4040; 1540.4080; 1540.4190; 1540.4200; 1540.4210; 1540.4220; 1540.4320; 1540.4330; 1540.4340; 2642.0120, subpart 1; 2650.0100; 2650.0200; 2650.0300; 2650.0400; 2650.0500; 2650.0600; 2650.1100; 2650.1200; 2650.1300; 2650.1400; 2650.1500; 2650.1600; 2650.1700; 2650.1800; 2650.1900; 2650.2000; 2650.2100; 2650.3100; 2650.3200; 2650.3300; 2650.3400; 2650.3500; 2650.3600; 2650.3700; 2650.3800; 2650.3900; 2650.4000; 2650.4100; 2655.1000; 2660.0070; 2770.7400; 4610.2210; 7002.0410; 7002.0420; 7002.0430; 7002.0440; 7002.0450; 7002.0460; 7002.0470; 7002.0480; 7002.0490; 7047.0010; 7047.0020; 7047.0030; 7047.0040; 7047.0050; 7047.0060; 7047.0070; 7100.0300; 7100.0310;

7100.0320; 7100.0330; 7100.0335; 7100.0340; 7100.0350; 7510.6100; 7510.6200; 7510.6300; 7510.6350; 7510.6400; 7510.6500; 7510.6600; 7510.6700; 7510.6800; 7510.6900; 7510.6910; 7600.0100; 7600.0200; 7600.0300; 7600.0400; 7600.0500; 7600.0600; 7600.0700; 7600.0800; 7600.0900; 7600.1000; 7600.1100; 7600.1200; 7600.1300; 7600.1400; 7600.1500; 7600.1600; 7600.1700; 7600.1800; 7600.1900; 7600.2000; 7600.2100; 7600.2200; 7600.2300; 7600.2400; 7600.2500; 7600.2600; 7600.2700; 7600.2800; 7600.2900; 7600.3000; 7600.3100; 7600.3200; 7600.3300; 7600.3400; 7600.3500; 7600.3600; 7600.3700; 7600.3800; 7600.3900; 7600.4000; 7600.4100; 7600.4200; 7600.4300; 7600.4400; 7600.4500; 7600.4600; 7600.4700; 7600.4800; 7600.4900; 7600.5000; 7600.5100; 7600.5200; 7600.5300; 7600.5400; 7600.5500; 7600.5600; 7600.5700; 7600.5800; 7600.5900; 7600.6000; 7600.6100; 7600.6200; 7600.6300; 7600.6400; 7600.6500; 7600.6600; 7600.6700; 7600.6800; 7600.6900; 7600.7000; 7600.7100; 7600.7200; 7600.7210; 7600.7300; 7600.7400; 7600.7500; 7600.7600; 7600.7700; 7600.7750; 7600.7800; 7600.7900; 7600.8100; 7600.8200; 7600.8300; 7600.8400; 7600.8500; 7600.8600; 7600.8700; 7600.8800; 7600.8900; 7600.9000; 7600.9100; 7600.9200; 7600.9300; 7600.9400; 7600.9500; 7600.9600; 7600.9700; 7600.9800; 7600.9900; 7625.0100; 7625.0110; 7625.0120; 7625.0200; 7625.0210; 7625.0220; 7625.0230; 8120.1100, subpart 3; 8121.0500, subpart 2; 8130.9912; 8130.9913; 8130.9916; 8130.9920; 8130.9930; 8130.9956; 8130.9958; 8130.9968; 8130.9972; 8130.9980; 8130.9992; 8850.6900; 9540.0100; 9540.0200; 9540.0300; 9540.0400; 9540.0500; 9540.1000; 9540.1100; 9540.1200; 9540.1300; 9540.1400; 9540.1500; 9540.2000; 9540.2100; 9540.2200; 9540.2300; 9540.2400; 9540.2500; 9540.2600; and 9540.2700.

There has been appointed as such committee on the part of the House:

Orenstein, Pelowski, Delmont, Carruthers and Ness.

Senate File No. 1246 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1995

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. 1134, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1134: A bill for an act relating to financial institutions; regulating notices, electronic financial terminals, mergers with subsidiaries, the powers and duties of the commissioner of commerce, reporting and records requirements, lending powers, the powers and duties of institutions, detached facilities, and interstate banking; making technical changes; regulating mortgage prepayments; allowing written waivers of the right to prepay without penalty under certain circumstances; clarifying definition of franchise; permitting a delinquency and collection charge; amending Minnesota Statutes 1994, sections 46.04, subdivision 1, and by adding a subdivision; 46.041, subdivision 4; 46.046, subdivision 1; 46.048, subdivision 1, and by adding subdivisions; 47.10, subdivision 3; 47.11; 47.20, subdivisions 5 and 10; 47.28, subdivision 1; 47.52; 47.56; 47.58, subdivision 2; 47.61, subdivision 3; 47.62, subdivisions 2, 3, and by adding subdivisions; 47.67; 47.69, subdivisions 3 and 5; 47.78; 48.16; 48.194; 48.24, subdivision 5; 48.475, subdivision 3; 48.48, subdivisions 1 and 2; 48.49; 48.61, subdivision 7, and by adding a subdivision; 48.65; 48.90, subdivision 1; 48.91; 48.92, subdivisions 1, 2, 6, 7, 8, 9, and by adding a subdivision; 48.93, subdivisions 1, 3, and 4; 48.96; 48.99, subdivision 1; 49.01, subdivision 3; 51A.02, subdivisions 6, 26, and 40; 51A.19, subdivision 9; 51A.50; 51A.58; 52.04, subdivision 2a; 52.05, subdivision 2; 53.015, subdivision 4; 53.04, subdivisions 3a, 3c, 4a, and 5a; 53.09, subdivisions 1, 2, and by adding a subdivision; 56.11; 56.12; 56.125, subdivisions 1, 2, and 3; 56.131, subdivisions 1, 2, 4, and 6; 56.132; 56.14; 56.155, subdivision 1; 56.17; 59A.06, subdivision 2; 61A.09, subdivision 3; 62B.04, subdivision 1; 62B.08, subdivision 2; 80C.01, subdivision 4; 300.20, subdivision 1; 327B.04, subdivision 1; 327B.09, subdivision 1; 332.23, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 45; 47; 48; 51A; 52; and 334; repealing Minnesota Statutes 1994, sections 46.03; 47.80; 47.81; 47.82; 47.83; 47.84; 47.85; 48.1585; 48.512, subdivision 6; 48.611; 48.95; 48.97; 48.98; 48.991; and 51A.385.

Senate File No. 1134 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1995

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 1910.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1995

FIRST READING OF HOUSE BILLS

The following bill was read the first time and referred to the committee indicated.

H.F. No. 1910: A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1701.

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. 1186: A bill for an act relating to housing; changing age limitations under the family homeless prevention and assistance program; modifying the rental housing program and various other programs of the housing finance agency; correcting references to municipal housing plan reporting requirements; amending Minnesota Statutes 1994, sections 462A.05, subdivisions 14 and 30; 462A.202, subdivisions 2 and 6; 462A.204, subdivision 1; 462A.205, subdivision 4; 462A.21, subdivisions 8, 8b, 13, and by adding a subdivision; and 469.0171; proposing coding for new law in Minnesota Statutes, chapter 462A; repealing Minnesota Statutes 1994, sections 462A.05, subdivision 14d; and 462A.21, subdivision 8c.

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

S.F. No. 1701: 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 2, line 8, after "paid" insert "under Minnesota Statutes, sections 3.732 and 3.739"

Page 14, line 36, delete "Sunberg" and insert "Sunburg"

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. 999: A bill for an act relating to state finance; adding certain human services obligations to the requirement that state agencies promptly pay their bills; amending Minnesota Statutes 1994, section 16A.124, subdivision 8.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 16A.124, is amended by adding a subdivision to read:

Subd. 4b. [HEALTH CARE PAYMENTS.] The commissioner of human services must pay or deny a valid vendor obligation for health services under the medical assistance, general assistance medical care, or MinnesotaCare program within 30 days after receipt. A "valid vendor obligation" means a clean claim submitted directly to the commissioner by an eligible health care provider for health services provided to an eligible recipient. A "clean claim" means an original paper or electronic claim with correct data elements, prepared in accordance with the commissioner's published specifications for claim preparation, that does not require an attachment or text information to pay or deny the claim. Adjustment claims, claims with attachments and text information, and claims submitted to the commissioner as the secondary or tertiary payer, that have been prepared in accordance with the commissioner's published specifications, must be adjudicated within 90 days after receipt.

Sec. 2. Minnesota Statutes 1994, section 16A.124, subdivision 8, is amended to read:

Subd. 8. [APPLICABILITY.] Subdivisions 1 to 7 apply to all agency purchases, leases, rentals, and contracts for services, including construction and remodeling contracts, except for:

(1) purchases from or contracts for service with a public utility as defined in section 216B.02 or a telephone company as defined in section 237.01 that has on file with the public utilities commission an approved practice regarding late fees; and

(2) provider billings to and contracts with the commissioner of human services for health care services, which are subject only to subdivisions 4a and 4b.

Sec. 3. [EFFECTIVE DATE.]

This act is effective July 1, 1996, and applies to all vendor obligations existing or arising on or after that date.

Amend the title as follows:

Page 1, line 5, before the period, insert ", and by adding a subdivision"

And when so amended the bill do pass. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 1186, 1701 and 999 were read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Olson introduced--

Senate Resolution No. 73: A Senate resolution congratulating the Delano High School Odyssey of the Mind team "New Twist" on winning the state championship.

Referred to the Committee on Rules and Administration.

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. 217: Messrs. Cohen, Betzold and Stevens.

S.F. No. 1019: Mr. Mondale, Ms. Flynn, Messrs. Riveness, Oliver and Belanger.

S.F. No. 399: Messrs. Knutson, Marty and Merriam.

S.F. No. 557: Ms. Flynn, Mr. Merriam and Ms. Kiscaden.

S.F. No. 127: Messrs. Terwilliger, Merriam and Ms. Olson.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Mr. Murphy was excused from the Session of today from 9:00 to 10:00 a.m. Messrs. Mondale, Lessard, Terwilliger and Ms. Krentz were excused from the Session of today from 9:00 to 10:30 a.m. Ms. Pappas was excused from the Session of today from 9:00 to 10:30 a.m. and from 12:00 noon to 2:35 p.m. Mr. Johnson, D.E. was excused from the Session of today from 9:00 to 10:10 a.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 10:00 a.m., Thursday, May 18, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SIXTY-THIRD DAY

St. Paul, Minnesota, Thursday, May 18, 1995

The Senate met at 10:00 a.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, Rev. Bruce Christie.

The roll was called, and the following Senators answered to their names:

Anderson	Frederickson	Kroening	Neuville	Runbeck
Beckman	Hanson	Laidig	Novak	Sams
Belanger	Hottinger	Langseth	Oliver	Samuelson
Berg	Janezich	Larson	Olson	Scheevel
Berglin	Johnson, D.E.	Lesewski	Ourada	Solon
Bertram	Johnson, D.J.	Lessard	Pappas	Spear
Betzold	Johnson, J.B.	Limmer	Pariseau	Stevens
Chandler	Johnston	Marty	Piper	Stumpf
Chmielewski	Kelly	Merriam	Pogemiller	Terwilliger
Cohen	Kiscaden	Metzen	Price	Vickerman
Day	Kleis	Moe, R.D.	Ranum	Wiener
Dille	Knutson	Mondale	Reichgott Junge	
Finn	Kramer	Morse	Riveness	
Flynn	Krentz	Murphy	Robertson	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

May 16, 1995

The Honorable Allan H. Spear
President of the Senate

Dear President Spear:

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. 965.

Warmest regards,
Arne H. Carlson, Governor

May 17, 1995

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Act of the 1995 Session of the State Legislature has been received from the Office of the Governor and is deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1995	Date Filed 1995
965		174	1:15 p.m. May 16	May 16

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 File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1444: A bill for an act relating to state lands; providing for the sale of certain tax-forfeited lands in St. Louis county; authorizing Crow Wing county to allow the sale of certain nonconforming lots within the Mississippi headwaters corridor; requiring the commissioner of natural resources to convey certain land to the city of Akeley; authorizing the sale of certain trust fund lands.

Senate File No. 1444 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1995

Mr. Solon moved that the Senate do not concur in the amendments by the House to S.F. No. 1444, 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. 1536: A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions.

Senate File No. 1536 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1995

Mr. Langseth moved that the Senate do not concur in the amendments by the House to S.F. No. 1536, 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 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. 512: A bill for an act relating to human services; licensing; administrative hearings; vulnerable adults reporting act; imposing criminal penalties; appropriating money; amending Minnesota Statutes 1994, sections 13.46, subdivision 4; 13.82, subdivision 10, and by adding subdivisions; 13.88; 13.99, subdivision 113; 144.4172, subdivision 8; 144.651, subdivisions 14 and 21; 144A.103, subdivision 1; 144A.612; 144B.13; 148B.68, subdivision 1; 214.10, subdivision 2a; 245A.04, subdivisions 3 and 3b; 253B.02, subdivision 4a; 256.045, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, and by adding a subdivision; 256E.03, subdivision 2; 256E.081, subdivision 4; 268.09, subdivision 1; 325F.692, subdivision 2; 525.703, subdivision 3; 609.224, subdivision 2; 609.268, subdivisions 1 and 2; 609.72, by adding a subdivision; 609.7495, subdivision 1; 626.556, subdivision 12; 626.557, subdivisions 1, 3, 3a, 4, 5, 6, 7, 8, 9, 10, 14, 16, 17, 18, and by adding subdivisions; and 631.40, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 144; 609; and 626; repealing Minnesota Statutes 1994, section 626.557, subdivisions 2, 10a, 11, 11a, 12, 13, 15, and 19.

There has been appointed as such committee on the part of the House:

Greenfield, Farrell and Pawlenty.

Senate File No. 512 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1995

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. 979: A bill for an act relating to motor carriers; regulating hazardous material transporters; requiring fingerprints of motor carrier managers for criminal background checks; making technical changes related to calculating proportional mileage under the international registration plan; specifying violations that may result in suspension or revocation of permit; making technical changes relating to hazardous waste transporter licenses; providing for disposition of fees collected for hazardous material registration, licensing, and permitting; amending Minnesota Statutes 1994, section 221.0355, subdivisions 3, 5, 6, 12, 15, and by adding a subdivision.

There has been appointed as such committee on the part of the House:

Wagenius, Luther and Rhodes.

Senate File No. 979 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1995

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. 538: A bill for an act relating to state agencies; requiring the refund of license fees to certain applicants if licenses are not issued within six weeks; proposing coding for new law in Minnesota Statutes, chapter 15.

There has been appointed as such committee on the part of the House:

Carruthers, Orenstein and Smith.

Senate File No. 538 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1995

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. 399: A bill for an act relating to recreational vehicles; driving while intoxicated; providing for forfeiture of snowmobiles, all-terrain vehicles, and motorboats for designated, DWI-related offenses; extending vehicle forfeiture law by expanding the definition of prior conviction to include other types of vehicles; amending Minnesota Statutes 1994, sections 84.83, subdivision 2; 84.927, subdivision 1; 169.1217, subdivision 1; and 171.30, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 84; and 86B.

There has been appointed as such committee on the part of the House:

Van Engen, McGuire and Luther.

Senate File No. 399 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1995

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. 579: A bill for an act relating to commerce; regulating charitable organizations; regulating filing statement; appropriating money; amending Minnesota Statutes 1994, sections 309.501, subdivision 1; 309.52, subdivisions 2 and 7; 309.53, subdivisions 1, 2, 3, and 8; 309.531, subdivisions 1 and 4; 309.54, subdivision 1; 309.556, subdivision 1; 501B.36; 501B.37, subdivision 2, and by adding a subdivision; and 501B.38; repealing Minnesota Statutes 1994, sections 309.53, subdivision 1a.

There has been appointed as such committee on the part of the House:

Entenza, Leighton and Smith.

Senate File No. 579 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1995

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. 217: A bill for an act relating to family law; providing for enforcement of child support obligations; expanding enforcement remedies for child support; authorizing programs; providing for resolution of custody and visitation disputes; creating a central child support payment center; modifying child support data collection and publication; imposing penalties; adding provisions relating to recognition of parentage; adding provisions for administrative

proceedings; modifying children's supervised visitation facilities; appropriating money; amending Minnesota Statutes 1994, sections 13.46, subdivision 2; 168A.05, subdivisions 2, 3, 7, and by adding a subdivision; 168A.16; 168A.20, by adding a subdivision; 168A.21; 168A.29, subdivision 1; 214.101, subdivisions 1 and 4; 256.87, subdivision 5; 256.978, subdivision 1; 256F.09, subdivisions 1, 2, 3, and by adding subdivisions; 257.34, subdivision 1, and by adding a subdivision; 257.55, subdivision 1; 257.57, subdivision 2; 257.60; 257.67, subdivision 1; 257.75, subdivision 3, and by adding a subdivision; 517.08, subdivisions 1b and 1c; 518.171, subdivision 2a; 518.24; 518.551, subdivisions 5, 12, and by adding subdivisions; 518.5511, subdivisions 1, 2, 3, 4, 5, 7, and 9; 518.575; 518.611, subdivisions 1, 2, 5, and 8a; 518.613, subdivisions 1, 2, and by adding a subdivision; 518.614, subdivision 1; 518.64, subdivisions 2, 4, and by adding a subdivision; 518C.310; 548.15; and 609.375, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 171; 256; 257; and 518; repealing Minnesota Statutes 1994, sections 214.101, subdivisions 2 and 3; 256F.09, subdivision 4; 518.561; 518.611, subdivision 8; and 518.64, subdivision 6.

There has been appointed as such committee on the part of the House:

Entenza; Swenson, D. and Dawkins.

Senate File No. 217 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1995

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. 1110, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1110: A bill for an act relating to human services; appropriating money for the department of human services and health, for the veterans nursing homes board, for the health-related boards, for the council on disability, for the ombudsman for mental health and mental retardation, and for the ombudsman for families; modifying day training and habilitation services; creating the consumer support program; modifying child care programs; defining and including essential persons in determining AFDC eligibility; modifying the Minnesota Supplemental Aid program by making it consistent with the federal SSI program; modifying group residential housing; limiting the admission of certain high-functioning persons to nursing facilities; modifying hospital inflation and requiring inflation adjustments to reflect prior overpayments; modifying medical assistance disproportionate share payments; establishing hospital peer groups; establishing long-term hospital rates; modifying treatment of certain trusts; modifying treatment of assets and income for institutionalized persons; reducing the pharmacy dispensing fee; establishing pharmacy copayments in medical assistance and general assistance medical care; establishing a service allowance for certain persons denied admission to a nursing facility; increasing reimbursement rates for certain home care services provided in Anoka county; modifying certain intergovernmental transfers; clarifying the county nursing home payment adjustment; requiring a discount in general assistance medical care prepaid contracts; eliminating payment for gender reassignment services under general assistance medical care; providing a two percent rate increase for certain providers; authorizing certain demonstration projects; modifying certain parental fees; modifying medical assistance eligibility criteria for certain disabled children; modifying requirements for personal care assistants and personal care assistant organizations; modifying coverage for personal care services and reducing maximum hours of service; expanding certain services under medical assistance managed care for disabled children; authorizing certain studies; authorizing exceptions to the nursing home moratorium and modifying reimbursements for legislatively-approved exceptions; modifying requirements for hospital-attached nursing facility status; modifying nursing facility reimbursement and inflationary adjustments; establishing a contractual alternative payment system for nursing facilities; modifying reimbursement for intermediate care facilities for persons with mental retardation or related conditions; establishing transition mental health services; modifying chemical dependency treatment programs; providing Faribault and Cambridge regional human services center downsizing agreements; decreasing certain license and permit fees; modifying the licensing and inspecting of hotel, restaurant, and

other food and lodging establishments; amending Minnesota Statutes 1994, sections 62A.045; 62A.046; 62A.048; 62A.27; 144.0721, by adding subdivisions; 144.122; 144.226, subdivision 1; 144A.071, subdivision 4a; 144A.33, subdivision 3; 144A.43, subdivision 3; 144A.47; 147.01, subdivision 6; 157.03; 198.003, subdivisions 3 and 4; 245.4882, subdivision 5; 245.4886, by adding a subdivision; 246.18, subdivision 4, and by adding a subdivision; 246.23, subdivision 2; 252.27, subdivision 2a; 252.292, subdivision 4; 252.46, subdivision 6, and by adding a subdivision; 254A.17, subdivision 3; 254B.05, subdivision 4; 256.025, subdivisions 1 and 2; 256.026; 256.73, subdivision 3a; 256.736, subdivisions 3 and 13; 256.74, subdivision 1; 256.9365; 256.9657, subdivision 3; 256.9685, subdivision 1b, and by adding subdivisions; 256.969, subdivisions 1, 9, 24, and by adding subdivisions; 256B.055, subdivision 12; 256B.056, by adding a subdivision; 256B.0575; 256B.0625, subdivisions 8, 8a, 13, 19a, and by adding subdivisions; 256B.0627, subdivisions 1, 2, 4, and 5; 256B.0641, subdivision 1; 256B.0911, subdivisions 4 and 7; 256B.0913, by adding subdivisions; 256B.0915, subdivision 2, and by adding a subdivision; 256B.092, subdivision 4; 256B.15, subdivisions 1a, 2, and by adding a subdivision; 256B.19, subdivisions 1c and 1d; 256B.431, subdivisions 2b, 2j, 17, 23, and by adding subdivisions; 256B.49, subdivision 1, and by adding subdivisions; 256B.501, subdivisions 3, 3c, and by adding a subdivision; 256B.69, subdivisions 4, 5, 6, 9, and by adding subdivisions; 256D.03, subdivisions 3b, 4, and by adding a subdivision; 256D.051, subdivision 6; 256D.36, subdivision 1; 256D.385; 256D.405, subdivision 3; 256D.425, subdivision 1, and by adding a subdivision; 256D.435, subdivisions 1, 3, 4, 5, 6, and by adding a subdivision; 256D.44, subdivisions 1, 2, 3, 4, 5, and 6; 256D.45, subdivision 1; 256D.48, subdivision 1; 256H.03, subdivision 4; 256H.05, subdivision 6; 256I.04, subdivision 3; 256I.05, subdivision 1a; 393.07, subdivision 10; 501B.89, subdivision 1, and by adding a subdivision; and Laws 1993, First Special Session chapter 1, article 8, section 51, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 157; 256; and 256B; proposing coding for new law as Minnesota Statutes, chapter 144D; repealing Minnesota Statutes 1994, sections 38.161; 38.162; 144.0723, subdivision 5; 157.01; 157.02; 157.031; 157.04; 157.045; 157.05; 157.08; 157.12; 157.13; 157.14; 252.47; 256.851; 256B.501, subdivisions 3d, 3e, and 3f; 256D.35, subdivisions 14 and 19; 256D.36, subdivision 1a; 256D.37; 256D.425, subdivision 3; 256D.435, subdivisions 2, 7, 8, 9, and 10; 256D.44, subdivision 7; 256E.06, subdivisions 12 and 13; 256I.04, subdivision 1b; and Minnesota Rules, part 9500.1452, subpart 2, item B.

Senate File No. 1110 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1995

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. 621: A bill for an act relating to game and fish; establishing hunting heritage week; designating mute swans as unprotected birds; providing procedures for seizure and confiscation of property; clarifying terms of short-term angling licenses; removing certain requirements relating to fish taken in Canada; specifying the areas in which deer may be taken under a license to take antlered deer in more than one zone; modifying reporting requirements; modifying hours for taking certain animals; modifying provisions relating to trapping; providing for posting of waters to prohibit fishing or motorboat operation; adjusting opening and closing dates of various seasons for taking fish; expanding the requirement to possess a trout and salmon stamp; modifying northern pike length limits; changing the date by which fish houses and dark houses must be removed from the ice in certain areas; authorizing the use of floating turtle traps; removing time limits on sale of fish by commercial licensees; requiring a plan for a firearms safety program; authorizing certain stocking activities; amending Minnesota Statutes 1994, sections 97A.015, subdivisions 28 and 52; 97A.221; 97A.451, subdivision 3; 97A.475, subdivisions 6 and 7; 97A.531, subdivision 1; 97B.061; 97B.075; 97B.301, by adding a subdivision; 97B.931; 97C.025; 97C.305, subdivision 1; 97C.345, subdivisions 1, 2, and 3; 97C.355, subdivision 7; 97C.371, subdivision 4; 97C.395, subdivision 1; 97C.401, subdivision 2; 97C.605, subdivision 3; and 97C.821; proposing coding for new law in Minnesota Statutes, chapter 10; repealing Minnesota Statutes 1994, sections 97A.531, subdivisions 2, 3, 4, 5, and 6; and 97B.301, subdivision 5.

Senate File No. 621 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1995

Mr. Lessard moved that the Senate do not concur in the amendments by the House to S.F. No. 621, 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. 1806, 1584 and 1837.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1995

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 1806: A resolution memorializing the government of the United States to refer matters of disagreement between the citizens of Minnesota and Ontario to the International Joint Commission for examination and determination under the Root-Bryce Treaty.

Mr. Moe, R.D. moved that H.F. No. 1806 be laid on the table. The motion prevailed.

H.F. No. 1584: A bill for an act relating to human services; requiring the commissioner of human services to study and make recommendations on the administration of the community alternative care program, and to study and report on the effect on medical assistance waiver programs of medically fragile children in foster care.

Mr. Moe, R.D. moved that H.F. No. 1584 be laid on the table. The motion prevailed.

H.F. No. 1837: A bill for an act relating to the organization and operation of state government; reducing 1995 appropriations.

Mr. Moe, R.D. moved that H.F. No. 1837 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS

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. 1864 at 10:00 a.m.:

Messrs. Johnson, D.J.; Belanger; Hottinger; Mses. Flynn and Reichgott Junge. The motion prevailed.

S.F. No. 257 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 257

A bill for an act relating to soil and water conservation district boards; providing that the office of soil and water conservation district supervisor is compatible with certain city and town offices; amending Minnesota Statutes 1994, sections 103C.315, by adding a subdivision; and 204B.06, subdivision 1.

May 17, 1995

The Honorable Allan H. Spear
President of the Senate

The Honorable Irv Anderson
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 257, 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. 257 be further amended as follows:

Page 1, line 26, after the period, insert "This subdivision does not apply to an office located in whole or in part in Anoka, Hennepin, Ramsey, or Washington county."

Page 2, line 10, after "supervisor" insert "in a district not located in whole or in part in Anoka, Hennepin, Ramsey, or Washington county."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Steven Morse, Gary W. Laidig, Dallas C. Sams

House Conferees: (Signed) Gene Pelowski, Jr., Betty McCollum, Virgil J. Johnson

Mr. Morse moved that the foregoing recommendations and Conference Committee Report on S.F. No. 257 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. 257 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 5, as follows:

Those who voted in the affirmative were:

Anderson	Janezich	Langseth	Novak	Runbeck
Beckman	Johnson, D.E.	Lesewski	Oliver	Sams
Berglin	Johnson, J.B.	Lessard	Olson	Samuelson
Bertram	Johnston	Limmer	Ourada	Solon
Betzold	Kelly	Marty	Pariseau	Spear
Chandler	Kleis	Metzen	Piper	Stevens
Chmielewski	Knutson	Moe, R.D.	Pogemiller	Stumpf
Day	Kramer	Mondale	Price	Terwilliger
Dille	Krentz	Morse	Ranum	Vickerman
Frederickson	Kroening	Murphy	Riveness	Wiener
Hanson	Laidig	Neuville	Robertson	

Those who voted in the negative were:

Berg	Finn	Kiscaden	Merriam	Scheevel
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So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

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.

Messrs. Morse, Price and Murphy introduced--

S.F. No. 1708: A bill for an act relating to highways; authorizing cities to establish a municipal involvement process for certain trunk highway construction or reconstruction projects; providing for appointment of task forces for those projects and prescribing their powers; amending Minnesota Statutes 1994, sections 161.172; 161.173; 161.174; and 161.177.

Referred to the Committee on Transportation and Public Transit.

Messrs. Larson, Kroening, Neuville, Kleis and Kramer introduced--

S.F. No. 1709: A bill for an act proposing an amendment to the Minnesota Constitution; repealing article XIII, section 3; repealing the constitutional autonomy of the University of Minnesota.

Referred to the Committee on Education.

Mr. Price introduced--

S.F. No. 1710: A bill for an act relating to data privacy; limiting the designation and release of education data as directory information; amending Minnesota Statutes 1994, section 13.32, subdivisions 3 and 5.

Referred to the Committee on Judiciary.

Messrs. Vickerman, Bertram, Dille, Janezich and Day introduced--

S.F. No. 1711: A bill for an act relating to annexation; providing for annexation election; modifying procedures for orderly annexation; modifying conditions for annexation by ordinance; providing for joint planning; amending Minnesota Statutes 1994, sections 414.031, by adding a subdivision; 414.0325, subdivision 1; 414.033, subdivisions 2, 2a, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 414.

Referred to the Committee on Metropolitan and Local Government.

Mr. Metzen introduced--

S.F. No. 1712: A bill for an act relating to securities; face-amount certificate companies, open-end management companies, and unit investment trusts; providing for the calculation of registration fees and uniform expiration, renewal, and reporting provisions; exempting qualified investment companies from registration; amending Minnesota Statutes 1994, sections 80A.12, subdivisions 2, 9, 10, and by adding a subdivision; 80A.13, subdivision 1; 80A.15, subdivision 1; and 80A.28, subdivisions 1, 3, and by adding a subdivision; repealing Minnesota Statutes 1994, sections 80A.12, subdivision 9.

Referred to the Committee on Commerce and Consumer Protection.

Ms. Runbeck, Messrs. Kleis, Larson and Ms. Robertson introduced--

S.F. No. 1713: A bill for an act relating to civil actions; providing a statute of limitations for claims against accountants; limiting liability for noneconomic losses and attorney contingency fees for actions against health care providers and medical product manufacturers; limiting punitive damage awards; providing for payment of attorney fees in certain cases; modifying waiver of medical privilege; limiting joint and several liability; amending Minnesota Statutes 1994, sections

549.01; 549.20, by adding a subdivision; 549.21, by adding a subdivision; 595.02, subdivision 5; and 604.02, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 541; and 548.

Referred to the Committee on Judiciary.

Ms. Runbeck introduced--

S.F. No. 1714: A bill for an act relating to retirement; teachers retirement association; authorizing a delayed application for disability benefits and providing for retroactive benefit entitlement for certain retired members.

Referred to the Committee on Governmental Operations and Veterans.

Ms. Runbeck, Mr. Merriam, Ms. Kiscaden and Mr. Chandler introduced--

S.F. No. 1715: A bill for an act relating to employment; providing immunity for employment references given in good faith; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Jobs, Energy and Community Development.

Messrs. Kramer, Belanger and Mrs. Pariseau introduced--

S.F. No. 1716: A bill for an act relating to taxation; property; providing a reduced class rate for certain housing for elderly persons; amending Minnesota Statutes 1994, section 273.13, subdivision 25.

Referred to the Committee on Taxes and Tax Laws.

Mr. Knutson introduced--

S.F. No. 1717: A bill for an act relating to criminal procedure; providing for rebuttal argument by the prosecution; amending Minnesota Statutes 1994, section 631.07.

Referred to the Committee on Crime Prevention.

Messrs. Neuville, Chmielewski, Mses. Johnston and Hanson introduced--

S.F. No. 1718: A bill for an act relating to traffic regulations; authorizing the commissioner of public safety to issue junior driver's license; amending Minnesota Statutes 1994, section 171.04, subdivision 1, and by adding subdivisions.

Referred to the Committee on Transportation and Public Transit.

Messrs. Solon; Metzen; Johnson, D.J.; Hottinger and Limmer introduced--

S.F. No. 1719: A bill for an act relating to occupations; regulating the practice of dental hygiene; amending Minnesota Statutes 1994, sections 150A.05; 150A.06, subdivision 2; and 150A.10, subdivision 1.

Referred to the Committee on Health Care.

Messrs. Metzen, Solon, Sams and Limmer introduced--

S.F. No. 1720: A bill for an act relating to employment; the professional employer organization act; providing for the establishment and regulation of professional employer organizations; providing penalties; amending Minnesota Statutes 1994, sections 13.99, by adding a subdivision; 116J.70, subdivision 2a; and 268.04, subdivision 10; proposing coding for new law as Minnesota Statutes, chapter 181C.

Referred to the Committee on Commerce and Consumer Protection.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 255 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 255

A bill for an act relating to elevators; regulating persons who may do elevator work; appropriating money; amending Minnesota Statutes 1994, sections 183.355, subdivision 3; 183.357, subdivisions 1, 2, and 4; and 183.358; proposing coding for new law in Minnesota Statutes, chapter 183.

May 17, 1995

The Honorable Allan H. Spear
President of the Senate

The Honorable Irv Anderson
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 255, 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. 255 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [183.3521] [ELEVATOR MECHANICS; REGISTRATION.]

The wiring, installation, alteration, modernization, removal, and repair of the mechanical and electrical apparatus of an elevator that is used to move persons must be performed by a person registered by the commissioner as an elevator mechanic or by a person acting under the direct on-site supervision of a registered elevator mechanic. A registered mechanic may supervise not more than five persons performing work otherwise required to be performed by a registered mechanic.

To be registered by the commissioner, a person must have successfully completed the national elevator industry education program or a program found by the commissioner to be equivalent and must possess an elevator constructor or master elevator constructor license issued by the state board of electricity. Nothing in this section will supersede or replace sections 326.241 to 326.248.

Sec. 2. Minnesota Statutes 1994, section 183.355, subdivision 3, is amended to read:

Subd. 3. [MINIMUM REQUIREMENTS.] No person, firm, or corporation may construct, install, remove, or repair an elevator that does not meet the minimum requirements of ~~this chapter~~, adopted sections 183.351 to 183.358, rules, or national codes adopted by rule.

Sec. 3. Minnesota Statutes 1994, section 183.357, subdivision 1, is amended to read:

Subdivision 1. [PERMITS.] No person, firm, or corporation may construct, perform alterations, remove, or install an elevator without first filing an application for obtaining a permit with the department of labor and industry or a municipality authorized by subdivision 3 to inspect elevators. Projects under actual construction before July 1, 1989, are not required to obtain a permit from the department. Upon successfully completing inspection and the payment of the appropriate fee, the owner must be granted an operating permit for the elevator.

Sec. 4. Minnesota Statutes 1994, section 183.357, subdivision 2, is amended to read:

Subd. 2. [CONTRACTOR LICENSES.] The commissioner ~~may~~ shall by rule establish criteria for the qualifications of elevator contractors and issue licenses based upon proof of the applicant's qualifications.

Sec. 5. Minnesota Statutes 1994, section 183.357, subdivision 4, is amended to read:

Subd. 4. [DEPOSIT OF FEES.] Fees received under this section must be deposited in the state treasury and credited to the special revenue fund and are appropriated to the commissioner for the purposes of sections 183.351 to 183.358.

Sec. 6. Minnesota Statutes 1994, section 183.358, is amended to read:

183.358 [RULES.]

The commissioner ~~may~~ shall adopt rules for the following purposes:

(1) to set a fee under section ~~16A.128~~ 16A.1285 for processing a construction or installation permit or elevator contractor license application;

(2) to set a fee under section ~~16A.128~~ 16A.1285 to cover the cost of elevator inspections;

(3) to establish minimum qualifications for elevator inspectors that must include possession of a current journeyman elevator electrician's license issued by the state board of electricity and proof of successful completion of the national elevator ~~construction-mechanic-examination industry education program~~ or equivalent experience;

(4) to establish criteria for the qualifications of elevator contractors;

(5) to establish elevator standards under sections 16B.61, subdivisions 1 and 2, and 16B.64; and

(6) to establish procedures for appeals of decisions of the commissioner under chapter 14 and procedures allowing the commissioner, before issuing a decision, to seek advice from the elevator trade, building owners or managers, and others knowledgeable in the installation, construction, and repair of elevators.

Sec. 7. [183.3581] [APPLICATION.]

Nothing in sections 1 to 3 shall be construed to require registration or licensure of a person, or issuance of a permit, to demolish an elevator or to do minor repair work as that term is defined in Minnesota Rules, part 3800.3500, subpart 10.

For the purpose of this section "demolish" means the removal of an elevator from a building after the elevator car and counter balances have been landed by an elevator contractor using the personnel specified under section 1.

Sec. 8. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1995. Section 5 is effective July 1, 1997. Section 6 is effective the day following final enactment."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Paula E. Hanson, Steve L. Murphy, Steve Dille

House Conferees: (Signed) Phil Carruthers, Bob Johnson, Jim Rostberg

Ms. Hanson moved that the foregoing recommendations and Conference Committee Report on S.F. No. 255 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. 255 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:

Anderson	Hanson	Langseth	Novak	Samuelson
Beckman	Janezich	Larson	Oliver	Scheevel
Berg	Johnson, D.E.	Lesewski	Olson	Solon
Berglin	Johnson, J.B.	Lessard	Ourada	Spear
Bertram	Johnston	Limmer	Pariseau	Stevens
Betzold	Kelly	Marty	Piper	Stumpf
Chandler	Kiscaden	Merriam	Pogemiller	Terwilliger
Chmielewski	Kleis	Metzen	Price	Vickerman
Cohen	Knutson	Moe, R.D.	Ranum	Wiener
Day	Kramer	Mondale	Riveness	
Dille	Krentz	Morse	Robertson	
Finn	Kroening	Murphy	Runbeck	
Frederickson	Laidig	Neuville	Sams	

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. 836 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 836: A bill for an act relating to commerce; rental-purchase agreements; regulating cash price and finance charges; providing for the application of certain other law; amending Minnesota Statutes 1994, sections 325F.84, subdivision 3; 325F.91, subdivision 1, and by adding a subdivision; and 325F.97, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 325F; repealing Minnesota Statutes 1994, section 325F.91, subdivision 2.

Ms. Anderson moved to amend S.F. No. 836 as follows:

Page 2, line 34, delete "twice"

The motion prevailed. So the amendment was adopted.

S.F. No. 836 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 26 and nays 37, as follows:

Those who voted in the affirmative were:

Bertram	Kiscaden	Neuville	Runbeck	Terwilliger
Day	Kleis	Oliver	Samuelson	Wiener
Dille	Knutson	Olson	Scheevel	
Hottinger	Larson	Pariseau	Solon	
Johnson, D.E.	Limmer	Reichgott Junge	Stevens	
Johnston	Metzen	Robertson	Stumpf	

Those who voted in the negative were:

Anderson	Flynn	Kroening	Mondale	Ranum
Beckman	Frederickson	Laidig	Morse	Riveness
Berg	Hanson	Langseth	Murphy	Sams
Berglin	Janezich	Lesewski	Novak	Spear
Betzold	Johnson, J.B.	Lessard	Ourada	Vickerman
Chandler	Kelly	Marty	Piper	
Cohen	Kramer	Merriam	Pogemiller	
Finn	Krentz	Moe, R.D.	Price	

So the bill, as amended, failed to pass.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 999 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 999: A bill for an act relating to state finance; adding certain human services obligations to the requirement that state agencies promptly pay their bills; amending Minnesota Statutes 1994, section 16A.124, subdivision 8.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Langseth	Novak	Sams
Beckman	Janezich	Larson	Oliver	Samuelson
Berg	Johnson, D.E.	Lesewski	Olson	Scheevel
Berglin	Johnson, J.B.	Lessard	Ourada	Solon
Bertram	Johnston	Limmer	Pariseau	Spear
Betzold	Kelly	Marty	Piper	Stevens
Chmielewski	Kiscaden	Merriam	Pogemiller	Stumpf
Cohen	Kleis	Metzen	Price	Terwilliger
Day	Knutson	Moe, R.D.	Ranum	Vickerman
Dille	Kramer	Mondale	Reichgott Junge	Wiener
Finn	Krentz	Morse	Riveness	
Frederickson	Kroening	Murphy	Robertson	
Hanson	Laidig	Neuville	Runbeck	

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 that the House has adopted the recommendation and report of the Conference Committee on House File No. 1856, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1856 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1995

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1856

A bill for an act relating to education; appropriating money for education and related purposes to the higher education services office, the state board of technical colleges, state board for community colleges, state university board, board of regents of the University of Minnesota, and Mayo Medical Foundation, with certain conditions; altering requirements for the youth works program; modifying appropriations for instructional services; imposing conditions on participation in post-secondary enrollment options; removing requirements for certain reports; establishing a semester system and common calendar; requiring administrative interaction with students; modifying use of education institution data; extending time for POST board funding change; requiring review of Akita program; requiring efficiency in use of facilities; establishing a model instruction program in translating and interpreting services; requiring distribution of career planning and job placement information; prohibiting student discipline for speech or communication; abolishing the higher education coordinating board and transferring its duties; creating the higher education service office and higher education administrators council;

prescribing changes in certain financial assistance programs; repealing the merger of the community colleges, state universities, and technical colleges; abolishing the higher education board; amending Minnesota Statutes 1994, sections 121.707, subdivisions 2 and 3; 121.709; 126.56; 126.663, subdivision 3; 126A.02, subdivision 2; 135A.031, subdivision 2; 135A.12, subdivision 1; 135A.15, subdivision 1; 135A.153, subdivision 1; 136.172; 136A.01; 136A.03; 136A.07; 136A.08; 136A.101, subdivisions 2, 3, 5, 7, 8, and 10; 136A.121, subdivisions 5, 6, and 9; 136A.125, subdivision 6; 136A.1359, subdivisions 1, 2, and 3; 136A.15, subdivisions 3 and 4; 136A.16, subdivision 1; 136A.233, subdivision 2; 136A.26, subdivisions 1 and 2; 136A.42; 136A.62, subdivision 2; 136A.63; 136A.69; 136A.81, subdivision 1; 141.25, subdivision 8; 144.1487, subdivision 1; 144.1488, subdivisions 1 and 4; 144.1489, subdivisions 1, 3, and 4; 144.1490; 144.1491, subdivision 2; 298.2214, subdivision 5; and 363.03, subdivision 5; Laws 1986, chapter 398, article 1, section 18, as amended; and Laws 1993, First Special Session chapter 2, article 1, section 2, subdivision 3, and section 9, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; and 136E; repealing Minnesota Statutes 1994, sections 135A.052, subdivisions 2 and 3; 135A.08; 135A.09; 135A.10; 135A.11; 135A.12, subdivision 5; 136A.02; 136A.04; 136A.041; 136A.125, subdivision 5; 136A.1352; 136A.1353; 136A.1354; 136A.16, subdivision 11; 136A.85; 136A.86; 136A.87; 136A.88; 136E.01; 136E.02; 136E.021; 136E.03; 136E.04; 136E.05; 136E.31; 136E.395; 136E.525; 136E.692; 137.31, subdivision 6; 137.35, subdivision 4; 137.38; 144.1488, subdivision 2; and 148.236; Laws 1991, chapter 356, article 9, as amended; and Laws 1994, chapter 532, articles 5, sections 1, 2, and 3; and 7, section 9.

May 16, 1995

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H.F. No. 1856, 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. 1856 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS

Section 1. [HIGHER EDUCATION APPROPRIATIONS.]

The sums in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or other named fund, to the agencies and for the purposes specified in this article. The listing of an amount under the figure "1996" or "1997" in this article indicates that the amount is appropriated to be available for the fiscal year ending June 30, 1996, or June 30, 1997, respectively. "The first year" is fiscal year 1996. "The second year" is fiscal year 1997. "The biennium" is fiscal years 1996 and 1997.

SUMMARY BY FUND

	1996	1997	TOTAL
General	\$1,066,898,000	\$1,077,189,000	\$2,144,087,000

SUMMARY BY AGENCY - ALL FUNDS

	1996	1997	TOTAL
Higher Education Services Office	115,993,000	120,193,000	236,186,000
Board of Trustees of the Minnesota State Colleges and Universities	466,220,000	470,927,000	937,147,000

Board of Regents of the University of Minnesota	483,860,000	485,124,000	968,984,000
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Mayo Medical Foundation	825,000	945,000	1,770,000
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APPROPRIATIONS

Available for the Year

Ending June 30

1996	1997
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Sec. 2. HIGHER EDUCATION
SERVICES OFFICE

Subdivision 1. Total Appropriation		115,993,000	120,193,000
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The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

Subd. 2. State Grants

95,745,000	99,945,000
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If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.

The legislature intends that the higher education services office make full grant awards in each year of the biennium.

For the biennium, the private institution tuition maximum shall be \$7,665 for four-year institutions and \$5,900 for two-year institutions.

This appropriation contains money to set the living and miscellaneous expense allowance at \$4,115 in the first year and \$4,200 in the second year.

If money is not appropriated in separate legislation for the LINC nursing grant program, the higher education services office may spend \$25,000 each year from this appropriation for the LINC program.

In order to maximize the eligibility period for students who transfer to four-year institutions, public and private two-year colleges shall review their credit requirements for program completion and examine the number of credits of financial aid eligibility that students use in the first two years.

This appropriation includes \$250,000 each year for grants to nursing programs to recruit persons of color and to provide grants to nursing students who are persons of color. Of this amount, \$100,000 each year is for recruitment and retention of students of color in nursing programs leading to licensure as a registered

nurse. Other than the grants to students, all grants shall be matched with at least the same amount from grantee sources or nonstate money.

If the federal government enacts a federal student loan risk sharing fee, the higher education services office shall recover the fee by billing the institutions that have a cohort loan default rate greater than the federal law permits.

Subd. 3. Interstate Tuition
Reciprocity

4,500,000	4,500,000
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If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available to meet reciprocity contract obligations.

The higher education services office is authorized to negotiate a reciprocity agreement with the province of Ontario.

Subd. 4. State Work Study

8,219,000	8,219,000
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Subd. 5. Minitex Library Program

2,108,000	2,108,000
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Subd. 6. Learning Network of Minnesota

3,050,000	3,050,000
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Subd. 7. Income Contingent Loans

The higher education services office shall administer an income contingent loan repayment program to assist graduates of Minnesota schools in medicine, dentistry, pharmacy, chiropractic medicine, public health, and veterinary medicine, and Minnesota residents graduating from optometry and osteopathy programs. Applicant data collected by the higher education services office for this program may be disclosed to a consumer credit reporting agency under the same conditions as apply to the supplemental loan program under Minnesota Statutes, section 136A.162. No new applicants may be accepted after June 30, 1995.

Subd. 8. Agency Administration

2,371,000	2,371,000
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The amount that may be spent for the parent and student information activity shall not exceed \$95,000 each year.

This appropriation includes money for the Minnesota Minority Education Partnership.

Money encumbered in fiscal year 1994 and fiscal year 1995 for youth works postservice benefits

shall not cancel but is available until the participants for whom the money was encumbered are no longer eligible to draw benefits.

Subd. 9. Balances Forward

An unencumbered balance in the first year under a subdivision in this section does not cancel but is available for the second year.

Subd. 10. Transfers

The higher education services office may transfer unencumbered balances from the appropriations in this section to the state grant appropriation and the interstate tuition reciprocity appropriation.

Sec. 3. BOARD OF TRUSTEES OF THE MINNESOTA STATE COLLEGES AND UNIVERSITIES

Subdivision 1. Total Appropriation

	466,220,000	470,927,000
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The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

If the state university board or the board of trustees of the Minnesota state colleges and universities is reimbursed under Minnesota Statutes, section 115B.43, for expenses relating to the cleanup of the Kummer landfill, the state university board or the board of trustees shall cancel the amount reimbursed to the state general fund.

Subd. 2. Instructional Expenditures

The legislature estimates that instructional expenditures will be \$214,536,000 each year for the technical colleges.

The legislature estimates that instructional expenditures will be \$145,565,000 each year for community colleges.

The legislature estimates that instructional expenditures will be \$253,612,000 each year for state universities.

During the biennium neither the board nor campuses shall plan or develop doctoral level programs or degrees until after they have received the recommendation of the house and senate committees on education, finance, and ways and means.

This appropriation includes continued support of at least \$400,000 each year for the Mid-Tec and Heartland Telecommunications Networks.

This appropriation includes \$40,000 each year

for American Indian outreach. The legislature anticipates this money will assist the Fond Du Lac campus to recruit, advise, and retain American Indian students.

It is the intent of the legislature to hold the Minnesota state colleges and universities accountable for making budgetary and policy decisions that provide students with access to high quality education and training programs. Significant and demonstrable progress toward the goals in this subdivision and in section 6, subdivision 2, are expected in this biennium for consideration in funding decisions in the next supplemental budget and in the 1998-1999 biennial budget.

The commissioner of finance shall place \$5,000,000 of the second year appropriation in a performance incentive account. The commissioner shall release \$1,000,000 of this amount to the board of trustees each time that it demonstrates that it has achieved one of the following performance measures:

- (1) increase the percentage of the budget directed to instruction and academic resources;
- (2) increase the number of credits issued through telecommunications between fiscal year 1995 and fiscal year 1996;
- (3) increase the retention of new entering freshman on state university campuses who continue into the sophomore year between fiscal year 1995 and fiscal year 1996 by at least two percent. The appropriation shall be distributed to those campuses that achieve the increase;
- (4) increase the percentage of students in two-year programs who graduate within two years of admission, and the percentage of students in four-year programs who graduate within four years of admission by at least two percent. The appropriation shall be distributed to campuses that achieve the increase; and
- (5) increase in placement rates for occupational programs and transfer rates for academic programs for community and technical colleges.

The legislature expects the board of trustees to demonstrate its commitment to enhancing educational quality, including high priority initiatives that capitalize on opportunities created by merger for: joint programs with the University of Minnesota for faculty, staff, and administrative development; enhanced opportunities for students of color; and opportunities for using technology to the advantage of students and faculty.

The legislature further expects the board of trustees to make difficult choices in its allocations, based on critical evaluations of its campuses and programs, including actions to address the 14 duplicate two-year programs located within 35 miles of each other, as identified by the legislative auditor, for which no action has yet been taken.

Each college and university shall demonstrate to the board that, in the face of severe budget constraints, it has identified those programs and functions that are central to the mission of that campus and are most critical to meeting student needs, and that the campus has redirected resources to those identified areas to protect the core educational enterprise. Further, each campus shall demonstrate that it has taken actions to improve the productivity of faculty, administrators, and staff.

The amounts for library access; Fond du Lac American Indian student outreach; incentives for co-located campuses; increased instructional appropriations; performance funding; instructional equipment; conversion to semesters; systemwide computer system development for accounting, payroll, personnel, procurement, and student records; staff training for use of systems; staff restructuring, separation payments, and unemployment insurance; and development of library collections and curriculum at Metro State University are for these purposes only and shall be nonrecurring. The amounts are \$8,741,000 in fiscal year 1996 and \$16,147,000 in fiscal year 1997.

Subd. 3. Noninstructional Expenditures

The legislature estimates that noninstructional expenditures will be \$17,231,000 the first year and \$16,937,000 the second year for the technical colleges.

The legislature estimates that the noninstructional expenditures will be \$10,349,000 each year for the community colleges.

The legislature estimates that the noninstructional expenditures will be \$14,573,000 each year for the state universities. \$508,000 the first year and \$214,000 the second year are for debt service payments.

\$150,000 each year is for southwest Asia veterans tuition relief.

Because of its interest in improving efficiency and streamlining government operations, the

legislature intends to measure the effects of removing a campus from mandates imposed by state agencies, other than basic health and life safety issues, ADA regulations, audit requirements, and employment, affirmative action, and collective bargaining issues. Notwithstanding any law to the contrary, the board shall designate as a pilot site a state university which has a commitment to establishing cooperative arrangements with the private sector and involvement in quality initiatives. The board shall consult with the commissioner of administration in the process. The board and the university shall recommend to the legislature any statutory changes that this pilot demonstrates will promote efficiency and economy on some or all Minnesota state college and university campuses, while protecting public interests.

Subd. 4. State Council on
Vocational Technical Education

The appropriation in subdivision 1 includes money for the state council on vocational education.

Sec. 4. BOARD OF REGENTS OF THE
UNIVERSITY OF MINNESOTA

Subdivision 1. Total
Appropriation

	483,860,000	485,124,000
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The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

Subd. 2. Operations and
Maintenance

	395,432,000	396,421,000
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(a) Instructional Expenditures

The legislature estimates that instructional expenditures will be \$421,089,000 the first year and \$421,696,000 the second year.

The university is requested to examine the feasibility of establishing a higher education research center to provide applied research on public policy trends, issues, and problems in higher education, particularly as they apply to Minnesota.

The commissioner of finance shall place \$5,000,000 of the second year appropriation in a performance incentive account. The \$5,000,000 is a nonrecurring appropriation. The commissioner shall release \$1,000,000 of this amount to the board of regents each time the university presents evidence that it has achieved one of the following performance measures:

(1) increases at the Twin Cities campus, excluding general college, in the percent of 1996 new entering freshmen ranking in the top 25 percent of their high school class;

(2) increases in the rate of retention of 1995 new entering freshmen;

(3) increases in the number of 1996 new entering freshmen who are minority students and increases in the percent of faculty hired in 1995-1996 who are women or minorities;

(4) increases in the five-year graduation rate measured between August 1994 and August 1996; and

(5) increases in the number of credits issued through telecommunications between fiscal year 1995 and fiscal year 1996.

If money is not appropriated in separate legislation for the rural physicians program, \$300,000 of this appropriation shall be added to the Duluth two-year medical school to enhance the efforts to train rural physicians. This is a nonrecurring appropriation.

The amounts for U-2000; wheat and barley scab research; performance funding; 1994 U-2000 supplement; and part of the Cambridge Bank reduction restoration are for those purposes only and shall be nonrecurring. The amounts are \$26,268,000 in fiscal year 1996 and \$27,532,000 in fiscal year 1997.

(b) Noninstructional Expenditures

The legislature estimates that noninstructional expenditures will be \$104,994,000 each year.

Subd. 3. Special Appropriation

88,428,000

88,703,000

The amounts expended for each program in the four categories of special appropriations shall be separately identified in the 1997 biennial budget document.

(a) Agriculture and Extension Service

47,547,000

47,797,000

This appropriation is for the Agricultural Experiment Station and Minnesota Extension Service.

\$500,000 in each year is for additional wheat and barley scab research.

Any salary increases granted by the university to personnel paid from the Minnesota Extension appropriation must not result in a reduction of the county portion of the salary payments.

During the biennium, the university shall maintain an advisory council system for each experiment station. The advisory councils must be broadly representative of range of size and income distribution of farms and agribusinesses and must not disproportionately represent those from the upper half of the size and income distributions.

(b) Health Sciences

17,758,000 17,758,000

This appropriation is for Indigent Patients (County Papers), Rural Physicians Associates Program, Medical Research, Special Hospitals Service and Educational Offset, the Veterinary Diagnostic Laboratory, Institute for Human Genetics, Health Sciences Research, and the Biomedical Engineering Center.

(c) Institute of Technology

3,067,000 3,067,000

This appropriation is for the Geological Survey, Underground Space Center, Talented Youth Mathematics Program, Microelectronics and Information Science Center, and the Center for Advanced Manufacturing, Design, and Control.

(d) System Specials

20,056,000 20,081,000

This appropriation is for Fellowships for Minority and Disadvantaged Students, General Research, Intercollegiate Athletics, Student Loans Matching Money, Industrial Relations Education, Natural Resources Research Institute, Sea Grant College Program, Biological Process Technology Institute, Supercomputer Institute, Center for Urban and Regional Affairs, Bell Museum of Natural History, the Leadership Academy Program, and the Humphrey Exhibit. The appropriation for the Leadership Academy Program is nonrecurring.

By January 15, 1996, the board of regents is requested to provide its final report and its consultant's report on the policies and practices it has planned or implemented to comply with title VII, title IX, and the Equal Pay Act, as they apply across university activities, including men's and women's athletic coaching.

Subd. 4. Specials Transfer

The appropriation in subdivision 3, paragraph (b), for Medical Research, Special Hospitals Service and Educational Offset, and the Institute for Human Genetics; and in paragraph (c) for the Underground Space Center, Microelectronics

and Information Science Center, and the Center for Advanced Manufacturing, Design, and Control; and in paragraph (d) for the Fellowships for Minority and Disadvantaged Students, Intercollegiate Athletics, Sea Grant College Program, Biological Process Technology Institute, and the Supercomputer Institute shall be merged with the operation and maintenance funding in subdivision 2, effective June 30, 1997.

Sec. 5. MAYO MEDICAL FOUNDATION

Subdivision 1. Total

Appropriation

825,000

945,000

The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

Subd. 2. Medical School

429,000

429,000

The state of Minnesota shall pay a capitation of \$10,736 each year for each student who is a resident of Minnesota. The appropriation may be transferred between years of the biennium to accommodate enrollment fluctuations.

The legislature intends that during the biennium the Mayo foundation use the capitation money to increase the number of doctors practicing in rural areas in need of doctors.

Subd. 3. Family Practice and Graduate Residency Program

396,000

396,000

The state of Minnesota provides a capitation of \$13,192 each year for each student.

Subd. 4. St. Cloud Hospital-Mayo Family Practice Residency Program

120,000

This appropriation is to the Mayo Foundation to support four resident physicians in the St. Cloud Hospital-Mayo Family Practice Residency Program. This appropriation is contingent upon \$950,000 in matching money being made available from nonstate sources. The program shall prepare doctors to practice primary care medicine in the rural areas of the state. It is intended that this program will improve health care in rural communities, provide affordable access to appropriate medical care, and manage the treatment of patients in a more cost-effective manner. This appropriation is nonrecurring.

Sec. 6. POST-SECONDARY SYSTEMS

Subdivision 1. Settlements

The board of regents of the University of Minnesota and the board of trustees of the Minnesota state colleges and universities are requested to summarize and report on all out-of-court settlements involving the University of Minnesota and the state colleges and universities to the chairs of the house and senate education committees. The report shall not specifically identify settlements that are covered under confidentiality agreements or orders.

Subd 2. Accountability Measures

The board of regents of the University of Minnesota is requested to, and the board of trustees of the Minnesota state colleges and universities shall, establish:

- (1) a set of accountability measures that reflect each system's specific mission; and
- (2) goals to improve each system's performance on the measures established.

Each system shall establish both system-level and institution-level accountability measures and goals. Each system will report to the legislature in the biennial budget document on the measures selected and timeline for achieving the established goals. In addition, each system will include baseline data and a description of the processes implemented to evaluate progress toward the goals established. Examples of goals include:

- (1) develop a post-tenure review process;
- (2) increase student satisfaction with the education received;
- (3) improve time to completion rates;
- (4) reduce the number of credits required to receive a degree; and
- (5) assess employer satisfaction with graduates from different programs.

ARTICLE 2**ADDITIONAL PROVISIONS**

Section 1. Minnesota Statutes 1994, section 135A.031, subdivision 2, is amended to read:

Subd. 2. [APPROPRIATIONS FOR CERTAIN ENROLLMENTS.] The state share of the estimated expenditures for instruction shall vary for some categories of students, as designated in this subdivision.

(a) The state must provide at least 67 percent of the estimated expenditures for:

(1) students who resided in the state for at least one calendar year prior to applying for admission or dependent students whose parent or legal guardian resides in Minnesota at the time the student applies;

(2) Minnesota residents who can demonstrate that they were temporarily absent from the state without establishing residency elsewhere;

(3) residents of other states or provinces 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 the 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.

(b) The state must provide 32 percent of the estimated expenditures for definition of full year equivalent for purposes of the formula calculations in this chapter is twice the normal value for the following enrollments:

(1) students who are concurrently enrolled in a public secondary school and for whom the institution is receiving any compensation under the post-secondary enrollment options act; and

(2) students enrolled under the student exchange program of the Midwest Compact.

(c) The state may not provide any of the estimated expenditures for undergraduate students (1) who do not meet the residency criteria under paragraph (a), or (2) who have completed, without receiving a baccalaureate degree, 48 or more quarter credits or the equivalent, applicable toward the degree, beyond the number required for a baccalaureate in their major. Credits for courses in which a student received a grade of "F" or "W" shall be counted toward this maximum, as if the credits had been earned.

Sec. 2. [135A.042] [FEE WAIVER.]

The president of a state university, community college, or technical college may waive the fee assessed to a student applying for admission, if the president determines that the fee would impose an economic hardship on the student or the student's family.

Sec. 3. [135A.101] [POST-SECONDARY ENROLLMENT OPTIONS.]

Subdivision 1. [REQUIREMENTS FOR PARTICIPATION.] To participate in the post-secondary enrollment options program, a college or university must abide by the provisions in this section. The institution may provide information about its programs to a secondary school or to a pupil or parent, but may not recruit or solicit participation on financial grounds.

Subd. 2. [PROHIBITION.] An institution shall not enroll secondary pupils, for post-secondary enrollment options purposes, in developmental courses or other courses that are not college level. For the purposes of this section, a "developmental course" means a post-secondary course taken to prepare a student for college-level work and for which the post-secondary institution does not grant credit or which cannot be used to meet degree, diploma, or certificate requirements.

Sec. 4. [135A.181] [ACADEMIC CALENDAR.]

Subdivision 1. [TRANSITION TO SEMESTER SYSTEM.] The board of trustees of the Minnesota state colleges and universities shall convert, and the board of regents of the University of Minnesota is requested to convert, to the semester system by the 1998-1999 academic year. The public post-secondary institutions shall review and revise the content and structure of their academic programs, degrees, and courses, and prepare new course materials as necessary. Each public post-secondary board shall submit information on the progress to a semester system in the 1997 biennial budget document.

Subd. 2. [COMMON CALENDAR.] The semester system required in subdivision 1 shall be offered on a common calendar throughout all campuses under the jurisdiction of the board of trustees of the Minnesota state colleges and universities. This calendar shall include a common start and end date for each semester as well as common summer school schedules. The board of trustees may exempt a campus from this calendar if they determine that because of extenuating circumstances an alternative calendar would better serve students' needs.

Subd. 3. [REPEALER.] This section is repealed June 30, 1999.

Sec. 5. [135A.19] [FINANCIAL EMERGENCY.]

The board of trustees of the Minnesota state colleges and universities and the board of regents of the University of Minnesota may immediately layoff employees, without notice, if the respective board has declared a financial emergency. All other contractual provisions relating to layoffs continue to apply. A financial emergency may be declared if, at any time: (1) the projected revenue for the system from tuition and the general fund for the current or next fiscal year is less than 93 percent of the anticipated expenditures in the board approved budget, and (2) if tuition would need to be increased more than three times the annual inflation rate to solve the shortfall.

For employees of the Minnesota state colleges and universities covered under a collective bargaining agreement, this section applies to all collective bargaining agreements effective after July 1, 1995, and shall be effective for each collective bargaining agreement covering those employees the day after it has been ratified by the legislative commission on employee relations. For represented employees of the University of Minnesota, this section applies the day following signing of the next agreement. For employees not covered by a collective bargaining agreement, this section is effective July 1, 1995. The board of trustees of the Minnesota state colleges and universities and the board of regents of the University of Minnesota shall balance layoffs of faculty, other employees, and administrators. The boards should strive to provide uninterrupted service and instruction to students.

Sec. 6. [136A.136] [NURSING GRANT PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] A nursing grant program is established under the supervision of the higher education services office and the administration of the metropolitan healthcare foundation's project LINC (Ladders in Nursing Careers) to provide grants to Minnesota health care facility employees seeking to complete a baccalaureate or master's degree in nursing.

Subd. 2. [RESPONSIBILITY OF METROPOLITAN HEALTHCARE FOUNDATION'S PROJECT LINC.] The metropolitan healthcare foundation's project LINC shall administer the grant program and award grants to eligible health care facility employees. To be eligible to receive a grant, a person must be:

(1) an employee of a health care facility located in Minnesota, whom the facility has recommended to the metropolitan healthcare foundation's project LINC for consideration;

(2) working part time, up to 32 hours per pay period, for the health care facility, while maintaining full salary and benefits;

(3) enrolled full time in a Minnesota school or college of nursing to complete a baccalaureate or master's degree in nursing; and

(4) a resident of the state of Minnesota.

The grant must be awarded for one academic year but is renewable for a maximum of six semesters or nine quarters of full-time study, or their equivalent. The grant must be used for tuition, fees, and books. Priority in awarding grants shall be given to persons with the greatest financial need. The health care facility may require its employee to commit to a reasonable postprogram completion of employment at the health care facility as a condition for the financial support the facility provides.

Subd. 3. [RESPONSIBILITY OF HIGHER EDUCATION SERVICES OFFICE.] The higher education services office shall distribute money each year, contingent upon an appropriation, to the metropolitan healthcare foundation's project LINC to be used to award grants under this section, provided that the higher education services office shall not distribute the money unless the metropolitan healthcare foundation's project LINC matches the money with an equal amount from nonstate sources. The metropolitan healthcare foundation's project LINC shall expend nonstate money prior to expending state money and shall return to the higher education services office all state money not used each year for nursing program grants to be redistributed under this section. The metropolitan healthcare foundation's project LINC shall report to the higher education services office on its program activity as requested by the office.

Sec. 7. Minnesota Statutes 1994, section 136E.525, subdivision 3, is amended to read:

Subd. 3. [CONSOLIDATION.] ~~No~~ Changes may be made to student associations located on community college, state university, technical college, or consolidated colocated campuses ~~without with the approval of the students of each affected campus association in consultation with its state student association.~~

Sec. 8. [136E.60] [ADMINISTRATIVE INTERACTION WITH STUDENTS.]

Subdivision 1. [SYSTEM AND CAMPUS ADMINISTRATORS.] As part of their annual goal setting activity, all unrepresented system and campus academic administrators employed in their positions before July 1, 1995, shall have the expectation of substantially increasing their interaction with students through activities such as teaching a regularly scheduled course or serving as an academic advisor. Contracts for persons initially employed in unclassified administrative positions on or after July 1, 1995, shall include requirements for activities involving student contact.

Subd. 2. [EVALUATION.] Each state university, community college, and technical college campus shall provide an evaluation of this activity to the board, and the board shall include a summary of campus and system activities in its 1998-1999 biennial budget request.

Sec. 9. Minnesota Statutes 1994, section 179A.07, subdivision 4, is amended to read:

Subd. 4. [OTHER COMMUNICATION.] If an exclusive representative has been certified for an appropriate unit, the employer shall not meet and negotiate or meet and confer with any employee or group of employees who are in that unit except through the exclusive representative. This subdivision does not prevent communication to the employer, other than through the exclusive representative, of advice or recommendations by professional employees, if this communication is a part of the employee's work assignment. This subdivision does not prevent communication between public post-secondary employers and post-secondary professional employees, other than through the exclusive representative, regarding policies and matters that are not terms and conditions of employment.

Sec. 10. Minnesota Statutes 1994, section 363.03, subdivision 5, is amended to read:

Subd. 5. [EDUCATIONAL INSTITUTION.] It is an unfair discriminatory practice:

(1) To discriminate in any manner in the full utilization of or benefit from any educational institution, or the services rendered thereby to any person because of race, color, creed, religion, national origin, sex, age, marital status, status with regard to public assistance, sexual orientation, or disability, or to fail to ensure physical and program access for disabled persons. For purposes of this paragraph, program access includes but is not limited to providing taped texts, interpreters or other methods of making orally delivered materials available, readers in libraries, adapted classroom equipment, and similar auxiliary aids or services. Program access does not include providing attendants, individually prescribed devices, readers for personal use or study, or other devices or services of a personal nature.

(2) To exclude, expel, or otherwise discriminate against a person seeking admission as a student, or a person enrolled as a student because of race, color, creed, religion, national origin, sex, age, marital status, status with regard to public assistance, sexual orientation, or disability.

(3) To make or use a written or oral inquiry, or form of application for admission that elicits or attempts to elicit information, or to make or keep a record, concerning the ~~race, color, creed, religion, national origin, sex, age, marital status,~~ sexual orientation, or disability of a person seeking admission, except as permitted by rules of the department.

(4) To make or use a written or oral inquiry or form of application that elicits or attempts to elicit information, or to keep a record concerning the race, color, national origin, sex, age, or marital status of a person seeking admission, unless the information is collected for purposes of evaluating the effectiveness of recruitment, admissions, and other educational policies, and is maintained separately from the application.

Sec. 11. Laws 1986, chapter 398, article 1, section 18, as amended by Laws 1987, chapter 292,

section 37; Laws 1989, chapter 350, article 16, section 8; Laws 1990, chapter 525, section 1; Laws 1991, chapter 208, section 2; and Laws 1993, First Special Session chapter 2, article 6, section 2, is amended to read:

Sec. 18. [REPEALER.]

Sections 1 to 17 and Minnesota Statutes, section 336.9-501, subsections (6) and (7), and sections 583.284, 583.285, 583.286, and 583.305, are repealed on July 1, ~~1995~~ 1997.

Sec. 12. Laws 1993, First Special Session chapter 2, article 1, section 9, subdivision 6, is amended to read:

Subd. 6. POST Board

Beginning in fiscal year ~~1996~~ 1998, money for law enforcement education that is currently provided through the POST board shall be provided through general fund appropriations to be calculated at the same initial base as the previous POST funding, except that the base adjustment for the community colleges shall be \$290,000. The legislature intends that penalty surcharge dollars under Minnesota Statutes, section 626.861, subdivision 1, shall continue to be appropriated to the POST account for other lawful purposes.

Sec. 13. Laws 1994, chapter 643, section 69, is amended by adding a subdivision to read:

Subd. 1a. [FINANCING SOURCE REVIEW.] The task force shall identify current library financing sources and make recommendations on how to use the money more efficiently. The task force shall also identify additional financing sources. By February 1, 1996, the task force shall provide recommendations to the legislature on financing structures that are designed to promote cooperation and collaboration among all libraries.

Sec. 14. Laws 1994, chapter 643, section 69, is amended by adding a subdivision to read:

Subd. 1b. [ELECTRONIC LIBRARY COORDINATION PLANNING.] The task force shall build upon the leadership initiatives provided by MINITEX and the post-secondary systems, relating to the development of electronic library and information services, and develop a vision of, and plans for, the coordinated use of electronic storage and transmission in providing library and information services. The plans shall:

- (1) explore the feasibility of consolidating the PALS and LUMINA systems;
- (2) explore and make recommendations about joint acquisition of electronic access to information;
- (3) plan for the coordinated use of electronic storage and transmission in providing library and information services to Minnesota post-secondary systems, public libraries, and elementary and secondary school libraries, including appropriate connections to the Internet and eventually to the national information infrastructure;
- (4) provide for, and make recommendations about, appropriate governance and administrative structures, if needed;
- (5) provide for approaches necessary to meet the needs of distance learners; and
- (6) identify, study, and make recommendations on any other matters that the task force deems necessary for the coordination and expansion of technologies in the provision of library and information services.

The task force shall coordinate its work with the telecommunications council, the government

information access council, the MINITEX advisory committee, and the advisory council to the office of library development and services in the department of education.

Sec. 15. [CREDIT TRACKING.]

The board of regents of the University of Minnesota and the board of trustees of the Minnesota state colleges and universities are requested to develop a centralized electronic tracking system of credits earned by students.

Sec. 16. [COMPENSATION PLANS AND LABOR AGREEMENTS.]

In negotiating labor agreements that are collectively bargained and compensation plans for all public higher education system employees, the legislature expects the board of trustees of the Minnesota state colleges and universities, the board of regents of the University of Minnesota, the commissioner of employee relations, and the legislative commission on employee relations to achieve these goals:

(1) define the expected work activities and other professional responsibilities of all employees in order to increase course availability to students, to enhance instructional quality, to ensure student access to faculty, and to ensure that institution and system missions are served;

(2) reassess existing layoff procedures, tuition waivers, layoff notices, employee transfers between campuses, employee evaluations, and sabbaticals to ensure that institutional and system missions are served;

(3) define reasonable work week and work year for full-time employees to ensure that institutional and system missions are served; and

(4) articulate a common understanding regarding when system administrators may interact with employees outside of meet and confer provisions in collective bargaining agreements.

Sec. 17. [AKITA.]

Subdivision 1. [INTENT.] The legislature intends to provide opportunities for international programs that enhance the global perspective and understanding of post-secondary students. However, with increasing fiscal constraints, the legislature intends that these programs operate in an efficient and effective manner.

Subd. 2. [PLAN.] The state university board and the board of trustees of the state colleges and universities shall begin immediately to prepare and implement a plan to make the Akita program more efficient. The plan shall provide for the expansion of enrollment in the Akita program and, by the 1997-1998 academic year, for the reduction of the per full year enrollment expenditure level associated with the program. The boards shall work in cooperation with the state university campuses and other Minnesota colleges and universities to determine the reasons for the low enrollment levels in the Akita program and to find efficient ways to address these enrollments. The boards shall also examine the uses of state money in support of the program, determine more efficient ways to use state resources, and seek more nonstate funding. As part of the plan, the boards shall specify the interim and final measures that will be used to determine the effectiveness of the plan, including appropriate programmatic cost comparisons and specific targets for reduction of state expenditures.

Subd. 3. [RECOMMENDATIONS.] By September 15, 1995, the board of trustees shall forward its recommendations and performance measures to the chairs of the higher education divisions of the senate and house education committees. As part of its 1998-1999 biennial budget request, the board of trustees shall include documentation on the effectiveness of its plan including the Akita program's performance on each of the measures in the plan.

Sec. 18. [FACILITY USE.]

The post-secondary governing boards and their campuses shall determine ways in which campus facilities can be used more efficiently in order to (1) reduce the need for state physical plant investments, and (2) to improve students' opportunities for timely completion. The boards shall consider schedule changes such as expanded summer terms, increased weekend and evening

courses, short courses, and other scheduling alternatives. As part of their 1998-1999 biennial budget requests, the boards shall demonstrate the changes that their campuses have made or plan to make, and the performance measures that will be used to determine the effectiveness of these changes.

Sec. 19. [INTERPRETING AND TRANSLATING PROGRAM.]

Subdivision 1. [CHARGE.] The board of trustees of the state colleges and universities shall develop a model instruction program in spoken language interpreting and translating services, as provided in this section. In developing the program, the board shall consult with the University of Minnesota; non-English speaking communities; the prosecution, defense, and judiciary systems; the interpreting and translating communities; battered women's programs; and government and nonprofit agencies providing human, social, and health services.

Subd. 2. [DEFINITIONS.] For the purposes of this section, the following definitions apply.

(a) "Interpreter" means any person who is readily able to comprehend a message uttered in one language and reexpress that message in a spoken form in a second language without modifying the meaning in any significant way.

(b) "Translator" means any person who is readily able to comprehend a message written in one language and reexpress the message in a written form in a second language without modifying the meaning in any significant way.

Subd. 3. [BOARD RESPONSIBILITIES.] (a) The board shall determine the need for, and recommend programs to meet educational training needs in, spoken language interpreting and translating services at the certificate level, associate degree level, or both. Courses shall be designed to articulate with advanced education and training programs in the field. The curriculum shall, at a minimum, include instruction in:

(1) spoken language proficiency to meet potential client needs;

(2) technical terminology needed for specialization;

(3) ethical standards involved in interpreting and translating;

(4) background in the culture of the language relevant to the interpretation and translation;

(5) internship needs and other practical opportunities to serve clients; and

(6) fundamental skills in effective interpreting and translating.

(b) The board shall review and recommend programs to train providers in the appropriate use of interpreters and translators.

(c) The board shall:

(1) collect and review recent data to determine the number of non-English speaking residents and the native language of these persons;

(2) determine geographic areas in Minnesota with the greatest need for spoken language and translator services;

(3) determine the most efficient and effective ways of delivering the program to areas of need;

(4) recommend what provider or providers can best implement and deliver the program, with emphasis on encouraging collaborative efforts;

(5) determine the cost of implementing and providing the program, including the possibility of competitive grants; and

(6) consult with persons developing the statewide judicial interpreter certification and training program under Laws 1994, chapter 636, article 1, section 14.

(d) The board shall transmit its recommendations, together with its plan to develop appropriate programs, to the appropriate committees of the legislature by January 20, 1996.

Sec. 20. [CAREER PLANNING AND JOB PLACEMENT INFORMATION.]

Subdivision 1. [PLAN.] The state universities, community colleges, and technical colleges shall each develop and implement plans, in conjunction with the board of trustees, to provide job placement history and projected demand to students at the time the student declares a major program or field of study. The University of Minnesota campuses are requested to develop and implement similar plans.

Subd. 2. [CONTENTS.] Information provided must include program placement history, and projected demand in the field and in associated types of placement, using labor market forecasting information from the department of economic security. The plan must provide for students to indicate in writing that they received the information.

Subd. 3. [OUTCOMES.] As part of its biennial budget request, the board of trustees shall demonstrate its efforts to better inform students about careers and provide a summary of job placement data.

Sec. 21. [SABBATICALS.]

The board of trustees of the Minnesota state colleges and universities shall develop policies and procedures to ensure that the granting of sabbaticals is for the purpose of encouraging special studies, investigations, and research that contribute to the quality of education, scholarship, and service. To fulfill this purpose, the policies shall primarily grant sabbaticals to faculty and to administrators with academic responsibilities. Additionally, the policies shall provide for annual summary reporting to the board of all sabbatical plans approved by a president or the chancellor, as appropriate, with final summary reports of results achieved and the salary and other costs paid on behalf of the faculty members or administrators during the sabbaticals. The board of regents of the University of Minnesota is requested to review its sabbatical policies, and to make any necessary adjustments to meet the purpose described in this section, and also provide for the reporting of sabbatical related information.

Sec. 22. [REPEALER.]

Minnesota Statutes 1994, sections 136A.16, subdivision 11; 137.31, subdivision 6; 137.35, subdivision 4; and 137.38, are repealed.

Sec. 23. [EFFECTIVE DATES.]

Section 1, paragraph (c), is effective July 1, 1995, for students beginning classes as freshmen in a Minnesota public post-secondary institution. Section 17 is effective the day following final enactment.

ARTICLE 3

HIGHER EDUCATION SERVICES OFFICE AND FINANCIAL AID

Section 1. Minnesota Statutes 1994, section 126.56, is amended to read:

126.56 [SUMMER SCHOLARSHIPS FOR ACADEMIC ENRICHMENT.]

Subdivision 1. [ESTABLISHMENT.] A scholarship program is established to enable secondary students to attend summer programs sponsored by post-secondary institutions.

Subd. 2. [ELIGIBLE STUDENT.] To be eligible for a scholarship, a student shall:

- (1) be a United States citizen or permanent resident of the United States;
- (2) be a resident of Minnesota;
- (3) attend an eligible program;
- (4) have completed at least one year of secondary school but not have graduated from high school;
- (5) have earned at least a B average during the semester or quarter prior to application, or have

earned at least a B average during the semester or quarter prior to application in the academic subject area applicable to the summer program the student wishes to attend; and

(6) demonstrate need for financial assistance.

Subd. 3. [FINANCIAL NEED.] Need for financial assistance shall be based on family income, family size, and special necessary expenditures of the family. The higher education ~~coordinating board services office~~ shall review the financial need of each pupil to meet the actual costs of attending the summer program, as determined by the institution sponsoring the summer program. The ~~board office~~ shall award scholarships within the limits of the appropriation for this section. If the amount appropriated is insufficient, the ~~board office~~ shall allocate the amount appropriated in the manner it determines. A scholarship shall not exceed \$1,000.

Subd. 4. [ELIGIBLE INSTITUTIONS.] A scholarship may be used only at an eligible institution. A Minnesota public post-secondary institution is an eligible institution. A private post-secondary institution is eligible if it:

(1) is accredited by the North Central Association of Colleges;

(2) offers an associate or baccalaureate degree program approved under section 136A.65, subdivision 1; and

(3) is located in Minnesota.

Subd. 4a. [ELIGIBLE PROGRAMS.] A scholarship may be used only for an eligible program. To be eligible, a program must:

(1) provide, as its primary purpose, academic instruction for student enrichment in curricular areas including, but not limited to, communications, humanities, social studies, social science, science, mathematics, art, or foreign languages;

(2) not be offered for credit to post-secondary students;

(3) not provide remedial instruction;

(4) meet any other program requirements established by the state board of education and the higher education ~~coordinating board services office~~; and

(5) be approved by the commissioner.

Subd. 5. [ADVISORY COMMITTEE.] An advisory committee shall assist the state board of education in approving eligible programs and shall assist the higher education ~~coordinating board services office~~ in planning, implementing, and evaluating the scholarship program. The committee shall consist of 11 members, to include the executive director of the higher education ~~coordinating board services office~~ or a representative, the commissioner of education or a representative, two secondary school administrators and two secondary teachers appointed by the commissioner of education, the executive director of the academic excellence foundation, a private college representative appointed by the president of the Minnesota private college council, a community college representative ~~appointed by the community college chancellor~~, and a state university representative appointed by the ~~state university chancellor of the Minnesota state colleges and universities~~, and a University of Minnesota representative appointed by the president of the University of Minnesota. The committee expires June 30, ~~1995~~ 1997.

Subd. 6. [INFORMATION.] The higher education ~~coordinating board services office~~, in cooperation with the academic excellence foundation, shall assemble and distribute information about scholarships and eligible programs.

Subd. 7. [ADMINISTRATION.] The higher education ~~coordinating board services office~~ and commissioner shall determine the time and manner for scholarship applications, awards, and program approval.

Subd. 8. [EXEMPTION FROM RULEMAKING.] Sections 14.01 to 14.47 do not apply to this section.

Sec. 2. Minnesota Statutes 1994, section 126.663, subdivision 3, is amended to read:

Subd. 3. [MODEL LEARNER OUTCOMES.] The department shall develop and maintain model learner outcomes in state board identified subject areas, including career vocational learner outcomes. The department shall make learner outcomes available upon request by a district. Learner outcomes shall be for pupils in early childhood through grade 12. The department shall consult with each of the public post-secondary systems ~~and with the higher education coordinating board~~ in developing model learner outcomes appropriate for entry into post-secondary institutions. Learner outcomes shall include thinking and problem solving skills.

Sec. 3. Minnesota Statutes 1994, section 135A.08, subdivision 1, is amended to read:

Subdivision 1. [COURSE EQUIVALENCY.] ~~The regents of the University of Minnesota, state university board, state board for community colleges, and state board of technical colleges, in conjunction with the higher education coordinating board, and the trustees of the Minnesota state colleges and universities shall develop and maintain course equivalency guides for use between institutions that have a high frequency of transfer. Subject to the determination of the higher education coordinating board made in consultation with the state board of technical colleges,~~ Course equivalency guides shall not be required for vocational technical programs that have not been divided into identifiable courses. The governing boards of private institutions that grant associate and baccalaureate degrees and that have a high frequency of transfer students are requested to participate in developing these guides.

Sec. 4. Minnesota Statutes 1994, section 135A.08, subdivision 2, is amended to read:

Subd. 2. [COMMON NUMBERING.] ~~The regents of the University of Minnesota, state university board, state board for community colleges, and state board of technical colleges, in conjunction with the higher education coordinating board, and the trustees of the Minnesota state colleges and universities shall develop and maintain a common numbering convention to distinguish remedial, lower division, upper division, and graduate level coursework. The governing boards of private institutions that grant associate and baccalaureate degrees are requested to cooperate in the development of this numbering convention.~~

Sec. 5. Minnesota Statutes 1994, section 135A.10, subdivision 1, is amended to read:

Subdivision 1. [POLICY AND PROCEDURES TO AWARD CREDIT.] ~~The board of regents of the University of Minnesota, the state university board, and the state board for community colleges board of trustees of the Minnesota state colleges and universities shall each develop a clear and uniform policy for its system for awarding post-secondary credit toward a degree for a student who earns an acceptable score on an advanced placement program examination. Each policy must include procedures to inform students and prospective students about credit award and procedures to assure implementation on each campus. The higher education coordinating board shall assist in developing the policy.~~

Sec. 6. Minnesota Statutes 1994, section 135A.12, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] ~~This section applies to the higher education coordinating board, each public post-secondary governing board, and each public post-secondary institution, and each school board that operates a technical college.~~

Sec. 7. Minnesota Statutes 1994, section 135A.15, subdivision 1, is amended to read:

Subdivision 1. [POLICY REQUIRED.] ~~The governing board of each public technical college, community college, or state university trustees of the Minnesota state colleges and universities 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 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 is an eligible institution as defined in section 136A.101, subdivision 4,~~ 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.~~

Sec. 8. Minnesota Statutes 1994, section 135A.153, subdivision 1, is amended to read:

Subdivision 1. [CREATION AND DESIGNATION.] The higher education center on violence and abuse is created. The higher education center on violence and abuse shall be located at and managed by a public or private post-secondary institution in Minnesota. ~~The higher education coordinating board shall designate the location of the center following review of proposals from potential higher education sponsors.~~

Sec. 9. Minnesota Statutes 1994, section 136A.01, is amended to read:

136A.01 [HIGHER EDUCATION SERVICES OFFICE.]

Subdivision 1. [CREATION.] ~~A coordinating board~~ An office for higher education in the state of Minnesota, to be known as the Minnesota higher education ~~coordinating board~~ services office or HESO, is ~~hereby~~ created.

Subd. 2. [RESPONSIBILITIES.] The higher education services office is responsible for:

(1) necessary state level administration of financial aid programs, including accounting, auditing, and disbursing state and federal financial aid funds, and reporting on financial aid programs to the governor and the legislature;

(2) approval, registration, licensing, and financial aid eligibility of private collegiate and career schools, under sections 136A.61 to 136A.71 and chapter 141;

(3) administering the telecommunications council under Laws 1993, First Special Session chapter 2, article 5, section 2, the Learning Network of Minnesota, and the statewide library task force;

(4) negotiating and administering reciprocity agreements;

(5) publishing and distributing financial aid information and materials, and other information and materials under section 136A.87, to students and parents;

(6) collecting and maintaining student enrollment and financial aid data;

(7) administering the federal programs that affect students and institutions on a statewide basis; and

(8) prescribing policies, procedures, and rules under chapter 14 necessary to administer the programs under its supervision.

Sec. 10. [136A.011] [HIGHER EDUCATION SERVICES COUNCIL.]

Subdivision 1. [MEMBERSHIP.] The higher education services council consists of eight citizens and one student appointed by the governor. In making appointments, the governor shall consider the geographic, gender, and ethnic diversity in the state. No more than five members of the council may belong to the same political party. The student member must be a full-time student enrolled in a Minnesota post-secondary institution at the time of appointment. The student advisory council shall recommend two to four candidates for the student position. The governor is not bound by these recommendations. A nonstudent member of the council may not be an employee of or receive compensation from a public or private post-secondary institution while serving on the council. A student member may receive compensation as a student body officer or may be a recipient of financial aid, including work study, but may not otherwise be employed or compensated by a post-secondary institution while serving on the council.

The term of each citizen member is six years, and that of the student member is two years. As nearly as possible, one-third of the terms of the members must expire every two years. The compensation, removal of voting members, and filling of vacancies among voting members on the council is governed by section 15.0575, subdivisions 3, 4, and 5.

Subd. 2. [DUTIES.] The council shall:

- (1) appoint the director of the higher education services office, as provided in section 136A.03;
- (2) provide advice and review regarding the performance of the higher education services office in its duties and in any policies, procedures, or rules the office prescribes to perform its duties; and
- (3) communicate with and make recommendations to the governor and the legislature.

Sec. 11. Minnesota Statutes 1994, section 136A.03, is amended to read:

136A.03 [EXECUTIVE OFFICERS; EMPLOYEES.]

~~The higher education coordinating board may appoint an executive secretary or director as its principal executive officer, and such other officers and employees as it may deem necessary to carry out its duties. The executive secretary or director of the higher education services office shall possess such the powers and perform such the duties as are delegated prescribed by the board higher education services council and shall serve in the unclassified service of the state civil service. The salary of the executive director shall be established pursuant by the higher education services council according to section 15A.081, subdivision 1. The executive director shall be a person qualified by training and ability or experience in the field of higher education or in educational financial aid administration. The board director may also appoint other officers and professional employees who shall serve in the unclassified service of the state civil service and fix the salaries thereof which shall be commensurate with salaries in the classified service. All other employees shall be in the classified civil service.~~

An officer or professional employee in the unclassified service as provided in this section is a person who has studied higher education or a related field at the graduate level or has similar experience and who is qualified for a career in ~~some aspect~~ financial aid and other aspects of higher education and for activities in keeping with the planning and administrative responsibilities of the ~~board~~ office and who is appointed to assume responsibility for administration of educational programs or research in matters of higher education.

Sec. 12. [136A.031] [ADVISORY GROUPS.]

Subdivision 1. [APPOINTMENT.] The higher education services council may appoint advisory task forces as necessary to assist in the administration of the higher education services office responsibilities. The task forces' expiration and the terms, compensation, and removal of members are as provided in section 15.059.

Subd. 2. [HIGHER EDUCATION ADVISORY COUNCIL.] A higher education advisory council (HEAC) is established. The HEAC is composed of the president and the senior vice-president for academic affairs of the University of Minnesota; the chancellor of the Minnesota state colleges and universities; the associate vice-chancellors of the state universities, community colleges, and technical colleges; the commissioner of education; the president of the private college council; and a representative from the Minnesota association of private post-secondary schools. The HEAC shall (1) bring to the attention of the higher education services council any matters that the HEAC deems necessary, and (2) review and comment upon matters before the council. The council shall refer all proposals to the HEAC before submitting recommendations to the governor and the legislature. The council shall provide time for a report from the HEAC at each meeting of the council.

Subd. 3. [STUDENT ADVISORY COUNCIL.] A student advisory council (SAC) to the higher education services council is established. The members of SAC shall include the chair of the University of Minnesota student senate, the state chair of the Minnesota state university student association, the president of the Minnesota community college student association, the president of the Minnesota technical college student association, the president of the Minnesota association of

private college students, and a student who is enrolled in a private vocational school, to be appointed by the Minnesota association of private post-secondary schools. A member may be represented by a student designee who attends an institution from the same system that the absent member represents. The SAC shall select one of its members to serve as chair.

The higher education services council shall inform the SAC of all matters related to student issues under consideration and shall refer all proposals to the SAC before taking action or sending the proposals to the governor or legislature. The SAC shall report to the higher education services council quarterly and at other times that the SAC considers desirable. The SAC shall determine its meeting times, but it shall also meet with the council within 30 days after the director's request for a meeting.

The SAC shall:

(1) bring to the attention of the higher education services council any matter that the SAC believes needs the attention of the council;

(2) make recommendations to the higher education services council as it finds appropriate;

(3) appoint student members to the higher education services council advisory groups as provided in subdivision 4; and

(4) provide any reasonable assistance to the council.

Subd. 4. [STUDENT REPRESENTATION.] If requested by the SAC, the director must place at least one student from an affected educational system on any task force created under subdivision 1. The student member or members shall be appointed by the SAC.

Sec. 13. Minnesota Statutes 1994, section 136A.043, is amended to read:

136A.043 [INFORMATION TECHNOLOGY.]

~~The higher education eordinating board services office shall initiate activities to coordinate state policy development regarding the use of information technology in post-secondary education instruction and administration. These activities shall include at least the following: a survey, conducted in collaboration with the post secondary education systems, of existing information technology use and needs of institutions and regions; initiation of collaborative activities to share information and resources; and provision of opportunities for post secondary education policy makers to review issues and needs for policy development.~~

Sec. 14. Minnesota Statutes 1994, section 136A.05, subdivision 1, is amended to read:

~~Subdivision 1. All public institutions of higher education, all school districts providing post-secondary vocational education, and all state departments and agencies shall cooperate with and supply information requested by the higher education eordinating board services office in order to enable it to carry out and perform its duties. Private post-secondary institutions are requested to cooperate and provide information.~~

Sec. 15. Minnesota Statutes 1994, section 136A.07, is amended to read:

136A.07 [REPORTS.]

~~The higher education eordinating board services office shall report periodically to the governor and legislature concerning its activities from time to time and may report in connection therewith to the governing body of each institution of higher education in the state, both public and private. It shall file a formal report with the governor not later than October 15 of and legislature each even-numbered year so that the information therein contained, including recommendations, may be embodied in the governor's budget message to the legislature. It shall also report to the legislature not later than November 15 of each even-numbered year.~~

Sec. 16. Minnesota Statutes 1994, section 136A.08, is amended to read:

136A.08 [RECIPROCAL AGREEMENTS RELATING TO NONRESIDENT TUITION WITH OTHER STATES OR PROVINCES.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the terms "province" and "provincial" mean the Canadian province of Manitoba.

Subd. 2. [AUTHORIZATION.] The ~~Minnesota~~ higher education ~~coordinating board services office~~, in consultation with the commissioner of finance and each affected public post-secondary board, may enter into agreements, on subjects that include remission of nonresident tuition for designated categories of students at public post-secondary institutions, with appropriate state or provincial agencies and public post-secondary institutions in other states or provinces. The agreements shall be for the purpose of the mutual improvement of educational advantages for residents of this state and other states or provinces with whom agreements are made.

Subd. 3. [WISCONSIN.] A higher education reciprocity agreement with the state of Wisconsin may include provision for the transfer of funds between Minnesota and Wisconsin provided that an income tax reciprocity agreement between Minnesota and Wisconsin is in effect for the period of time included under the higher education reciprocity agreement. If this provision is included, the amount of funds to be transferred shall be determined according to a formula which is mutually acceptable to the ~~board office~~ and a duly designated agency representing Wisconsin. The formula shall recognize differences in tuition rates between the two states and the number of students attending institutions in each state under the agreement. Any payments to Minnesota by Wisconsin shall be deposited by the ~~board office~~ in the general fund of the state treasury. The amount required for the payments shall be certified by the ~~executive~~ director of the ~~higher education coordinating board office~~ to the commissioner of finance annually.

Subd. 4. [NORTH DAKOTA; SOUTH DAKOTA.] A reciprocity agreement with North Dakota may include provision for the transfer of funds between Minnesota and North Dakota. If provision for transfer of funds between the two states is included, the amount of funds to be transferred shall be determined according to a formula which is mutually acceptable to the ~~board office~~ and a duly designated agency representing North Dakota. In adopting a formula, the ~~board office~~ shall consider tuition rates in the two states and the number of students attending institutions in each state under the agreement. Any payment to Minnesota by North Dakota shall be deposited by the ~~board office~~ in the general fund. The amount required for the payments shall be certified by the ~~executive~~ director of the ~~higher education coordinating board office~~ to the commissioner of finance annually. All provisions in this subdivision pertaining to North Dakota shall also be applied to South Dakota, and all authority and conditions granted for higher education reciprocity with North Dakota are also granted for higher education reciprocity with South Dakota.

Subd. 5. [FINANCIAL AID.] The ~~board office~~ may enter into an agreement, with a state or province with which it has negotiated a reciprocity agreement for tuition, to permit students to receive student aid awards from the student's state or province of residence for attending an eligible institution in the other state or province.

Subd. 6. [APPROVAL.] An agreement made by the ~~board office~~ under this section is not valid as to a particular institution without the approval of that institution's state or provincial governing board. A valid agreement under this subdivision that incurs additional financial liability to the state or to any of the Minnesota public post-secondary boards, beyond enrollment funding adjustments, must be submitted to the commissioner of finance and to the chairs of the higher education finance divisions of the senate and house for review. The agreement remains valid unless it is disapproved in law.

Sec. 17. Minnesota Statutes 1994, section 136A.101, subdivision 2, is amended to read:

Subd. 2. "Board" "Office" means the Minnesota higher education ~~coordinating board services office~~.

Sec. 18. Minnesota Statutes 1994, section 136A.101, subdivision 3, is amended to read:

Subd. 3. "Director" means the ~~executive~~ director of the Minnesota higher education ~~coordinating board services office~~.

Sec. 19. Minnesota Statutes 1994, section 136A.101, subdivision 5, is amended to read:

Subd. 5. "Financial need" means the demonstrated need of the applicant for financial assistance

to meet the ~~actual~~ recognized costs of attending the eligible institution of choice as determined from financial information on the applicant and, if required, on the applicant's parents, by a ~~college scholarship service or equivalent service under criteria established by the board~~ the federal need analysis.

Sec. 20. Minnesota Statutes 1994, 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 without being enrolled at a post-secondary educational institution for more than five credits in any term;

(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, if the student 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. 21. Minnesota Statutes 1994, section 136A.101, subdivision 10, is amended to read:

Subd. 10. "Satisfactory academic progress" means that:

(1) ~~at the end of a point between a student's first and second academic year of attendance at an institution;~~

(+) the student has at least a cumulative grade point average of C or its equivalent, or academic standing consistent with ~~its~~ the institution's graduation requirements; ~~or~~ and

(2) ~~The student's failure to have at least a cumulative grade point average of C or its equivalent, or academic standing consistent with its graduation requirements, was caused by (a) the death of a relative of the student; (b) an injury or illness of the student; or (c) other special circumstances. by the end of the first term of the third and fourth academic year of attendance, (i) the student has a cumulative grade point average of at least a C or its equivalent, (ii) the student's advisor certifies that the student has reviewed the general education requirements necessary for graduation and is making satisfactory progress toward completing them, and (iii) the student's advisor certifies that the student has chosen a major and reviewed the requirements necessary for completion of the major.~~

Sec. 22. Minnesota Statutes 1994, section 136A.121, subdivision 5, is amended to read:

Subd. 5. [GRANT STIPENDS.] The grant stipend shall be based on a sharing of responsibility for covering the recognized cost of attendance by the applicant, the applicant's family, and the government. The amount of a financial stipend must not exceed a grant applicant's recognized cost of attendance, as defined in subdivision 6, after deducting the following:

(1) ~~a contribution by the grant applicant~~ the assigned student responsibility of at least 50 percent of the cost of attending the institution of the applicant's choosing;

(2) ~~for an applicant who is not an independent student, a contribution by the grant applicant's parents, the assigned family responsibility, as determined by a standardized~~ the federal need analysis, which for (i) dependent students, is the parental contribution as calculated by the federal need analysis, and for (ii) independent students, is the student contribution as determined by the federal need analysis; and

(3) the amount of a federal Pell grant award for which the grant applicant is eligible.

The minimum financial stipend is ~~\$100~~ \$300 per academic year.

Sec. 23. Minnesota Statutes 1994, section 136A.121, subdivision 6, is amended to read:

Subd. 6. [COST OF ATTENDANCE.] (a) The recognized cost of attendance consists of allowances specified by the board in law 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 private institution tuition maximums established in law.

(b) For the purpose of paragraph (a), clause (2), "comparable public institutions" to both the private institution tuition maximum for two- and four-year, private, residential, liberal arts, degree-granting colleges and universities must be the same.

(c) For a student attending less than full time, the ~~board~~ office shall prorate the recognized cost of attendance to the actual number of credits for which the student is enrolled.

The recognized cost of attendance for a student who is confined to a Minnesota correctional institution shall consist of the tuition and fee component in clause (1) or (2), with no allowance for living expenses.

Sec. 24. Minnesota Statutes 1994, section 136A.121, subdivision 9, is amended to read:

Subd. 9. [AWARDS.] An undergraduate student who meets the ~~board's office's~~ requirements is eligible to apply for and receive a grant in any year of undergraduate study unless the student has obtained a baccalaureate degree or previously has been enrolled full time or the equivalent for eight semesters or 12 quarters, excluding courses taken from a Minnesota school or post-secondary institution which is not participating in the state grant program and from which a student transferred no credit.

Sec. 25. Minnesota Statutes 1994, section 136A.121, is amended by adding a subdivision to read:

Subd. 9a. [FULL-YEAR GRANTS.] Students may receive state grants for four consecutive quarters or three consecutive semesters during the course of a single fiscal year. In calculating a state grant for the fourth quarter or third semester, the office must use the same calculation as it would for any other term, except that the calculation must subtract any Pell grant for which a student would be eligible even if the student has exhausted the Pell grant for that fiscal year.

Sec. 26. Minnesota Statutes 1994, section 136A.121, subdivision 16, is amended to read:

Subd. 16. [HOW APPLIED; ORDER.] Grants awarded under this section ~~and sections 136A.132 to 136A.1354~~ must be applied to educational costs in the following order: tuition, fees, books, supplies, and other expenses. Unpaid portions of the awards revert to the grant account.

Sec. 27. Minnesota Statutes 1994, section 136A.125, subdivision 4, is amended to read:

Subd. 4. [AMOUNT AND LENGTH OF GRANTS.] The amount of a child care grant must be based on:

- (1) the income of the applicant and the applicant's spouse, if any;
- (2) the number in the applicant's family, as defined by the board; and
- (3) the number of eligible children in the applicant's family.

The maximum award to the applicant shall be ~~\$1,500~~ \$1,700 for each eligible child per academic year. The ~~board~~ office shall prepare a chart to show the amount of a grant that will be awarded per child based on the factors in this subdivision. The chart shall include a range of income and family size.

Sec. 28. Minnesota Statutes 1994, section 136A.125, subdivision 6, is amended to read:

Subd. 6. [YEARLY ALLOCATIONS TO INSTITUTIONS.] The ~~board~~ office shall base yearly allocations on the need for funds using relevant factors as determined by the ~~board~~ office in

consultation with the institutions. Up to five percent of the allocation money spent on students' child care awards, as determined by the board office, may be used for an institution's administrative expenses related to the child care grant program. Any money designated, but not used, for this purpose must be reallocated to child care grants. An institution may carry forward or backward ten percent of its annual allocation to be used for awards in the previous or subsequent academic year.

Sec. 29. Minnesota Statutes 1994, section 136A.1359, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] A nursing grant program is established under the authority of the higher education ~~coordinating board services office~~ to provide grants to students who are persons of color who are entering or enrolled in an educational program that leads to licensure as a registered nurse, or advanced nursing education.

Sec. 30. Minnesota Statutes 1994, section 136A.1359, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] To be eligible to receive a grant, a student shall be:

- (1) a citizen of the United States or permanent resident of the United States;
- (2) a resident of the state of Minnesota;
- (3) an Asian Pacific-American, African-American, American Indian, or Hispanic-American (Latino, Chicano, or Puerto Rican);
- (4) entering or enrolled in a nursing program in Minnesota that leads to licensure as a registered nurse, a baccalaureate degree in nursing, a master's degree in nursing, or program of advanced nursing education; and

(5) eligible under any additional criteria established by the school, college, or program of nursing in which the student is enrolled. ~~Students applying for a grant must be willing to practice in Minnesota for at least three years following licensure.~~

The grant must be awarded for one academic year but is renewable for a maximum of six semesters or nine quarters of full-time study, or their equivalent.

Sec. 31. Minnesota Statutes 1994, section 136A.1359, subdivision 3, is amended to read:

Subd. 3. [RESPONSIBILITY OF NURSING PROGRAMS.] Each school, college, or program of nursing that wishes to participate in the student nursing grant program shall apply to the higher education ~~coordinating board services office~~ for grant money, according to policies established by the ~~board office~~. A school, college, or program of nursing shall establish criteria to use in awarding the grants. The criteria must include consideration of the likelihood of a student's success in completing the nursing educational program and must give priority to students with the greatest financial need. Grants must be \$2,500 per year. Each grant must be for a minimum of \$2,000 but not exceed \$4,000. Each school, college, or program of nursing shall agree that the money awarded through this grant program must not be used to replace any other grant or scholarship money for which the student would be otherwise eligible.

Sec. 32. Minnesota Statutes 1994, section 136A.15, subdivision 3, is amended to read:

Subd. 3. "~~Board~~" "Office" means the Minnesota higher education ~~coordinating board services office~~ office.

Sec. 33. Minnesota Statutes 1994, section 136A.15, subdivision 4, is amended to read:

Subd. 4. "Director" means the ~~executive~~ director of the Minnesota higher education ~~coordinating board services office~~.

Sec. 34. Minnesota Statutes 1994, section 136A.16, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding chapter 16B, the Minnesota higher education ~~coordinating board services office~~ is designated as the administrative agency for carrying out the purposes and terms of sections 136A.15 to 136A.1702. The ~~board office~~ may establish one or more loan programs.

Sec. 35. Minnesota Statutes 1994, section 136A.233, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For purposes of sections 136A.231 to 136A.233, the words defined in this subdivision have the meanings ascribed to them.

(a) "Eligible student" means a Minnesota resident enrolled or intending to enroll at least half time in a degree, diploma, or certificate program in a Minnesota post-secondary institution.

(b) "Minnesota resident" means a student who meets the conditions in section 136A.101, subdivision 8.

(c) "Financial need" means the need for financial assistance in order to attend a post-secondary institution as determined by a post-secondary institution according to guidelines established by the higher education ~~coordinating board~~ services office.

(d) "Eligible employer" means any eligible post-secondary institution and any nonprofit, nonsectarian agency or state institution located in the state of Minnesota, including state hospitals, and also includes a handicapped person or a person over 65 who employs a student to provide personal services in or about the residence of the handicapped person or the person over 65.

(e) "Eligible post-secondary institution" means any post-secondary institution eligible for participation in the Minnesota state grant program as specified in section 136A.101, subdivision 4.

(f) "Independent student" has the meaning given it in the Higher Education Act of 1965, United States Code, title 20, section 1070a-6, and applicable regulations.

(g) "Half-time" for undergraduates has the meaning given in section 136A.101, subdivision 7b, and for graduate students is defined by the institution.

Sec. 36. Minnesota Statutes 1994, section 136A.26, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] The Minnesota higher education facilities authority shall consist of eight members appointed by the governor with the advice and consent of the senate, and ~~the executive director of the Minnesota higher education coordinating board. The executive director of the coordinating board may designate a member of the director's staff to sit in the director's place as a member of the authority~~ a representative of the higher education services office.

All members to be appointed by the governor shall be residents of the state. At least two members must reside outside the metropolitan area as defined in section 473.121, subdivision 2. At least one of the members shall be a person having a favorable reputation for skill, knowledge, and experience in the field of state and municipal finance; and at least one shall be a person having a favorable reputation for skill, knowledge, and experience in the building construction field; and at least one of the members shall be a trustee, director, officer, or employee of an institution of higher education.

Sec. 37. Minnesota Statutes 1994, section 136A.26, subdivision 2, is amended to read:

Subd. 2. [TERM; COMPENSATION; REMOVAL.] The membership terms, compensation, removal of members, and filling of vacancies for authority members other than the ~~executive director of the higher education coordinating board or the director's designee~~ representative of the higher education services office, and the ~~chief executive officer~~ president of the private college council, shall be as provided in section 15.0575.

Sec. 38. Minnesota Statutes 1994, section 136A.42, is amended to read:

136A.42 [ANNUAL REPORT.]

The authority shall keep an accurate account of all of its activities and all of its receipts and expenditures and shall annually ~~make a report thereof to the higher education coordinating board services office. The higher education coordinating board shall review and comment upon the report and make such recommendations as it deems necessary to the governor and the legislature.~~

Sec. 39. Minnesota Statutes 1994, section 136A.62, subdivision 2, is amended to read:

Subd. 2. ~~[BOARD OFFICE.]~~ "Board" "Office" means the Minnesota higher education ~~coordinating board services office.~~

Sec. 40. [136A.685] [PRIVATE INSTITUTIONS; ADJUDICATION OF FRAUD OR MISREPRESENTATION.]

The office shall not provide registration or degree or name approval to a school if there has been a criminal or civil adjudication of fraud or misrepresentation in Minnesota or in another state or jurisdiction against the school or its owner, officers, agents, or sponsoring organization. Such an adjudication of fraud or misrepresentation shall be sufficient cause for the office to determine that a school:

- (1) does not qualify for exemption under section 136A.657; or
- (2) is not approved to grant degrees or to use the term "academy," "institute," or "university" in its name.

Sec. 41. Minnesota Statutes 1994, section 136A.69, is amended to read:

136A.69 [FEES.]

The board may office shall collect reasonable registration fees not to exceed \$450 for an initial registration of each school and \$350 for each annual renewal of an existing registration that are sufficient to recover, but do not exceed, its costs of administering the registration program.

Sec. 42. Minnesota Statutes 1994, section 136A.81, subdivision 1, is amended to read:

Subdivision 1. [FEES AND TUITION.] Except for an administration fee of \$6 a credit hour established by the governing board at a level to recover costs, to be collected only when a course is taken for credit, a senior citizen who is a legal resident of Minnesota is entitled without payment of tuition or activity fees to attend courses offered for credit, audit any courses offered for credit, or enroll in any noncredit adult vocational education courses in any state supported institution of higher education in Minnesota when space is available after all tuition-paying students have been accommodated. For the purposes of this section and section 136A.80, the term "noncredit adult vocational education courses" shall not include those adult vocational education courses designed and offered specifically and exclusively for senior citizens.

The provisions of this section and section 136A.80 do not apply to noncredit courses designed and offered by the University of Minnesota, and the Minnesota state university system, the community college system, and the technical colleges and universities specifically and exclusively for senior citizens. Senior citizens enrolled under the provisions of this section and section 136A.80 shall not be included by such institutions in their computation of full-time equivalent students when requesting staff or appropriations. The enrollee shall pay laboratory or material fees.

Sec. 43. Minnesota Statutes 1994, section 141.25, subdivision 8, is amended to read:

Subd. 8. [FEES AND TERMS OF LICENSE.] (a) Applications for initial license under sections 141.21 to 141.36 shall be accompanied by \$650 as a nonrefundable application fee established by the office that is sufficient to recover, but not exceed, its administrative costs.

(b) All licenses shall expire one year from the date issued by the board office. Each renewal application shall be accompanied by a nonrefundable renewal fee of \$650 established by the office that is sufficient to recover, but does not exceed, its administrative costs.

(c) Application for renewal of license shall be made at least 30 days before the expiration of the school's current license. Each renewal form shall be supplied by the board office. It shall not be necessary for an applicant to supply all information required in the initial application at the time of renewal unless requested by the board office.

Sec. 44. Minnesota Statutes 1994, section 144.1487, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) For purposes of sections 144.1487 to 144.1492, the following definitions apply definition applies.

(b) ~~"Board" means the higher education coordinating board.~~

(e) "Health professional shortage area" means an area designated as such by the federal Secretary of Health and Human Services, as provided under Code of Federal Regulations, title 42, part 5, and United States Code, title 42, section 254E.

Sec. 45. Minnesota Statutes 1994, section 144.1488, subdivision 1, is amended to read:

Subdivision 1. [DUTIES OF THE COMMISSIONER OF HEALTH.] The commissioner shall administer the state loan repayment program. The commissioner shall:

(1) ensure that federal funds are used in accordance with program requirements established by the federal National Health Services Corps;

(2) notify potentially eligible loan repayment sites about the program;

(3) develop and disseminate application materials to sites;

(4) review and rank applications using the scoring criteria approved by the federal Department of Health and Human Services as part of the Minnesota department of health's National Health Services Corps state loan repayment program application;

(5) select sites that qualify for loan repayment based upon the availability of federal and state funding;

~~(6) provide the higher education coordinating board with a list of qualifying sites; and~~

~~(7) carry out other activities necessary to implement and administer sections 144.1487 to 144.1492.~~

~~The commissioner shall enter into an interagency agreement with the higher education coordinating board to carry out the duties assigned to the board under sections 144.1487 to 144.1492.~~

(7) verify the eligibility of program participants;

(8) sign a contract with each participant that specifies the obligations of the participant and the state;

(9) arrange for the payment of qualifying educational loans for program participants;

(10) monitor the obligated service of program participants;

(11) waive or suspend service or payment obligations of participants in appropriate situations;

(12) place participants who fail to meet their obligations in default; and

(13) enforce penalties for default.

Sec. 46. Minnesota Statutes 1994, section 144.1488, subdivision 4, is amended to read:

Subd. 4. [ELIGIBLE HEALTH PROFESSIONALS.] (a) To be eligible to apply to the ~~higher education coordinating board~~ commissioner for the loan repayment program, health professionals must be citizens or nationals of the United States, must not have any unserved obligations for service to a federal, state, or local government, or other entity, and must be ready to begin full-time clinical practice upon signing a contract for obligated service.

(b) In selecting physicians for participation, the ~~board~~ commissioner shall give priority to physicians who are board certified or have completed a residency in family practice, osteopathic general practice, obstetrics and gynecology, internal medicine, or pediatrics. A physician selected for participation is not eligible for loan repayment until the physician has an employment agreement or contract with an eligible loan repayment site and has signed a contract for obligated service with the ~~higher education coordinating board~~ commissioner.

Sec. 47. Minnesota Statutes 1994, section 144.1489, subdivision 1, is amended to read:

Subdivision 1. [CONTRACT REQUIRED.] Before starting the period of obligated service, a participant must sign a contract with the ~~higher education coordinating board~~ commissioner that specifies the obligations of the participant and the board commissioner.

Sec. 48. Minnesota Statutes 1994, section 144.1489, subdivision 3, is amended to read:

Subd. 3. [LENGTH OF SERVICE.] Participants must agree to provide obligated service for a minimum of two years. A participant may extend a contract to provide obligated service for a third year, subject to board approval by the commissioner and the availability of federal and state funding.

Sec. 49. Minnesota Statutes 1994, section 144.1489, subdivision 4, is amended to read:

Subd. 4. [AFFIDAVIT OF SERVICE REQUIRED.] Within 30 days of the start of obligated service, and by February 1 of each succeeding calendar year, a participant shall submit an affidavit to the board commissioner stating that the participant is providing the obligated service and which is signed by a representative of the organizational entity in which the service is provided. Participants must provide written notice to the board commissioner within 30 days of: a change in name or address, a decision not to fulfill a service obligation, or cessation of clinical practice.

Sec. 50. Minnesota Statutes 1994, section 144.1490, is amended to read:

144.1490 [RESPONSIBILITIES OF THE LOAN REPAYMENT PROGRAM.]

Subdivision 1. [LOAN REPAYMENT.] Subject to the availability of federal and state funds for the loan repayment program, the ~~higher education coordinating board~~ commissioner shall pay all or part of the qualifying education loans up to \$20,000 annually for each primary care physician participant that fulfills the required service obligation. For purposes of this provision, "qualifying educational loans" are government and commercial loans for actual costs paid for tuition, reasonable education expenses, and reasonable living expenses related to the graduate or undergraduate education of a health care professional.

Subd. 2. [PROCEDURE FOR LOAN REPAYMENT.] Program participants, at the time of signing a contract, shall designate the qualifying loan or loans for which the ~~higher education coordinating board~~ commissioner is to make payments. The participant shall submit to the board commissioner all payment books for the designated loan or loans or all monthly billings for the designated loan or loans within five days of receipt. The board commissioner shall make payments in accordance with the terms and conditions of the designated loans, in an amount not to exceed \$20,000 when annualized. If the amount paid by the board commissioner is less than \$20,000 during a 12-month period, the board commissioner shall pay during the 12th month an additional amount towards a loan or loans designated by the participant, to bring the total paid to \$20,000. The total amount paid by the board commissioner must not exceed the amount of principal and accrued interest of the designated loans.

Sec. 51. Minnesota Statutes 1994, section 144.1491, subdivision 2, is amended to read:

Subd. 2. [SUSPENSION OR WAIVER OF OBLIGATION.] Payment or service obligations cancel in the event of a participant's death. The board commissioner may waive or suspend payment or service obligations in case of total and permanent disability or long-term temporary disability lasting for more than two years. The board commissioner shall evaluate all other requests for suspension or waivers on a case-by-case basis.

Sec. 52. Minnesota Statutes 1994, section 298.2214, subdivision 5, is amended to read:

Subd. 5. [~~HECB AND SYSTEM APPROVAL.~~] A program may not be offered under a contract executed according to this section unless it is approved by ~~the higher education coordinating board and~~ the board of the system offering the program.

Sec. 53. Laws 1993, chapter 326, article 12, section 15, subdivision 4, is amended to read:

Subd. 4. [PROFESSIONAL EDUCATION AND LICENSURE.] ~~By March 15, 1994,~~ The center shall convene task forces for professions that work with victims and perpetrators of violence. Task forces must be formed for the following professions: teachers, school

administrators, guidance counselors, law enforcement officers, lawyers, physicians, nurses, psychologists, and social workers. Each task force must include representatives of the licensing agency, higher education systems offering programs in the profession, appropriate professional associations, students or recent graduates, representatives of communities served by the profession, and employers or experienced professionals. The center must establish guidelines for the work of the task forces. Each task force must review current programs, licensing regulations and examinations, and accreditation standards to identify specific needs and plans for ensuring that professionals are adequately prepared and updated on violence and abuse issues.

Sec. 54. Laws 1993, chapter 326, article 12, section 15, subdivision 5, is amended to read:

Subd. 5. [PROGRESS REPORT.] The center shall provide a progress report to the legislature by March 15, ~~1994~~ 1996.

Sec. 55. Laws 1993, First Special Session chapter 2, article 1, section 2, subdivision 3, is amended to read:

Subd. 3. State Grants

101,950,000	97,950,000
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If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.

The legislature intends that the higher education coordinating board make full grant awards in each year of the biennium.

This appropriation contains money for increasing living allowances for state grants to \$4,115 each year.

~~Beginning in the 1994-1995 academic year, the legislature intends to adopt the private college cap of \$6,814 recommended by the higher education coordinating board and the department of finance, pending alternative recommendations of the financial aid task force.~~

The higher education coordinating board shall meet with the nursing community in order to evaluate consolidating all nursing grant programs administered by the state, and report its findings to the legislature by February 1, 1994.

This appropriation includes \$250,000 each year for grants to nursing programs to recruit persons of color and to provide grants to nursing students who are persons of color. Of this amount, \$100,000 each year is for recruitment and retention of students of color in nursing programs leading to licensure as a registered nurse. Other than the grants to students, all grants shall be matched with at least the same amount from grantee sources for nonstate money.

This appropriation includes money to begin postservice benefit accounts for the youthworks program. By October 1, 1993, the higher education coordinating board, in consultation

with the youthworks task force, shall design a plan to administer the postservice benefit accounts of the youthworks program. The plan shall include strategies to augment the appropriation by maximizing federal and other nonstate money. The board shall report the plan to the education committees of the legislature by October 1, 1993. In the event that federal money becomes available for post-secondary initiatives involving community service, the board may use this money for any state contribution required.

Sec. 56. [INITIAL COUNCIL.]

Notwithstanding section 10, the governor shall appoint the members to the higher education services council by July 1, 1995. One-third of the appointments shall be for two years, one-third for four years, and one-third for six years.

Sec. 57. [TRANSFER OF PROGRAMS.]

The responsibilities of the higher education coordinating board, or its successor, confirmed and specified under Minnesota Statutes, sections 136A.1355 to 136A.1358, are transferred under Minnesota Statutes, section 15.039, to the Minnesota department of health.

Sec. 58. [TRANSFER.]

On July 1, 1995, the higher education coordinating board is abolished and the remaining duties and responsibilities of the board are transferred to the higher education services office as provided in Minnesota Statutes, section 15.039, subdivisions 1 to 6. Positions in the higher education coordinating board are transferred under Minnesota Statutes, section 15.039, subdivision 7, except that the board shall determine the incumbents to be transferred, so long as the number of incumbents transferred is equal to the number of positions sufficient to carry out the duties being transferred.

All obligations related to bond covenants entered into under Minnesota Statutes, sections 136A.15 to 136A.1702 are transferred to the higher education services office under Minnesota Statutes, section 15.039, subdivision 5a.

Sec. 59. [INSTRUCTION TO REVISOR.]

Subdivision 1. [RENUMBERING.] In the next edition of Minnesota Statutes, the revisor of statutes shall renumber each section specified in column A with the number set forth in column B. The revisor shall make necessary cross-reference changes consistent with the renumbering.

<u>Column A</u>	<u>Column B</u>
<u>136A.80</u>	<u>135A.51</u>
<u>136A.81</u>	<u>135A.52</u>

Subd. 2. [NAME CHANGE.] The revisor of statutes is directed to change the term "higher education coordinating board," and similar terms, to "higher education services office," or similar terms. The revisor must work with the house and senate staff in making the changes. The change must be made in the next edition of Minnesota Statutes and Minnesota Rules.

Subd. 3. [TRANSFER OF DUTIES.] In the next and subsequent editions of Minnesota Statutes, the revisor shall change the term "board" to "commissioner" in Minnesota Statutes, sections 136A.1355 to 136A.1358.

Sec. 60. [REPEALER.]

Minnesota Statutes 1994, sections 135A.052, subdivisions 2 and 3; 135A.08, subdivision 3; 135A.09; 135A.11; 135A.12, subdivision 5; 136A.02; 136A.04; 136A.041; 136A.125, subdivision 5; 136A.85; 136A.86; 136A.88; 136D.77; 136D.81, subdivision 2; 144.1488, subdivision 2; and 148.236; and Laws 1993, chapter 326, article 12, section 15, subdivision 2, are repealed.

ARTICLE 4

MERGER

Section 1. Minnesota Statutes 1994, section 3.9741, subdivision 2, is amended to read:

Subd. 2. [POST-SECONDARY EDUCATION BOARD.] The legislative auditor may enter into an interagency agreement with the ~~community college board, state university board, or the state board of technical~~ board of trustees of the Minnesota state colleges and universities to conduct financial audits, in addition to audits conducted under section 3.972, subdivision 2. All payments received for audits requested by the board shall be paid to the legislative auditor's account and need not be deposited in the general fund.

Sec. 2. Minnesota Statutes 1994, section 15.38, subdivision 3, is amended to read:

Subd. 3. [MINNESOTA STATE COLLEGES AND UNIVERSITIES.] The ~~state university board of trustees of the Minnesota state colleges and universities~~ may purchase insurance coverage as it deems necessary and appropriate to protect buildings and contents and for activities ancillary to the programs of the state colleges and universities.

DEFINITIONS

Sec. 3. [136F.01] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purpose of this chapter, the following terms have the meanings given them.

Subd. 2. [BOARD OR BOARD OF TRUSTEES.] "Board" or "board of trustees" means the board of trustees of the Minnesota state colleges and universities.

Subd. 3. [CHANCELLOR.] "Chancellor" means the chancellor of the Minnesota state colleges and universities.

Subd. 4. [STATE COLLEGES AND UNIVERSITIES.] "State colleges and universities" means Minnesota state colleges and universities governed by the board of trustees.

Subd. 5. [STUDENT ACTIVITIES.] "Student activities" means lectures, concerts, and other functions contributing to the mental, moral, and cultural development of the student body and community in which they live, athletic activities, including intercollegiate contests, forensics, dramatics, and such other activities of any nature as in the opinion of the board contribute to the educational, cultural, or physical well being of the student body.

Sec. 4. [PRINCIPLES.]

Subdivision 1. [FINDINGS; INTENT.] In merging the state universities, community colleges, and technical colleges, the legislature intends to seek ways to preserve access to quality post-secondary education in Minnesota, to enhance the choices of students who attend public colleges and universities, to improve accountability, and to provide cost-effective programs.

Subd. 2. [BOARD.] It is the role of the board to govern the institutions for which it is responsible through policy and decision making that are necessary to ensure that needs of the state and the ability of institutions to provide education are met. Further, it is the role of the board to ensure that the institutions are well managed and that the state's investment is enhanced by choosing a chancellor, presidents, and other employees who will provide leadership to the system, college, or university, and by holding them accountable. Finally, it is the role of the board to balance the competing needs of the colleges and universities, determine the priorities among those needs, and coordinate institutional actions to ensure that the state's interests are well served, while preserving and enhancing the local identities and initiatives of the colleges and universities.

Subd. 3. [SYSTEM OFFICE.] It is the role of the chancellor and the system office to provide general management of the colleges and universities necessary to protect the state's investment, particularly in the areas of financial accountability and programmatic offerings. It is the further role of the system office to carry out the policies of the board while providing information and advice on development of those policies. Finally, it is the role of the system office to provide the

leadership and services the campuses need to provide quality education in an efficient manner and to hold the campuses accountable for their actions.

Subd. 4. [COLLEGES AND UNIVERSITIES.] It is the role of the colleges and universities to provide quality education and services to meet the needs of students and of the state. In so doing, it is the role of the colleges and universities to provide the day-to-day management and decision making that affect the education they deliver. It is the role of the college and university presidents to provide leadership on the campuses, while promoting a collegial environment that involves faculty, staff, and students in decision making.

Subd. 5. [BOARD ACTION.] In accordance with the principles in section 136F.011, the board shall review the proposed structure of the system office with the objective of further reducing or eliminating those functions that are unnecessary. Savings that occur shall be redirected to support instruction on the campuses.

BOARD OF TRUSTEES

Sec. 5. Minnesota Statutes 1994, section 136E.01, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] The higher education board, referred to in sections 136E.01 to 136E.05 as "the board," consists of 15 members appointed by the governor with the advice and consent of the senate. At least one member of the board must be a resident of each congressional district. Three members must be students who are enrolled at least half-time in a degree, diploma, or certificate program or have graduated from an institution governed by the board within one year of the date of appointment. The student members shall include: one member from a community college, one member from a state university, and one member from a technical college. The remaining members must be appointed to represent the state at large.

Sec. 6. Minnesota Statutes 1994, section 136E.02, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] A higher education candidate advisory council for the board candidate advisory council of trustees of the Minnesota state colleges and universities shall assist the governor in determining criteria for, and identifying and recruiting qualified candidates for, nonstudent membership on the higher education board.

Sec. 7. Minnesota Statutes 1994, section 136E.02, subdivision 3, is amended to read:

Subd. 3. [DUTIES.] The advisory council shall:

(1) develop a statement of the selection criteria to be applied and a description of the responsibilities and duties of a member of the higher education board and shall distribute this to potential candidates; and

(2) for each position on the board, identify and recruit qualified candidates for the board, based on the background and experience of the candidates, and their potential for discharging the responsibilities of a member of the board.

Sec. 8. Minnesota Statutes 1994, section 136E.02, subdivision 4, is amended to read:

Subd. 4. [RECOMMENDATIONS.] The advisory council shall recommend at least two and not more than four candidates for each seat. By January 2 April 15 of each even-numbered year, the advisory council shall submit its recommendations to the governor. The governor is not bound by these recommendations.

Sec. 9. Minnesota Statutes 1994, section 136E.021, subdivision 2, is amended to read:

Subd. 2. [CRITERIA.] After consulting with the higher education board of trustees candidate advisory council, the student associations shall jointly develop a statement of the selection criteria to be applied to potential candidates.

Sec. 10. Minnesota Statutes 1994, section 136E.04, subdivision 1, is amended to read:

Subdivision 1. [GENERAL AUTHORITY.] The board shall manage, supervise, and control possess all powers necessary to govern the technical state colleges, community colleges, and state

universities and all related property. ~~Those powers shall include, but are not limited to, those enumerated in this section. The board shall prescribe courses of study and conditions of admission, prepare and confer diplomas set tuition and fees, prescribe requirements for completion of programs, approve the awarding of appropriate certificates, diplomas, and degrees, and adopt suitable policies for the institutions it manages governs.~~ Sections 14.01 to 14.47 do not apply to policies and procedures of the board.

Sec. 11. Minnesota Statutes 1994, section 136E.04, is amended by adding a subdivision to read:

Subd. 1b. [GOVERNANCE AUTHORITY.] The board shall have the authority needed to operate and govern the state colleges and universities unless otherwise directed or limited by law.

Sec. 12. Minnesota Statutes 1994, section 136E.04, is amended by adding a subdivision to read:

Subd. 4a. [OFFICE LOCATION.] Notwithstanding chapter 16B, the board may select the location for its central office.

Sec. 13. [136E.041] [CHANCELLOR.]

The board shall appoint a chancellor who shall serve in the unclassified service. The chancellor shall possess powers and perform duties as delegated by the board. The board shall set the salary of the chancellor according to section 15A.081, subdivision 7b.

DESIGNATION

Sec. 14. [136F.10] [DESIGNATION.]

The following are designated as the Minnesota state colleges and universities: the community colleges located at Austin, Bloomington, Brainerd, Brooklyn Park, Cloquet, Coon Rapids, Ely, Fergus Falls, Grand Rapids, Hibbing, International Falls, Inver Grove Heights, Minneapolis, Rochester, Thief River Falls, Virginia, White Bear Lake, Willmar, and Worthington; the community college centers located at Cambridge and Duluth; the state universities located at Bemidji, Mankato, Marshall, Moorhead, St. Cloud, Winona, and the Twin Cities metropolitan area; and the technical colleges located at Alexandria, Albert Lea, Anoka, Austin, Bemidji, Brainerd, Brooklyn Park, Canby, Detroit Lakes, Duluth, East Grand Forks, Eden Prairie, Eveleth, Faribault, Granite Falls, Hibbing, Hutchinson, Jackson, Minneapolis, Mahtomedi, Moorhead, North Mankato, Pine City, Pipestone, Red Wing, Rochester, Rosemount, St. Cloud, St. Paul, Staples, Thief River Falls, Wadena, Willmar, and Winona.

Sec. 15. [136F.12] [FOND DU LAC CAMPUS.]

The Fond du Lac campus has a unique mission among two-year colleges to serve the lower division general education needs in Carlton and south St. Louis counties, and the education needs of American Indians throughout the state and especially in northern Minnesota. Accordingly, while the college is governed by the board of trustees, its governance is accomplished in conjunction with the board of directors of Fond du Lac tribal college. By July 1, 1995, the board of trustees and the board of directors of Fond du Lac tribal college shall implement the mechanisms necessary to accomplish the sharing of authority while ensuring accountability for college actions. The mechanisms shall supersede any previous arrangement, agreement, or memorandum of understanding.

Sec. 16. [136F.14] [CAMPUS MERGER OR REORGANIZATION.]

The board may merge or reorganize campuses or centers for the purpose of increased efficiency, use of personnel, placement of programs, student access, and other needs as determined by the board. The board shall report its action to the legislature.

Sec. 17. [136F.16] [CAMPUS ESTABLISHMENT.]

Subdivision 1. [NEW STATE COLLEGES AND UNIVERSITIES.] A new state college or university shall be established only by specific legislation. For the purposes of this subdivision, campuses or centers that are merged or reorganized under section 136F.14 are not new state colleges or universities.

Subd. 2. [CAMPUS OR CENTER SITE.] The board may determine the exact location and site for each campus or center.

Subd. 3. [OFF-CAMPUS SITES.] The board shall not establish off-campus centers or other permanent sites to provide academic programs, courses, or student services without authorizing legislation. For the purposes of this subdivision, the campus of Metropolitan State University is the seven-county metropolitan area.

Sec. 18. [136F.18] [CAMPUS CLOSING.]

The board may close a campus or center under its jurisdiction. Prior to closing a campus or center, the board shall hold a public hearing on the issue in the area which would be affected by the closing. At the hearing affected persons shall have an opportunity to present testimony. The board shall give notice of this hearing by publishing notice in the State Register and in a newspaper of general circulation in the affected area at least 30 days before the scheduled hearing.

STUDENTS

Sec. 19. [136F.21] [STUDENT HEALTH.]

Subdivision 1. [HEALTH SERVICE.] The board shall offer health services for students at each state university and may offer health services for students at each state college. The health services may be offered either on campus or in the nearby community. The board may charge each student a health service fee set by the board. The fees shall be used to maintain the health service and equip and construct facilities. The fee may be used to contract for health, medical, and hospitalization insurance for students. The fees shall be deposited in an activity fund and are annually appropriated to the board for the purposes of this subdivision. Each state college and university shall provide an annual financial accounting of the health service money to the board.

Subd. 2. [HEALTH BENEFITS.] The board may contract for hospital benefits coverage and medical benefits coverage for students in the state colleges and universities in the same manner as authorized by section 43A.23 for state employees.

Sec. 20. Minnesota Statutes 1994, section 136E.525, subdivision 1, is amended to read:

Subdivision 1. [STATEWIDE.] The board shall recognize one statewide student association for the community colleges, one for the state universities, and one for the technical colleges. Each statewide campus student association shall be affiliated with its ~~campus~~ statewide student associations ~~but~~ association and all students enrolled on those campuses shall be members of their respective statewide association.

Sec. 21. Minnesota Statutes 1994, section 136E.525, subdivision 2, is amended to read:

Subd. 2. [FEES.] Each statewide association shall set its fees to be collected by the board and shall submit any changes in its fees to the board for review. The board may revise or reject the fee change. Fees must be collected by each ~~community state college, state and university, and technical college~~ and shall be credited to each association's account to be spent as determined by that association.

Sec. 22. [136F.22] [STUDENT ASSOCIATIONS; PURCHASING AUTHORITY.]

Notwithstanding chapter 16A or 16B, the student associations recognized by the board of trustees of the Minnesota state colleges and universities may purchase goods or materials through state purchasing authority for the ordinary day-to-day operations of the associations. The student associations must be nonprofit 501(c)(3) organizations in order to qualify for this authority. The department of administration may require that the purchase documents be approved by appropriate officials in the board's central office.

Sec. 23. [136F.24] [LEGAL COUNSELING AND SERVICE PROGRAM; FUNDING.]

Notwithstanding section 8.06, or any other law or rule to the contrary, the official campus student association at each state college or university may fund a program to provide legal counseling and services to students of the state college or university. The money shall be from an

account of the state college and university activity funds allocated to the student associations or other money assigned to them.

Sec. 24. [136F.25] [ABSENCE FOR CHEMICAL ABUSE TREATMENT.]

If a student is absent from a state college or university to participate in a chemical abuse treatment program licensed by the state, the student, upon request, shall remain on the roll in the educational program of the state college or university in which the student is enrolled, according to policies adopted by the board.

Sec. 25. [136F.28] [SOUTHWEST ASIA VETERANS; TECHNICAL COLLEGES.]

Subdivision 1. [GRANTS.] A Southwest Asia veteran who enrolls in a technical college program, and who is a Minnesota resident whose entire education has not included completion of at least one technical college program is eligible for a state grant of \$500 per year if the veteran has GI Montgomery bill benefits, or \$1,000 per year if the veteran does not have GI Montgomery bill benefits, until the veteran has completed the lesser of (1) 115 credits in a technical college program, or (2) one technical college program. The grant is based on full-time attendance and shall be prorated if the student is attending less than full time. To be eligible for the tuition relief, a veteran who is discharged before July 1, 1993, must enroll in a technical college by July 1, 1995, and a veteran who is discharged on or after July 1, 1993, must enroll in a technical college within two years of the date of discharge. All veterans enrolled under this program must maintain a minimum of six credits per quarter. Total grants may not exceed the available appropriation.

Subd. 2. [DEFINITIONS.] For the purpose of this section, "Southwest Asia veteran" means a person who:

(1) served in the active military service in any branch of the armed forces of the United States any time between August 1, 1990 and February 27, 1992;

(2) became eligible for the Southwest Asia Service Medal as a result of the service;

(3) was a Minnesota resident at the time of induction into the armed forces and for the one year immediately preceding induction; and

(4) has been separated or discharged from active military service under conditions other than dishonorable.

CURRICULUM

Sec. 26. [136F.30] [COURSES AND PROGRAMS.]

The board shall prescribe the courses of study, including graduate and undergraduate academic programs, training in professional, semiprofessional, and technical fields, and adult education. The board shall avoid duplicate program offerings. The board shall place a high priority on ensuring the transferability of credit.

Sec. 27. [136F.32] [DEGREES; DIPLOMAS; CERTIFICATES.]

The board may approve awarding of appropriate certificates, diplomas, or degrees to persons who complete a prescribed curriculum.

Sec. 28. [136F.36] [TECHNICAL COLLEGE CARPENTRY PROGRAM CONSTRUCTION AUTHORITY.]

Subdivision 1. [AUTHORITY TO ACQUIRE, DEVELOP, AND SELL REAL PROPERTY FOR INSTRUCTIONAL PURPOSES.] For the purpose of instructional construction by technical colleges, the board may purchase or otherwise acquire real property that it does not intend to use as a permanent educational site. The board may, upon the terms and conditions it sets, develop and sell real property acquired under this section. Sale shall be for fair market value. Where real property acquired under this section cannot be sold for fair market value, the board may lease the real property under the terms and conditions it sets. The board may also contract for the use of real property it does not own. Where the board makes improvements to real property it does not own, the landowner shall compensate the board for the fair market value of the board's contribution to

the improvements. No other authorizing legislation or legislative approval is required for an acquisition, improvement, or sale under this section. Proceeds from the sale, lease, or improvement of real property under this section are appropriated to the board.

Subd. 2. [EXEMPTIONS.] The sale requirements of chapters 92 and 94 do not apply to this section, nor do the leasing provisions of section 16B.24, nor do the construction supervision and control provisions of sections 16B.30 to 16B.335. The board will normally competitively bid contracts related to instructional construction but, notwithstanding the provisions of sections 16B.07 to 16B.09, may negotiate contracts without competitive bidding where it deems appropriate.

Subd. 3. [WARRANTIES.] The board may, in its discretion, offer the warranties contained in chapter 327A.

HUMAN RESOURCES

Sec. 29. [136F.40] [APPOINTMENT OF PERSONNEL.]

The board shall appoint all presidents, teachers, and other necessary employees and shall prescribe their duties consistent with chapter 43A. Salaries and benefits of employees must be determined according to chapters 43A and 179A.

Sec. 30. Minnesota Statutes 1994, section 136E.31, is amended to read:

136E.31 [ASSIGNMENT TO BARGAINING UNITS.]

Actions by the higher education board to merge or redesignate institutions or to promote collaborative efforts between institutions must not unilaterally change faculty assignments to bargaining units provided in section 179A.10, subdivision 2.

Sec. 31. [136F.42] [EXTENDED LEAVES OF ABSENCE.]

Subdivision 1. [DEFINITION.] As used in this section, "teacher" means a person on the instructional or administrative staff of the state colleges and universities who is a member of the teachers retirement association under chapter 354 or who is covered by the unclassified employees plan under chapter 352D or individual retirement account plan under chapter 354B. It shall not include a chancellor, deputy chancellor, or vice-chancellor.

Subd. 2. [GRANTING AUTHORITY.] The board may grant an extended leave of absence without salary to a full-time teacher who has been employed by the board for at least five years and has at least ten years of allowable service as defined in section 354.05, subdivision 13. The maximum duration of an extended leave of absence pursuant to this section shall be determined by mutual agreement of the board and the teacher at the time the leave is granted and shall be at least three but no more than five years. An extended leave of absence under this section shall be taken by mutual consent of the board and the teacher. No teacher may receive more than one leave of absence under this section.

Subd. 3. [REINSTATEMENT.] A teacher on an extended leave of absence under this section shall have the right to be reinstated to the same position or a similar position within the department or program from which the leave was granted at the beginning of the school year which immediately follows a year of extended leave of absence, unless the teacher is discharged or placed on retrenchment or on layoff or the teacher's contract is terminated while the teacher is on the extended leave. The board shall not be obligated to reinstate a teacher who is on an extended leave of absence under this section unless the teacher advises the board of an intention to return before February 1 in the school year preceding the school year in which the teacher wishes to return.

Subd. 4. [SENIORITY RIGHTS.] A teacher who is reinstated to the same or similar position after an extended leave under this section shall not lose tenure or credit for previous seniority in the employing state college or university. A teacher shall not accrue seniority credit during the time of a leave of absence under this section, except that a teacher at a state college or university may accrue seniority credit during the leave, consistent with the conditions of the collective bargaining agreement.

Subd. 5. [SALARY.] The years spent by a teacher on an extended leave of absence under this section shall not be included in the determination of the teacher's salary upon reinstatement to the same or similar position by the board. The credits earned by a teacher on an extended leave of absence under this section shall not be included in the determination of the teacher's salary upon reinstatement to the same or similar position by the board for a period of time equal to the time of the extended leave of absence.

Subd. 6. [ALTERNATE LEAVE.] The board may grant a teacher a leave of absence which is not subject to the provisions of this section and section 354.094.

Sec. 32. [136F.43] [ANNUITIES.]

Subdivision 1. [PURCHASE.] At the request of an employee, the board may negotiate and purchase an individual annuity contract for an employee for retirement or other purposes from a company licensed to do business in Minnesota, and may allocate a portion of the compensation otherwise payable to the employee as salary for the purpose of paying the entire premium due or to become due under the contract. The allocation shall be made in a manner that will qualify the annuity premiums, or a portion thereof, for the benefit afforded under section 403(b) of the current federal Internal Revenue Code or any equivalent provision of subsequent federal income tax law. The employee shall own the contract and the employee's rights thereunder shall be nonforfeitable except for failure to pay premiums.

Subd. 2. [DEPOSITS; PAYMENT.] All amounts so allocated shall be deposited in an annuity account established by the board. Payment of annuity premiums shall be made when due or in accordance with the salary agreement entered into between the employee and the board. The money in the annuity account is not subject to the budget, allotment, and incumbrance system provided for in chapter 16A.

Sec. 33. [136F.44] [NONPROFIT FOUNDATION PAYROLL DEDUCTION.]

Subdivision 1. [REQUEST; WARRANT.] The commissioner of finance, upon the written request of an employee of the board, may deduct from an employee's salary or wages the amount requested for payment to a nonprofit state college or university foundation meeting the requirements in subdivision 2. The commissioner shall issue a warrant for the deducted amount to the nonprofit foundation. The Penny fellowship of the Minnesota state university student association shall be considered a nonprofit state college and university foundation for purposes of this section.

Subd. 2. [FOUNDATION APPLICATION; APPROVAL.] A nonprofit state college or university foundation that desires to receive contributions through payroll deductions shall apply to the board for approval to participate in the payroll deduction plan. The board may approve the application for participation if the foundation:

- (1) is tax exempt under section 501(c)3 of the Internal Revenue Code of 1986, as amended;
- (2) qualifies for tax deductible contributions under section 170 of the Internal Revenue Code of 1986, as amended;
- (3) secures funding solely for distribution to a state college or university or for distribution to students in the form of scholarships; and
- (4) has been incorporated according to chapter 317A for at least one calendar year before the date it applies to the board for approval.

Subd. 3. [SOLICITATION.] Efforts to secure payroll deductions authorized in subdivision 1 may not interfere with, require a modification of, nor be conducted during the period of a payroll deduction fund drive for employees authorized by section 309.501.

Sec. 34. [136F.45] [EMPLOYER-PAID HEALTH INSURANCE.]

(a) This section applies to a person who:

- (1) retires from the state university system, the technical college system, or the community

college system, or from a successor system employing state university, technical college, or community college faculty, with at least ten years of service credit in the system from which the person retires;

(2) was employed on a full-time basis immediately preceding retirement as a state university, technical college, or community college faculty member;

(3) begins drawing an annuity from the teachers retirement association or from the first class cities teachers retirement funds; and

(4) returns to work on not less than a one-third time basis and not more than a two-thirds time basis in the system from which the person retired under an agreement in which the person may not earn a salary of more than \$35,000 in a calendar year from employment in the system from which the person retired.

(b) Initial participation, the amount of time worked, and the duration of participation under this section must be mutually agreed upon by the employer and the employee. The employer may require up to one-year notice of intent to participate in the program as a condition of participation under this section. The employer shall determine the time of year the employee shall work.

(c) For a person eligible under paragraphs (a) and (b), the employing board shall make the same employer contribution for hospital, medical, and dental benefits as would be made if the person were employed full time.

(d) For work under paragraph (a), a person must receive a percentage of the person's salary at the time of retirement that is equal to the percentage of time the person works compared to full-time work.

(e) If a collective bargaining agreement covering a person provides for an early retirement incentive that is based on age, the incentive provided to the person must be based on the person's age at the time employment under this section ends. However, the salary used to determine the amount of the incentive must be the salary that would have been paid if the person had been employed full time for the year immediately preceding the time employment under this section ends.

Sec. 35. [136F.495] [LICENSURE.]

The board may adopt policies for licensure of teaching personnel in technical colleges and may establish a processing fee for the issuance, renewal, or extension of a license.

ADMINISTRATION

Sec. 36. [136F.50] [COOPERATION OR PROMOTION OF A STATE COLLEGE OR UNIVERSITY.]

The board may cooperate by contractual arrangement or otherwise with responsible persons, firms, corporations, associations, or governmental agencies to promote short courses, research, and other programs and activities in the state colleges and universities as in the judgment of the board contribute to the development of the state colleges and universities and the welfare of their students.

Sec. 37. Minnesota Statutes 1994, section 136E.05, is amended to read:

136E.05 [LOCAL ADVISORY COMMITTEES.]

Subdivision 1. [APPOINTMENT.] The president, with the approval of the chancellor and the board, may appoint a local advisory committee for each campus. Committee members must be qualified people who have knowledge of and interest in the campus. The board shall define the role and authority of the advisory committees and establish procedures for the appointment, terms, and termination of members. The president or an appointee of the president shall regularly meet and consult with the local advisory committee.

Subd. 2. [COMPENSATION.] Advisory committee members shall serve without compensation and without reimbursement for expenses.

Sec. 38. [136F.54] [PARKING AND TRAFFIC REGULATION.]

Subdivision 1. [BOARD POWER.] Notwithstanding section 169.966, the board may authorize a state college or university to adopt and enforce policies, regulations, or ordinances for the regulation of traffic and parking in parking facilities and on private roads and roadways situated on property owned, leased, occupied, or operated by the state college or university.

Subd. 2. [FINES; FEES.] A state college or university may collect a fine and a towing fee for a violation. Money collected under this section by a state college or university is annually appropriated to the state college or university for parking lot maintenance, improvement, and policy enforcement.

Subd. 3. [DISPUTES.] A state college or university, with the approval of the board, shall establish procedures to resolve a dispute arising from enforcement of a policy.

Subd. 4. [PROCEDURE.] Chapter 14 does not apply to this section.

Subd. 5. [ENFORCEMENT.] Every sheriff, constable, police officer, or other peace officer shall have authority to enforce all policies and ordinances adopted pursuant to this section and shall have authority to arrest and prosecute offenders for violations of law.

Sec. 39. [136F.56] [STUDENT HOUSING MANAGEMENT.]

The board may contract with student housing facility owners or on-site management firms to assist in the operation, control, and management of the facility.

Sec. 40. [136F.58] [STATE COUNCIL ON VOCATIONAL TECHNICAL EDUCATION.]

Subdivision 1. [STATE AGENCY PURPOSE.] The state council on vocational technical education, formerly known as the Minnesota state advisory council for vocational education, is a state agency in the executive branch. Its purpose is to implement section 112 of the Carl D. Perkins Vocational Education Act of 1984, United States Code, title 20, section 2322, and other purposes necessary to improve vocational technical education.

Subd. 2. [MEMBERS; TERMS.] The governor shall appoint the members of the council according to United States Code, title 20, section 2322. Except as otherwise provided by that act, members are governed by section 15.0575.

Subd. 3. [OFFICES.] The commissioner of administration shall provide the council with suitable office space, furnishings, and equipment.

Subd. 4. [FUNDING.] Federal, state, or private money received by the council must be deposited in the state treasury and credited to a special account for the council. The council has sole authority to spend its money. The money may not be diverted or reprogrammed by any agency or person to any other purpose. Unless restricted by federal or other state law, the council may carry forward any unexpended balance from one fiscal year to the next and from one fiscal biennium to the next.

Subd. 5. [SERVICE CONTRACTS.] The council may contract for the services it needs to carry out its function. The council may also contract to provide services to other organizations. The contracts are not subject to the contract approval procedures of the commissioner of administration or of chapter 16B.

Subd. 6. [FISCAL AGENT.] The board shall act as fiscal agent for the council and provide other support services necessary for disbursements, accounting, auditing, and reporting.

Subd. 7. [STAFF.] The council may employ an executive director and other staff needed to carry out its duties. The executive director shall serve in the unclassified service and may be paid an allowance not to exceed \$2,000 annually for miscellaneous expenses in connection with duties of the office. The council may contract with professional, technical, and clerical consultants and interns needed to carry out its functions.

Sec. 41. [136F.591] [BOOKSTORES.]

The board may permit a state college or university to conduct a bookstore in a state college or university building, or may allocate space in a state college or university building and permit a person or corporation to conduct a bookstore therein without rent at the board's pleasure and on such conditions as the board may impose. The board may provide insurance, at no cost to the state, for the inventory of a bookstore a state college or university conducts in its building.

FACILITIES

Sec. 42. [136F.60] [COLLEGE AND UNIVERSITY SITES; ACQUISITION.]

Subdivision 1. [PURCHASE OF NEIGHBORING PROPERTY; STATE UNIVERSITIES.] The board may purchase property adjacent to or in the vicinity of the campuses as necessary for the development of a state university. Before taking action, the board shall consult with the chairs of the senate finance committee and the house ways and means 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. The amount needed may be spent from sums previously appropriated for purposes of the state colleges and universities, including, but not limited to, general fund appropriations for instructional or noninstructional expenditures, general fund appropriations carried forward, or state college and university activity fund appropriations. The board may pay relocation costs, at its discretion, when acquiring property.

Subd. 2. [METHODS OF ACQUISITION.] If money has been appropriated to the board to acquire lands or sites for public buildings or real estate, the acquisition may be by gift, purchase, or condemnation proceedings. Condemnation proceedings must be under chapter 117.

Sec. 43. Minnesota Statutes 1994, section 136E.692, subdivision 1, is amended to read:

Subdivision 1. [CONSTRUCTION; IMPROVEMENTS.] The ~~higher education~~ board shall supervise and control the preparation of plans and specifications for the construction, alteration, repair, or enlargement of ~~community college, state university, and technical state college and 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.

Sec. 44. Minnesota Statutes 1994, section 136E.692, subdivision 3, is amended to read:

Subd. 3. [DISPUTE RESOLUTION.] In contracting for projects, the ~~higher education~~ board must not restrict its access to litigation or limit its methods of redress to arbitration or other nonjudicial procedures.

Sec. 45. [136F.68] [CAPITAL PROJECTS BIDDING PROCEDURES.]

In awarding contracts for capital projects under section 136E.692, the board shall consider the documentation provided by the bidders regarding their qualifications, including evidence of having successfully completed similar work, or delivering services or products comparable to that being requested. The board shall set procedures to administer this section, which must include practices that will assist in the economic development of small businesses, small targeted group businesses, and businesses in economically disadvantaged areas designated under section 16B.19.

Sec. 46. [136F.19] [STATE PROPERTY AGREEMENTS.]

Notwithstanding section 16B.24, the board may enter into an agreement with an intermediate school district for the cooperative use of state property for an initial period of ten years, which may be renewed or extended for additional periods of up to ten years each.

FINANCE

Sec. 47. [136F.70] [TUITION; FEES; ACTIVITIES FUNDS.]

Subdivision 1. [TUITION.] The board shall set rates of tuition for the various instructional programs. The board may waive tuition for certain persons, courses, and programs.

Subd. 2. [FEES.] The board may prescribe fees to be charged students for student unions, state college and university activities, functions, and purposes.

Subd. 3. [REFUNDS.] The board may make refunds to students for tuition, activity fees, union fees, and any other fees from imprest cash funds. The imprest cash fund shall be reimbursed periodically by checks or warrants drawn on the funds and accounts to which the refund should ultimately be charged. The amounts necessary to pay the refunds are appropriated from the funds and accounts to which they are charged.

Sec. 48. [136F.71] [RECEIPTS.]

Subdivision 1. [APPROPRIATION OF RECEIPTS.] All receipts of every kind, nature, and description, including student tuition and fees, all federal receipts, aids, contributions, and reimbursements, but not including receipts attributable to state colleges and universities activity funds, in all the state colleges and universities are appropriated to the board, but are subject to budgetary control to be exercised by the commissioner of finance. The balance in these funds shall not cancel on June 30, but shall be available in the next fiscal year.

Subd. 2. [ACTIVITY FUNDS.] All receipts attributable to the state colleges and universities activity funds and deposited in the state treasury are appropriated to the board and are not subject to budgetary control as exercised by the commissioner of finance.

Sec. 49. [136F.72] [FUNDS.]

Subdivision 1. [ACTIVITY FUNDS.] The board may establish in each state college and university a fund to be known as the activity fund. The purpose of these funds shall be to provide for the administration of state college and university activities designed for student recreational, social, welfare, and educational pursuits supplemental to the regular curricular offerings. The activity funds shall encompass accounts for student activities, student health services authorized college and university agencies, authorized auxiliary enterprises, student loans, gifts and endowments, and other accounts as the board may prescribe.

Subd. 2. [ADMINISTRATIVE FUND AND ACCOUNTS.] The board may establish a fund within the board office for management of employee retirement funds. The board may establish an administrative fund at each state college and university or within the board office for the administration of contracts, student equipment purchases, and receipt and transfer of foreign program money.

Subd. 3. [ADMINISTRATION.] The board, independent of other authority and notwithstanding chapters 16A and 16B, shall administer the money collected for the state colleges and universities activity funds and the administrative fund. All activity fund money collected shall be administered under the policies of the board subject to audit of the legislative auditor.

Subd. 4. [IMPREST CASH FUNDS.] The board may establish an imprest cash fund in each of its state colleges and universities.

Sec. 50. [136F.73] [CASH OVER AND SHORT ACCOUNT OF IMPREST CASH FUND.]

The board may establish a cash over and short account within the imprest cash fund for each state college and university. This account shall be used to record on a daily basis overages and shortages of cash receipts. At the end of each fiscal year, the board shall credit or debit the overage or shortage from each state college or university to the board maintenance and equipment appropriation account. In the instance of a debit balance remaining in any cash over and short accounts, the board may transfer from the maintenance and equipment appropriation account moneys sufficient to offset such debit balance. The commissioner of finance shall make the appropriate adjustments and entries on the general books of account of the state.

Sec. 51. [136F.74] [CARRY-OVER AUTHORITY.]

The board may carry over any unexpended balance from its appropriation from the first year of a biennium into the second year of the biennium. The board may carry over any unexpended balance into the following biennium. The amounts carried over must not be taken into account in determining state appropriations and must not be deducted from a later appropriation.

Sec. 52. [136F.75] [LITIGATION AWARDS.]

Notwithstanding any law to the contrary, the board may keep money received from successful litigation by or against the board. Awards made to the state or the board resulting from litigation against or by the board must be kept by the board to the credit of the account from which the litigation was originally funded. An award that exceeds the costs incurred in the litigation shall be used by the board for repair or replacement projects.

Sec. 53. [136F.77] [TECHNICAL EQUIPMENT.]

Subdivision 1. [PROPRIETARY PURCHASES.] Notwithstanding the competitive bidding requirements of chapter 16B, technical educational equipment may be purchased for state colleges and universities on request of the board either by brand designation or in accordance with standards and specifications prescribed by the board. The purchase is subject to supervision by the information policy office under section 16B.41.

Subd. 2. [COMPUTER SALES AND SUPPORT.] The board may sell computers and related products to state college and university staff and students to advance their instructional and research abilities. The board shall contract with a private vendor for service, maintenance, and support for computers and related products sold by the board.

Sec. 54. [136F.79] [SOLE STATE AGENCY.]

The board is the sole state agency to receive and disburse federal funds authorized by the Vocational Education Act of 1963, as amended in the education amendments of 1976, Public Law Number 94-482, and Code of Federal Regulations, title 34, part 400. The board shall develop and submit the state plan for vocational technical education. The board shall develop the state plan according to terms of agreement with the state board of education.

GRANTS AND GIFTS

Sec. 55. [136F.80] [GRANTS; GIFTS; BEQUESTS; DEVISES; ENDOWMENTS.]

Subdivision 1. [RECEIPT AND ACCEPTANCE.] The board may apply for, receive, and accept on behalf of the state and for the benefit of any state college or university any grant, gift, bequest, devise, or endowment that any person, firm, corporation, foundation, association, or government agency may make to the board for the purposes of the state colleges and universities. The board may use any money given to it or to any of the state colleges and universities consistent with the terms and conditions under which the money was received and for the purposes stated. All moneys received are appropriated to the board for use in the colleges and universities. These moneys shall not be taken into account in determining appropriations or allocations. All taxes and special assessments constituting a lien on any real property received and accepted by the board under this section shall be paid in full before title is transferred to the state.

Subd. 2. [DEPOSIT OF MONEY.] The board shall provide by policy, in accordance with provisions of chapter 118, for the deposit of all money received or referred to under this section. Whenever the board shall by resolution determine that there are moneys in the state college or university funds not currently needed, the board may by resolution authorize and direct the president of the college or university to invest a specified amount in securities as are duly authorized as legal investments for savings banks and trust companies. Securities so purchased shall be deposited and held for the board by any bank or trust company authorized to do a banking business in this state.

Sec. 56. Laws 1991, chapter 356, article 9, section 9, as amended by Laws 1994, chapter 532, article 5, section 1, subdivision 1, is amended to read:

Subdivision 1. [TRANSFER OF POWERS; GENERALLY.] The state board of technical colleges, the state board for community colleges, and the state university board and their respective chancellors retain responsibility for operating and managing their systems until July 1, 1995. On July 1, 1995, the authority, duties, responsibilities, related property of the state board of technical colleges, school boards, intermediate school boards, and joint vocational technical boards with respect to technical colleges, the state board for community colleges, and the state university board are transferred to the ~~higher education board~~ board of trustees of the Minnesota state colleges and universities under Minnesota Statutes, section 15.039.

Effective July 1, 1995, school boards, intermediate school boards, and joint vocational technical boards shall transfer to the ~~higher education board~~ state all real property, personal property, and improvements and attachments thereto related to technical colleges as ~~determined by the higher education board~~, and shall convey all interests in the property. The school boards, intermediate school boards, and joint vocational technical boards shall not receive compensation for the conveyance of the interests. For a school board or a joint vocational technical board, on July 1, 1995, title and ownership of all personal property, real property, and improvements and attachments thereto related to technical colleges as determined by the board of trustees of the Minnesota state colleges and universities shall vest in the state, under the management, supervision, and control of the board of trustees of the Minnesota state colleges and universities. For an intermediate school board, on July 1, 1995, title and ownership of all personal property, real property, and improvements and attachments thereto related to technical colleges as determined by the board of trustees of the Minnesota state colleges and universities and the intermediate school board shall vest in the state, under the management, supervision, and control of the board of trustees of the Minnesota state colleges and universities. If by June 15, 1995, the higher education board and an intermediate school board cannot agree on ownership of personal property, real property, and improvements and attachments thereto, the commissioner of the bureau of mediation services shall appoint a special mediator under Minnesota Statutes, section 179.02, subdivision 2, to settle the dispute. On or after July 1, 1995, a school board or intermediate school board that has transferred property under this subdivision, if requested by the board of trustees of the Minnesota state colleges and universities, shall issue a deed of conveyance or other document appropriate to transfer title or ownership to the state to serve as evidence of transfer of title or ownership. The board of trustees of the Minnesota state colleges and universities as successor in interest to any joint vocational technical board may execute such a deed of conveyance or other appropriate document to the state for that purpose. All debt service payments on the transferred property that have a due date on or after July 1, 1995, become the responsibility of the ~~higher education board~~ of trustees of the Minnesota state colleges and universities.

On July 1, 1995, all other obligations incurred on behalf of a technical college by a school board, a joint vocational district under Minnesota Statutes, section 136C.60, or an intermediate school district under Minnesota Statutes, chapter 136D, which will not be satisfied on or before June 30, 1995, transfer to the ~~higher education board~~ of trustees of the Minnesota state colleges and universities subject to limits identified in state law or in plans or policies of the ~~higher education board~~ of trustees of the Minnesota state colleges and universities subject to legislative approval.

The state board of technical colleges, state board for community colleges, and state university board are abolished, effective July 1, 1995.

For the purposes of this subdivision "higher education board" is the same entity as "board of trustees of the state colleges and universities."

Sec. 57. Laws 1993, First Special Session chapter 2, article 9, section 1, subdivision 7, is amended to read:

Subd. 7. [EXPIRATION.] This section expires on June 30, 1995 1997.

Sec. 58. Laws 1994, chapter 532, article 6, section 12, is amended to read:

Sec. 12. [REVISOR INSTRUCTION.]

(a) ~~In the 1996 edition of Minnesota Statutes, the revisor shall renumber sections 136.31 as 136E.80; 136.31, subdivision 7, as 136E.80, subdivision 6; 136.32 as 136E.81; 136.33 as 136E.82; 136.34 as 136E.83; 136.35 as 136E.84; 136.36 as 136E.85; 136.37 as 136E.86; 136.38 as 136E.87; 136.41, subdivision 8, as 136E.88, subdivision 1; 136.41, subdivision 9, as 136E.88, subdivision 2; 136.41, subdivision 10, as 136E.88, subdivision 3.~~

(b) The revisor shall add "Federal Tax on Interest" as a headnote to section 136.41, subdivision 9.

Sec. 59. [TRANSFER OF RETIREMENT FUND MEMBERSHIP FOR TECHNICAL COLLEGE EMPLOYEES; ELECTION TO RETAIN RETIREMENT FUND MEMBERSHIP.]

A person who is employed by a technical college or by the technical college system on June 30, 1995, and who is transferred to state employment shall remain a member of the public employees retirement association or the Minneapolis employees retirement fund, whichever applies, unless the person affirmatively elects, in writing, retirement coverage by the general state employees retirement plan of the Minnesota state retirement system. The following provisions govern the election of a transfer or the retention of retirement benefit coverage:

(1) For a person who desires to transfer benefit coverage, the affirmative written election must be made within 120 days of the transfer of the employee to state employment.

(2) On behalf of transferred employees who retain retirement benefit coverage with the pretransfer retirement plan, the board shall make the applicable employer contributions to the public employees retirement association under Minnesota Statutes, section 353.27, subdivisions 3 and 3a, or the same percentage of covered payroll employer contribution to the Minneapolis employees retirement fund that special school district No. 1 is required to make for that school year under Minnesota Statutes, section 422A.101, subdivision 2.

(3) An employee who makes a retirement benefit coverage transfer election under this section may revoke that election at any time within the first six months after the person becomes a state employee. Once an employee revokes the retirement benefit coverage transfer election, the employee may not make another election. If the initial retirement benefit coverage transfer election is revoked, all retirement contributions made by or on behalf of the employee revoking a prior election must be transferred to the applicable retirement plan as though they were erroneous deductions or contributions, plus monthly interest at an annual rate of 8.5 percent, compounded monthly, and the balance remaining between any contribution amount transferred and the amount of contributions that otherwise would have been due are payable in the applicable proportions by the revoking employee and the board, plus monthly interest at an annual rate of 8.5 percent, compounded monthly.

(4) The executive directors of the Minnesota state retirement system, the public employees retirement association, and the Minneapolis employees retirement fund, and the chancellor of the higher education system, shall confer and jointly adopt appropriate procedures for making the retirement benefit coverage transfer elections under this section.

(5) The executive directors of the public employees retirement association, the Minnesota state retirement system, and the Minneapolis employees retirement fund, whichever applies, shall, upon request, provide appropriate benefit counseling to applicable affected employees on the effect of electing retirement benefit coverage by the general state employees retirement plan of the Minnesota state retirement system.

Sec. 60. [INSURANCE TRANSITION.]

This section applies to a technical college employee of a school district, intermediate district, or regional district who becomes a state employee on July 1, 1995. If such an employee had amounts withheld from paychecks issued by the district either before or after June 30, 1995, to cover the costs of insurance benefits for a period after June 30, 1995, the district must refund any such amounts to the employee by September 1, 1995. The district must also transfer any money designated as the employer share of these benefits to the board of trustees of the Minnesota state colleges and universities to be credited toward the employer share of insurance benefits.

Sec. 61. [COLLEGE AND UNIVERSITY ADMINISTRATION.]

By February 15, 1996, the board of trustees shall report to the education committees of the house of representatives and senate on plans to reduce the administrative costs in the state colleges and universities. The plan shall outline the board's goals for administrative cost reductions at both the system office and the colleges and universities, efforts to promote collaboration among institutions, increases in productivity for administrators, faculty, staff, and students, and measures to reduce overlap and duplication in programs.

Sec. 62. [ELIMINATING STATUTES; BOARD RECOMMENDATIONS.]

By January 1, 1996, the board of trustees of the Minnesota state colleges and universities and

the board of regents of the University of Minnesota shall provide the education committees of the legislature with recommendations to reduce the number of statutory sections relating to higher education, including, but not limited to, recommendations regarding statutory sections that could be incorporated in board policies or procedures, and regarding statutory sections that are obsolete.

Sec. 63. [EARLY SEPARATION INCENTIVES.]

Subdivision 1. [EMPLOYER PARTICIPATION; HIGHER EDUCATION AGENCIES.] (a) In order to minimize the disruptive effects of layoffs or reorganization attributable to the merger of the state universities, community colleges, and technical colleges, and the restructuring of the higher education coordinating board, employees of the higher education coordinating board, the state university, community college, and technical college systems, and employees of local school districts, joint technical districts, and intermediate districts assigned to a technical college position, who are employed in positions that are to be eliminated in the merger and restructuring, as certified by the chancellor of the higher education board or the executive director of the higher education coordinating board, are entitled to elect an early separation incentive set forth in subdivision 3.

(b) The higher education board and the higher education coordinating board must determine those specific positions to be permanently eliminated as part of the merger or restructuring and identify the employees who may elect one of the early separation incentives established by this section.

(c) For the purposes of this section "higher education board" is the same entity as "board of trustees of the state colleges and universities" and the higher education coordinating board is the same entity as the "higher education services office."

Subd. 2. [ELIGIBILITY.] A person employed by the employing units identified in subdivision 1 is eligible to elect the incentive if the person:

(1) is an employee of the higher education coordinating board, a state university, community college, or technical college, or an administrative employee of a local school district, joint technical district and intermediate district assigned to a technical college position whose position is to be eliminated;

(2) is at least age 55 but is not yet age 65;

(3) is employed in a permanent position and in active work status at the time the incentive is elected;

(4) upon retirement, termination, or separation is immediately eligible for a retirement annuity from a defined benefit Minnesota public employee pension plan or a distribution from a defined contribution Minnesota public employee pension plan;

(5) retires, separates, or is terminated from an eligible position after June 30, 1994, but before July 1, 1996; and

(6) has been certified by the chancellor of the higher education board or the executive director of the higher education coordinating board as eligible to elect an early separation incentive.

Notwithstanding anything in this subdivision, the executive director of the higher education coordinating board, or the chancellor of the higher education board may certify any employee, regardless of age, as eligible to elect the six-month retraining leave described in subdivision 3, paragraph (d).

Subd. 3. [INCENTIVES.] (a) Eligible employees may elect one of the following incentives but may not elect both.

(b) Retirement under this section means permanent separation or termination from employment with or under the control of the higher education board, the higher education coordinating board, or the higher education systems to be merged.

(c) Employees who separate, terminate, or retire with the early retirement incentive under

paragraph (e) may not be rehired by the state in any employment position under the control of the higher education board or the higher education coordinating board.

(d) An eligible employee who receives a termination notice after July 1, 1994, may elect to take a six-month retraining leave in order to complete a course of study that is approved by the higher education board or the higher education coordinating board and which is designed to prepare the employee to assume a faculty position at a state university, community college, or technical college. The retraining leave must be at the full salary level that the person received immediately before the termination notice, including fringe benefits. The leave must be completed no later than June 30, 1996. Employees who seek to return to teaching must satisfy the qualifications established by applicable collective bargaining agreements. Any subsequent faculty appointments must be in accordance with collective bargaining agreements and policies of the higher education board. The individual's pretermination notice employment ceases at the conclusion of the retraining leave. Individual employee eligibility for severance payments must be made in accordance with the policies of the employing unit in effect at the time the incentive was elected. Notice of election of this incentive must be made before April 1, 1996, on forms prescribed by the higher education board.

(e) An eligible employee may elect the following instead of the incentive in paragraph (d):

(1) state-paid hospital, medical, and dental insurance to age 65. An employee who retires, is terminated, or is separated is eligible for single or dependent insurance coverages, whichever applies, and any employer payments to which the person was entitled immediately before retirement, termination, or separation subject to any changes in coverage and employer and employee payments through collective bargaining or personnel plans in positions equivalent to the position from which the employee retired, terminated, or separated. The employee is not eligible for employer-paid life insurance. If the employee is not yet age 65 at the time of retirement or separation, the employee is eligible for employer-paid insurance under the provisions of a personnel plan and has at least as many months service with the current employer and as the number of months the individual is under age 65 at the time of retirement; and

(2) if the eligible employee has at least 15 years of combined service credit in a Minnesota public pension plan, a one-time opportunity to purchase up to two years of service credit in or to make not more than two years of additional member contributions to the public pension plan that the employee is a member of at the time of retirement or separation as follows:

(i) Eligible employees may have the additional payment made on the basis of the employee's base salary in the year of separation as denoted in the salary schedule in the applicable employer personnel policy and at the rate and in the manner specified in section 352.04, 353.27, 354.42, or 354A.12, whichever applies. The employee payment must include interest at the rate of 8.5 percent. The employer shall make the required employer contribution and employer additional contribution to the retirement fund as specified in section 352.04, 353.27, 354.42, or 354A.12, whichever applies for an employee who elects this option. Both the required employee and employer payments must be made to the fund before the employee's date of retirement or separation, whichever is earlier.

(ii) Defined contribution plan members in plans established by chapter 352D or 354B must have additional employee and employer contributions made on the basis of the employee's base salary in the year of retirement as denoted in the salary schedule in the applicable employer personnel policy and at the rate and in the manner specified in section 352D.04, subdivision 2, or 354B.04, as applicable. The additional contributions must be made before the employee's date of retirement or separation, whichever is earlier.

Subd. 4. [PROFESSIONAL CONTRACTS; SELF LOAN PROGRAM.] Notwithstanding anything in this section, employees eligible for early separation incentives under this section may be employed under a professional, technical contract to provide technical assistance relating to the student educational loan fund (SELF) program, or to the statewide database, not to exceed 1,044 hours in any consecutive 12-month period.

Sec. 64. [REVISOR INSTRUCTION.]

(a) In the next and subsequent editions of Minnesota Statutes, the revisor shall renumber each section in column A with the corresponding number in column B.

<u>COLUMN A</u>	<u>COLUMN B</u>
<u>136.015</u>	<u>136F.015</u>
<u>136.017</u>	<u>136F.017</u>
<u>136.31</u>	<u>136F.90</u>
<u>136.31, subd. 7</u>	<u>136F.90, subd. 6</u>
<u>136.32</u>	<u>136F.91</u>
<u>136.33</u>	<u>136F.92</u>
<u>136.34</u>	<u>136F.93</u>
<u>136.35</u>	<u>136F.94</u>
<u>136.36</u>	<u>136F.95</u>
<u>136.37</u>	<u>136F.96</u>
<u>136.38</u>	<u>136F.97</u>
<u>136.41, subd. 8</u>	<u>136F.98, subd. 1</u>
<u>136.41, subd. 9</u>	<u>136F.98, subd. 2</u>
<u>136.41, subd. 10</u>	<u>136F.98, subd. 3</u>
<u>136E.01</u>	<u>136F.02</u>
<u>136E.02</u>	<u>136F.03</u>
<u>136E.021</u>	<u>136F.04</u>
<u>136E.03</u>	<u>136F.05</u>
<u>136E.04, subd. 1</u>	<u>136F.06</u>
<u>136E.04, subd. 8</u>	<u>136F.47</u>
<u>136E.05</u>	<u>136F.52</u>
<u>136E.31</u>	<u>136F.41</u>
<u>136E.525</u>	<u>136F.22</u>
<u>136E.692</u>	<u>136F.66</u>

(b) In the next and subsequent editions of Minnesota Statutes, the revisor shall correct all cross-references to sections renumbered, recodified, or repealed in sections 1 to 65.

(c) In the next and subsequent editions of Minnesota Statutes, the revisor shall change the term "higher education board," and similar terms to "board of trustees of the Minnesota state colleges and universities," or similar terms.

Sec. 65. [REPEALER.]

Minnesota Statutes 1994, sections 15.38, subdivision 4; 136.01; 136.02; 136.03; 136.031; 136.036; 136.045; 136.065; 136.07; 136.09; 136.10; 136.11; 136.111; 136.12; 136.13; 136.14; 136.141; 136.142; 136.143; 136.144; 136.145; 136.146; 136.147; 136.17; 136.171; 136.172; 136.18; 136.19; 136.20; 136.21; 136.22; 136.232; 136.24; 136.25; 136.261; 136.27; 136.31; 136.311; 136.32; 136.33; 136.34; 136.35; 136.36; 136.37; 136.38; 136.40; 136.41; 136.42; 136.43; 136.44; 136.45; 136.46; 136.47; 136.48; 136.49; 136.50; 136.501; 136.502; 136.503; 136.504; 136.505; 136.506; 136.507; 136.55; 136.56; 136.57; 136.58; 136.60; 136.6011; 136.602; 136.603; 136.61; 136.62; 136.621; 136.622; 136.63; 136.65; 136.651; 136.653; 136.67; 136.70; 136.71; 136.72; 136.88; 136.90; 136C.01; 136C.02; 136C.03; 136C.04; 136C.041; 136C.042; 136C.043; 136C.044; 136C.05; 136C.06; 136C.07; 136C.075; 136C.08; 136C.13; 136C.15; 136C.17; 136C.31; 136C.34; 136C.41; 136C.411; 136C.43; 136C.44; 136C.50; 136C.51; 136C.60; 136C.61; 136C.62; 136C.63; 136C.64; 136C.65; 136C.66; 136C.67; 136C.68; 136C.69; 136C.70; 136C.71; 136C.75; 136E.04, subdivisions 2, 3, 4, 5, 6, and 7; 136E.395; and 136E.692, subdivision 4, are repealed.

Sec. 66. [EFFECTIVE DATE.]

Sections 56 and 63 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to education; appropriating money for education and related purposes to the higher education services office, board of trustees of the Minnesota state colleges and universities, board of regents of the University of Minnesota, and the Mayo medical foundation,

with certain conditions; modifying appropriations for instructional services; permitting an admission fee waiver; modifying participation in post-secondary enrollment options; requiring and requesting a semester system and a common calendar; creating definitions and actions during financial emergencies; establishing a nursing grant program; regulating student association changes; requiring administrative interaction with students; requiring certain communication through an exclusive representative; modifying use of education institution data; extending the repeal of the farmer-lender mediation act; extending time for POST board funding change; assigning duties to the library and information services task force; establishing electronic credit tracking; setting goals for compensation plans and labor agreements; requiring review of the Akita program; requiring efficiency in use of facilities; establishing a model instruction program in translating and interpreting services; requiring distribution of career planning and job placement information; requiring sabbatical policies; abolishing the higher education coordinating board and transferring certain duties; creating the higher education services office and the higher education services council; prescribing changes in certain financial assistance programs; consolidating and restructuring certain higher education statutes to reflect the merger of the community colleges, state universities, and technical colleges; amending Minnesota Statutes 1994, sections 3.9741, subdivision 2; 15.38, subdivision 3; 126.56; 126.663, subdivision 3; 135A.031, subdivision 2; 135A.08, subdivisions 1 and 2; 135A.10, subdivision 1; 135A.12, subdivision 1; 135A.15, subdivision 1; 135A.153, subdivision 1; 136A.01; 136A.03; 136A.043; 136A.05, subdivision 1; 136A.07; 136A.08; 136A.101, subdivisions 2, 3, 5, 8, and 10; 136A.121, subdivisions 5, 6, 9, 16, and by adding a subdivision; 136A.125, subdivisions 4 and 6; 136A.1359, subdivisions 1, 2, and 3; 136A.15, subdivisions 3 and 4; 136A.16, subdivision 1; 136A.233, subdivision 2; 136A.26, subdivisions 1 and 2; 136A.42; 136A.62, subdivision 2; 136A.69; 136A.81, subdivision 1; 136E.01, subdivision 1; 136E.02, subdivisions 1, 3, and 4; 136E.021, subdivision 2; 136E.04, subdivision 1, and by adding subdivisions; 136E.05; 136E.31; 136E.525, subdivisions 1, 2, and 3; 136E.692, subdivisions 1 and 3; 141.25, subdivision 8; 144.1487, subdivision 1; 144.1488, subdivisions 1 and 4; 144.1489, subdivisions 1, 3, and 4; 144.1490; 144.1491, subdivision 2; 179A.07, subdivision 4; 298.2214, subdivision 5; and 363.03, subdivision 5; Laws 1986, chapter 398, article 1, section 18, as amended; Laws 1991, chapter 356, article 9, section 9, as amended; Laws 1993, chapter 326, article 12, section 15, subdivisions 4 and 5; Laws 1993, First Special Session chapter 2, articles 1, section 2, subdivision 3, and section 9, subdivision 6; and 9, section 1, subdivision 7; Laws 1994, chapter 532, article 6, section 12; and Laws 1994, chapter 643, section 69, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; and 136E; proposing coding for new law as Minnesota Statutes, chapter 136F; repealing Minnesota Statutes 1994, sections 15.38, subdivision 4; 135A.052, subdivisions 2 and 3; 135A.08, subdivision 3; 135A.09; 135A.11; 135A.12, subdivision 5; 136.01; 136.02; 136.03; 136.031; 136.036; 136.045; 136.065; 136.07; 136.09; 136.10; 136.11; 136.111; 136.12; 136.13; 136.14; 136.141; 136.142; 136.143; 136.144; 136.145; 136.146; 136.147; 136.17; 136.171; 136.172; 136.18; 136.19; 136.20; 136.21; 136.22; 136.232; 136.24; 136.25; 136.261; 136.27; 136.31; 136.311; 136.32; 136.33; 136.34; 136.35; 136.36; 136.37; 136.38; 136.40; 136.41; 136.42; 136.43; 136.44; 136.45; 136.46; 136.47; 136.48; 136.49; 136.50; 136.501; 136.502; 136.503; 136.504; 136.505; 136.506; 136.507; 136.55; 136.56; 136.57; 136.58; 136.60; 136.6011; 136.602; 136.603; 136.61; 136.62; 136.621; 136.622; 136.63; 136.65; 136.651; 136.653; 136.67; 136.70; 136.71; 136.72; 136.88; 136.90; 136A.02; 136A.04; 136A.041; 136A.125, subdivision 5; 136A.16, subdivision 11; 136A.85; 136A.86; 136A.88; 136C.01; 136C.02; 136C.03; 136C.04; 136C.041; 136C.042; 136C.043; 136C.044; 136C.05; 136C.06; 136C.07; 136C.075; 136C.08; 136C.13; 136C.15; 136C.17; 136C.31; 136C.34; 136C.41; 136C.411; 136C.43; 136C.44; 136C.50; 136C.51; 136C.60; 136C.61; 136C.62; 136C.63; 136C.64; 136C.65; 136C.66; 136C.67; 136C.68; 136C.69; 136C.70; 136C.71; 136C.75; 136D.77; 136D.81, subdivision 2; 136E.04, subdivisions 2, 3, 4, 5, 6, and 7; 136E.395; 136E.692, subdivision 4; 137.31, subdivision 6; 137.35, subdivision 4; 137.38; 144.1488, subdivision 2; and 148.236; and Laws 1993, chapter 326, article 12, section 15, subdivision 2."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Anthony G. "Tony" Kinkel, Becky Kelso, Gene Pelowski, Jr., Steve Dehler, Peggy Leppik

Senate Conferees: (Signed) LeRoy A. Stumpf, Leonard R. Price, Cal Larson, Roy W. Terwilliger, Deanna Wiener

Mr. Stumpf moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1856 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. 1856 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 67 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kroening	Neuville	Runbeck
Beckman	Hanson	Laidig	Novak	Sams
Belanger	Hottinger	Langseth	Oliver	Samuelson
Berg	Janezich	Larson	Olson	Scheevel
Berglin	Johnson, D.E.	Lesewski	Ourada	Solon
Bertram	Johnson, D.J.	Lessard	Pappas	Spear
Betzold	Johnson, J.B.	Limmer	Pariseau	Stevens
Chandler	Johnston	Marty	Piper	Stumpf
Chmielewski	Kelly	Merriam	Pogemiller	Terwilliger
Cohen	Kiscaden	Metzen	Price	Vickerman
Day	Kleis	Moe, R.D.	Ranum	Wiener
Dille	Knutson	Mondale	Reichgott Junge	
Finn	Kramer	Morse	Riveness	
Flynn	Krentz	Murphy	Robertson	

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 until 1:45 p.m. The motion prevailed.

The hour of 1:45 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Mr. Knutson 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 Orders of Business of Messages From the House, 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. 801: A bill for an act relating to health; recodifying and modifying provisions relating to lead abatement law; amending Minnesota Statutes 1994, sections 16B.61, subdivision 3; 116.87, subdivision 2; 144.99, subdivision 1; 268.92, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 10, and by adding a subdivision; and 462A.05, subdivision 15c; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1994, sections 115C.082, subdivision 2;

144.871; 144.872; 144.873; 144.874; 144.876; 144.877; 144.8771; 144.878; 144.8781; 144.8782; and 144.879.

Senate File No. 801 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1995

CONCURRENCE AND REPASSAGE

Ms. Berglin moved that the Senate concur in the amendments by the House to S.F. No. 801 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 801 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:

Anderson	Johnson, D.E.	Langseth	Novak	Samuelson
Berg	Johnson, J.B.	Lesewski	Oliver	Scheevel
Berglin	Johnston	Lessard	Olson	Solon
Betzold	Kelly	Limmer	Ourada	Spear
Chandler	Kiscaden	Marty	Pariseau	Terwilliger
Chmielewski	Kleis	Merriam	Piper	Vickerman
Cohen	Knutson	Metzen	Price	Wiener
Day	Kramer	Moe, R.D.	Ranum	
Frederickson	Krentz	Mondale	Robertson	
Hanson	Kroening	Morse	Runbeck	
Janezich	Laidig	Murphy	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. 462: A bill for an act relating to the environment; implementing the transfer of solid waste management duties of the metropolitan council to the office of environmental assistance; providing for the management of waste; providing penalties; amending Minnesota Statutes 1992, section 115A.33, as reenacted; Minnesota Statutes 1994, sections 8.31, subdivision 1; 16B.122, subdivision 3; 115.071, subdivision 1; 115A.055; 115A.07, subdivision 3; 115A.072, subdivisions 1, 3, and 4; 115A.12; 115A.14, subdivision 4; 115A.15, subdivision 9; 115A.191, subdivisions 1 and 2; 115A.32; 115A.411; 115A.42; 115A.45; 115A.46, subdivisions 1 and 5; 115A.55, by adding a subdivision; 115A.5501, subdivisions 2, 3, and 4; 115A.5502; 115A.551, subdivisions 2a, 4, 5, 6, and 7; 115A.554; 115A.557, subdivisions 3 and 4; 115A.558; 115A.63, subdivision 3; 115A.84, subdivision 3; 115A.86, subdivision 2; 115A.919, subdivision 3; 115A.921, subdivision 1; 115A.923, subdivision 1; 115A.9302, subdivisions 1 and 2; 115A.951, subdivision 4; 115A.96, subdivision 2; 115A.965, subdivision 1; 115A.9651, subdivision 3; 115A.97, subdivisions 5 and 6; 115A.981, subdivision 3; 116.07, subdivisions 4a and 4j; 116.072; 116.66, subdivisions 2 and 4; 116.92, subdivision 4; 400.16; 400.161; 473.149, subdivisions 1, 2d, 2e, 3, 4, and 6; 473.151; 473.516, subdivision 2; 473.801, subdivision 1, and by adding subdivisions; 473.8011; 473.803, subdivisions 1, 1c, 2, 2a, 3, 4, and 5; 473.804; 473.811, subdivisions 1, 4a, 5, 5c, 7, and 8; 473.813, subdivision 2; 473.823, subdivisions 3, 5, and 6; 473.843, subdivision 1; 473.844, subdivisions 1a and 4; 473.8441, subdivisions 2, 4, and 5; 473.845, subdivision 4; 473.846; and 473.848, subdivisions 2 and 4; Laws 1994, chapters 585, section 51; and 628, article 3, section

209; proposing coding for new law in Minnesota Statutes, chapters 16B; 115A; 116; 325E; and 480; repealing Minnesota Statutes 1994, sections 115A.81, subdivision 3; 115A.90, subdivision 3; 116.94; 383D.71, subdivision 2; 473.149, subdivisions 2, 2a, 2c, 2f, and 5; 473.181, subdivision 4; and 473.803, subdivisions 1b and 1e.

Senate File No. 462 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1995

Ms. Johnson, J.B. moved that the Senate do not concur in the amendments by the House to S.F. No. 462, 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 adopted the recommendation and report of the Conference Committee on Senate File No. 188, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 188: A bill for an act relating to appropriations; permitting use of appropriation to relocate athletic fields and facilities at Brainerd Technical College; authorizing additional design and construction of space at certain community college campuses; requiring plans to provide for joint use of space with certain technical colleges and state universities; authorizing additional construction using nonstate resources; amending Laws 1992, chapter 558, section 2, subdivision 3; and Laws 1994, chapter 643, section 11, subdivisions 6, 8, 10, and 11.

Senate File No. 188 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1995

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. 381, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 381: A bill for an act relating to the military; providing greater flexibility in appointment of members of the armory building commission; authorizing the state armory building commission to use funds for construction; clarifying which municipalities may provide sites for armories; changing provisions for disposal of unused armory sites; clarifying authority for levying taxes for armory construction; clarifying the authority for conveyance of armories to the state; amending Minnesota Statutes 1994, sections 193.142, subdivisions 1, 2, and 3; 193.143; 193.144, subdivisions 1, 2, and 6; 193.145, subdivisions 2, 4, and 5; and 193.148.

Senate File No. 381 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1995

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. 734, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 734: A bill for an act relating to telecommunications; regulating the 911 system; imposing requirements on private switch telephone service; imposing a civil penalty; amending Minnesota Statutes 1994, sections 403.02, by adding subdivisions; and 403.04.

Senate File No. 734 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1995

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 5 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1019: A bill for an act relating to metropolitan government; establishing the metropolitan livable communities fund and providing for fund distribution; reducing the levy authority of the metropolitan mosquito control commission; providing for certain revenue sharing; regulating employee layoffs by the metropolitan mosquito control district; authorizing an economic vitality and housing initiative; amending Minnesota Statutes 1994, sections 116J.552, subdivision 2; 116J.555, subdivision 2; 116J.556; 473.167, subdivisions 2, 3, and by adding a subdivision; 473.711, subdivision 2; and 473F.08, subdivisions 3a, 5, 7a, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 1994, sections 473.704, subdivision 15; 504.33; 504.34; and 504.35.

There has been appointed as such committee on the part of the House:

Long, Kelley, Marko, Rhodes and Abrams.

Senate File No. 1019 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1995

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. 127: A bill for an act relating to state lands; authorizing the conveyance of certain tax-forfeited land that borders public water or natural wetlands in Hennepin county.

There has been appointed as such committee on the part of the House:

Paulsen, Luther and Rukavina.

Senate File No. 127 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1995

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. 479, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 479 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 18, 1995

CONFERENCE COMMITTEE REPORT ON H.F. NO. 479

A bill for an act relating to parks and recreation; additions to and deletions from state parks; establishing a new state park and deleting two state waysides; amending Minnesota Statutes 1994, section 84.054, by adding a subdivision; repealing Minnesota Statutes 1994, section 85.013, subdivisions 13 and 20.

May 16, 1995

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H.F. No. 479, 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. 479 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [ADDITIONS TO, DELETIONS FROM, AND DESIGNATION OF NEW STATE PARKS.]

Subdivision 1. [85.012] [Subd. 19.] [FORESTVILLE STATE PARK, FILLMORE COUNTY.]
(a) The following areas are added to Forestville state park:

The Northwest Quarter; the West Half of the Southwest Quarter; and the Northeast Quarter of the Southwest Quarter EXCEPT the Southwest Quarter of the Northeast Quarter of the Southwest Quarter, Section 25, Township 102 North, Range 12 West; and

That part of the Northeast Quarter of Section 7, Township 102 North, Range 11 West, lying south of the Root River and west of an unnamed stream which traverses the east line of the Southeast Quarter of said Section 7 and intersects the south line of said Northeast Quarter of the Northeast Quarter of said Section 7 and meanders in a northerly direction through the easterly half of said Northeast Quarter of the Northeast Quarter of said Section 7 to its confluence with the Root River, Fillmore county, Minnesota.

These areas are presently administered by the commissioner of natural resources as a part of the Dorer memorial state forest. Notwithstanding Minnesota Statutes, section 97A.085, these areas are not game refuges and the commissioner may not establish any special seasons or other restrictions on hunting in the areas based on their status as part of a state park. Within these areas, the following described land must be managed primarily for public trout fishing and trout fishing management by fisheries managers of the division of fish and wildlife: In that portion of Section 25, Township 102 North, Range 12 West, added to the park by this subdivision, a strip of land 264 feet in width lying 132 feet on each side of the center line of the stream located on, and flowing through, the land. The fisheries management activities that may be engaged in include, but are not limited to, fisheries habitat improvement, both instream and on adjacent land, together with necessary access to the stream and adjacent land.

(b) The following area is deleted from Forestville state park: That part of the Southeast quarter of Section 7, Township 102 North, Range 11 West, Fillmore county, lying east of a line 33 feet east of the ordinary high water mark of an unnamed tributary of the south branch of the Root River, containing approximately 5.5 acres, more or less. The commissioner may sell this tract to the adjacent landowner at the appraised price.

Subd. 2. [85.012] [Subd. 25.] [GOOSEBERRY FALLS STATE PARK, LAKE COUNTY.]
The following area is added to Gooseberry Falls state park: Government Lot 3, Section 23, Township 54 North, Range 9 West, Lake county, Minnesota.

Subd. 3. [85.012] [Subd. 30a.] [JOHN A. LATSCH STATE PARK.] John A. Latsch state park, Winona county, which is hereby renamed from John A. Latsch state wayside.

Subd. 4. [85.012] [Subd. 60.] [WILLIAM O'BRIEN STATE PARK, WASHINGTON COUNTY.] The following area is added to William O'Brien state park: The Northeast quarter of the Northeast Quarter, the West Half of the Northeast Quarter, and that part of the Northwest Quarter of the Southeast Quarter lying westerly of the Soo Line Railroad right-of-way, in Section 1, Township 31 North, Range 20 West, Washington county, Minnesota.

Sec. 2. Minnesota Statutes 1994, section 85.054, is amended by adding a subdivision to read:

Subd. 5. [GOOSEBERRY FALLS STATE PARK.] A state park permit is not required and a fee must not be charged for motor vehicle entry or parking at the Class I highway rest area parking lot located adjacent to U.S. Route No. 61 and the Gooseberry River at Gooseberry Falls state park.

Sec. 3. [REPEALER.]

Minnesota Statutes 1994, section 85.013, subdivisions 13 and 20, are repealed."

Delete the title and insert:

"A bill for an act relating to parks and recreation; additions to and deletions from state parks; establishing a new state park and deleting two state waysides; amending Minnesota Statutes 1994, section 85.054, by adding a subdivision; repealing Minnesota Statutes 1994, section 85.013, subdivisions 13 and 20."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Thomas Bakk, Gregory M. Davids, Gene Pelowski, Jr.

Senate Conferees: (Signed) Steven Morse, Gene Merriam, Kenric J. Scheevel

Mr. Morse moved that the foregoing recommendations and Conference Committee Report on H.F. No. 479 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. 479 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:

Anderson	Janezich	Langseth	Novak	Scheevel
Berg	Johnson, D.E.	Larson	Oliver	Solon
Berglin	Johnson, J.B.	Lesewski	Olson	Spear
Bertram	Johnston	Lessard	Ourada	Stevens
Betzold	Kelly	Limmer	Pappas	Stumpf
Chandler	Kiscaden	Marty	Pariseau	Terwilliger
Chmielewski	Kleis	Merriam	Piper	Vickerman
Day	Knutson	Metzen	Price	Wiener
Dille	Kramer	Moe, R.D.	Ranum	
Finn	Krentz	Mondale	Runbeck	
Frederickson	Kroening	Morse	Sams	
Hanson	Laidig	Murphy	Samuelson	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Stumpf moved that the following members be excused for a Conference Committee on H.F. No. 787 at 2:00 p.m.:

Messrs. Stumpf, Dille, Bertram, Stevens and Finn. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Cohen moved that the following members be excused for a Conference Committee on S.F. No. 1678 at 2:00 p.m.:

Messrs. Cohen, Merriam, Riveness, Frederickson and Metzen. 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. 1105, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1105 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 18, 1995

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1105

A bill for an act relating to paternity; eliminating a presumption for husbands in certain cases; allowing husbands to join in a recognition of parentage; amending Minnesota Statutes 1994, sections 257.55, subdivision 1; 257.57, subdivision 2; and 257.75, subdivisions 1, 2, 4, and by adding a subdivision.

May 17, 1995

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H.F. No. 1105, 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. 1105 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 257.55, subdivision 1, is amended to read:

Subdivision 1. [PRESUMPTION.] A man is presumed to be the biological father of a child if:

(a) He and the child's biological mother are or have been married to each other and the child is born during the marriage, or within 280 days after the marriage is terminated by death, annulment, declaration of invalidity, dissolution, or divorce, or after a decree of legal separation is entered by a court. The presumption in this paragraph does not apply if the man has joined in a recognition of parentage recognizing another man as the biological father under section 257.75, subdivision 1a;

(b) Before the child's birth, he and the child's biological mother have attempted to marry each other by a marriage solemnized in apparent compliance with law, although the attempted marriage is or could be declared void, voidable, or otherwise invalid, and,

(1) if the attempted marriage could be declared invalid only by a court, the child is born during the attempted marriage, or within 280 days after its termination by death, annulment, declaration of invalidity, dissolution or divorce; or

(2) if the attempted marriage is invalid without a court order, the child is born within 280 days after the termination of cohabitation;

(c) After the child's birth, he and the child's biological mother have married, or attempted to marry, each other by a marriage solemnized in apparent compliance with law, although the attempted marriage is or could be declared void, voidable, or otherwise invalid, and,

(1) he has acknowledged his paternity of the child in writing filed with the state registrar of vital statistics;

(2) with his consent, he is named as the child's father on the child's birth certificate; or

(3) he is obligated to support the child under a written voluntary promise or by court order;

(d) While the child is under the age of majority, he receives the child into his home and openly holds out the child as his biological child;

(e) He and the child's biological mother acknowledge his paternity of the child in a writing signed by both of them under section 257.34 and filed with the state registrar of vital statistics. If another man is presumed under this paragraph to be the child's father, acknowledgment may be effected only with the written consent of the presumed father or after the presumption has been rebutted;

(f) Evidence of statistical probability of paternity based on blood testing establishes the likelihood that he is the father of the child, calculated with a prior probability of no more than 0.5 (50 percent), is 99 percent or greater;

(g) He and the child's biological mother have executed a recognition of parentage in accordance with section 257.75 and another man is presumed to be the father under this subdivision; or

(h) He and the child's biological mother have executed a recognition of parentage in accordance with section 257.75 and another man and the child's mother have executed a recognition of parentage in accordance with section 257.75.

Sec. 2. Minnesota Statutes 1994, section 257.57, subdivision 2, is amended to read:

Subd. 2. The child, the mother, or personal representative of the child, the public authority chargeable by law with the support of the child, the personal representative or a parent of the mother if the mother has died or is a minor, a man alleged or alleging himself to be the father, or the personal representative or a parent of the alleged father if the alleged father has died or is a minor may bring an action:

(1) at any time for the purpose of declaring the existence of the father and child relationship presumed under section 257.55, subdivision 1, paragraph (d), (e), (f), (g), or (h), or the nonexistence of the father and child relationship presumed under clause (d) of that subdivision;

(2) for the purpose of declaring the nonexistence of the father and child relationship presumed under section 257.55, subdivision 1, paragraph (e) or (g), only if the action is brought within ~~three~~ three years six months after the ~~date of the execution of the declaration or recognition of parentage~~ person bringing the action obtains the results of blood or genetic tests that indicate that the presumed father is not the father of the child; or

(3) for the purpose of declaring the nonexistence of the father and child relationship presumed under section 257.55, subdivision 1, paragraph (f), only if the action is brought within three years after the party bringing the action, or the party's attorney of record, has been provided the blood test results.

Sec. 3. Minnesota Statutes 1994, section 257.75, subdivision 1, is amended to read:

Subdivision 1. [RECOGNITION BY PARENTS.] The mother and father of a child born to a mother who was not married to the child's father nor to any other man when the child was conceived nor when the child was born may, in a writing signed by both of them before a notary public and filed with the state registrar of vital statistics, state and acknowledge under oath that they are the biological parents of the child and wish to be recognized as the biological parents. The recognition must be in the form prepared by the commissioner of human services under subdivision 5, except that it may also include the joinder in recognition provisions under subdivision 1a. The requirement that the mother not be married when the child was conceived nor when the child was born does not apply if her husband or former husband joins in the recognition under subdivision 1a.

Sec. 4. Minnesota Statutes 1994, section 257.75, is amended by adding a subdivision to read:

Subd. 1a. [JOINDER IN RECOGNITION BY HUSBAND.] A man who is a presumed father under section 257.55, subdivision 1, paragraph (a), may join in a recognition of parentage that recognizes that another man is the child's biological father. The man who is the presumed father under section 257.55, subdivision 1, paragraph (a), must sign an acknowledgment under oath before a notary public that he is renouncing the presumption under section 257.55, subdivision 1, paragraph (a), and recognizing that the father who is executing the recognition under subdivision 1 is the biological father of the child. A joinder in a recognition under this subdivision must be executed within one year after the child's birth and at the same time as the recognition under subdivision 1 or within ten days following execution of the recognition. The joinder must be included in the recognition form or incorporated by reference within the recognition and attached to the form when it is filed with the state registrar of vital statistics. The joinder must be on a form prepared by the commissioner of human services. Failure to properly execute a joinder in a recognition does not affect the validity of the recognition under subdivision 1.

Sec. 5. Minnesota Statutes 1994, section 257.75, subdivision 2, is amended to read:

Subd. 2. [REVOCAION OF RECOGNITION.] A recognition may be revoked in a writing signed by the mother or father before a notary public and filed with the state registrar of vital statistics within 30 days after the recognition is executed. A joinder in a recognition may be revoked in a writing signed by the man who executed the joinder and filed with the state registrar of vital statistics within 30 days after the joinder is executed. Upon receipt of a revocation of the recognition of parentage or joinder in a recognition, the state registrar of vital statistics shall forward a copy of the revocation to the nonrevoking parent, or, in the case of a joinder in a recognition, to the mother and father who executed the recognition.

Sec. 6. Minnesota Statutes 1994, section 257.75, subdivision 4, is amended to read:

Subd. 4. [ACTION TO VACATE RECOGNITION.] An action to vacate a recognition of paternity may be brought by the mother, father, husband or former husband who executed a joinder, or the child. A mother or father, or husband or former husband who executed a joinder must bring the action within one year of the execution of the recognition or within six months after discovery of evidence in support of the action, whichever is later the person bringing the action obtains the results of blood or genetic tests that indicate that the man who executed the recognition is not the father of the child. A child must bring an action to vacate within six months of discovery of evidence, in support of the action after the child obtains the result of blood or genetic tests that indicate that the man who executed the recognition is not the father of the child, or within one year of reaching the age of majority, whichever is later. If the court finds a prima facie basis for vacating the recognition, the court shall order the child, mother, and father, and husband or former husband who executed a joinder to submit to blood tests. If the court issues an order for the taking of blood tests, the court shall require the party seeking to vacate the recognition to make advance payment for the costs of the blood tests. If the party fails to pay for the costs of the blood tests, the court shall dismiss the action to vacate with prejudice. The court may also order the party seeking to vacate the recognition to pay the other party's reasonable attorney fees, costs, and disbursements. If the results of the blood tests establish that the man who executed the recognition is not the father, the court shall vacate the recognition. If a recognition is vacated, any joinder in the recognition under subdivision 1a is also vacated. The court shall terminate the obligation of a party to pay ongoing child support based on the recognition. A modification of child support based on a recognition may be made retroactive with respect to any period during which the moving party has pending a motion to vacate the recognition but only from the date of service of notice of the motion on the responding party.

Sec. 7. [APPLICATION; TRANSITION.]

(a) Notwithstanding section 2, a person whose action to declare the existence of the father and child relationship would be barred by section 2 but not by Minnesota Statutes 1994, section 257.57, subdivision 2, clause (2), has until August 1, 1996, or until three years after the date of execution of the declaration or recognition of parentage, whichever is sooner, to bring an action to declare the nonexistence of the father and child relationship presumed under Minnesota Statutes, section 257.55, subdivision 1, paragraph (e) or (g).

(b) Notwithstanding any law to the contrary, a person whose action to declare the nonexistence of the father and child relationship presumed under Minnesota Statutes, section 257.55, subdivision 1, paragraph (e), or a person whose motion to vacate a paternity adjudication because of the results of blood or genetic tests obtained after the adjudication, was barred before the effective date of section 2, has until February 1, 1996, to commence the action or bring a motion to vacate the paternity adjudication."

Delete the title and insert:

"A bill for an act relating to paternity; changing certain presumptions in paternity cases; allowing husbands to join in a recognition of parentage; amending Minnesota Statutes 1994, sections 257.55, subdivision 1; 257.57, subdivision 2; and 257.75, subdivisions 1, 2, 4, and by adding a subdivision."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Robert Leighton, Jr., Matt Entenza, Dave Bishop

Senate Conferees: (Signed) Jane Krentz, Don Betzold, Sheila M. Kiscaden

Ms. Krentz moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1105 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. 1105 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 3, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Kroening	Murphy	Samuelson
Berg	Janezich	Laidig	Novak	Scheevel
Bertram	Johnson, D.E.	Langseth	Oliver	Solon
Betzold	Johnson, J.B.	Larson	Olson	Spear
Chandler	Johnston	Lesewski	Ourada	Stevens
Chmielewski	Kelly	Lessard	Pappas	Terwilliger
Day	Kiscaden	Limmer	Pariseau	Vickerman
Dille	Kleis	Marty	Piper	Wiener
Finn	Knutson	Moe, R.D.	Price	
Flynn	Kramer	Mondale	Runbeck	
Frederickson	Krentz	Morse	Sams	

Ms. Berglin, Mr. Merriam and Ms. Ranum voted in the negative.

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. 1033: A bill for an act relating to insurance; solvency; regulating disclosures, reinsurance, capital stock, managing general agents, and contracts issued on a variable basis; amending Minnesota Statutes 1994, sections 13.71, by adding a subdivision; 60A.03, subdivision 9; 60A.07, subdivision 10; 60A.093, subdivision 2; 60A.11, subdivisions 18 and 20; 60A.705, subdivision 8; 60A.75; 60H.02, subdivision 4; 60H.05, subdivision 1; 60H.08; 61A.19; 61A.31, subdivision 3; and 67A.231; proposing coding for new law in Minnesota Statutes, chapter 60A.

Senate File No. 1033 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1995

CONCURRENCE AND REPASSAGE

Mr. Oliver moved that the Senate concur in the amendments by the House to S.F. No. 1033 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1033 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:

Anderson	Hanson	Laidig	Murphy	Sams
Belanger	Janezich	Langseth	Novak	Samuelson
Berg	Johnson, D.E.	Larson	Oliver	Scheevel
Berglin	Johnson, J.B.	Lesewski	Olson	Solon
Bertram	Johnston	Lessard	Ourada	Spear
Betzold	Kelly	Limmer	Pappas	Terwilliger
Chandler	Kiscaden	Marty	Pariseau	Vickerman
Chmielewski	Kleis	Merriam	Piper	Wiener
Day	Knutson	Moe, R.D.	Price	
Finn	Kramer	Mondale	Ranum	
Flynn	Kroening	Morse	Runbeck	

So the bill, as amended, was repassed and its title was agreed to.

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. 806: A bill for an act relating to retirement; providing various benefit increases and related modifications; amending Minnesota Statutes 1994, sections 124.916, subdivision 3; 136.90; 352.01, subdivision 13; 352B.02, subdivision 1a; 352B.08, subdivision 2; 352B.10, subdivision 1; 353.65, subdivision 7; 353.651, subdivision 4; 353A.083; 354.445; 354.66, subdivision 4; 354A.094, subdivision 4; 354A.12, subdivisions 1, 2, 3b, 3c, and by adding a subdivision; 354A.27, subdivision 1, and by adding subdivisions; 354A.31, subdivision 4, and by adding a subdivision; 354B.05, subdivisions 2, and 3; 354B.07, subdivisions 1, and 2; 354B.08, subdivision 2; 356.30, subdivision 1; 356.611; 422A.05, by adding a subdivision; 422A.09, subdivision 2; 422A.101, subdivision 1a; Laws 1994, chapter 499, section 2; proposing coding for new law in Minnesota Statutes, chapters 125; 354A; and 356; repealing Minnesota Statutes 1994, sections 3A.10, subdivision 2; 352.021, subdivision 5; and 354A.27, subdivisions 2, 3, and 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 13, after "system" insert ", technical college system"

Page 2, line 15, after "university" insert ", technical college,"

Page 2, line 20, after "university" insert ", technical college,"

Page 2, line 24, after "association" insert "or a first class city teacher plan"

Page 4, line 4, after "system" insert ", technical college system"

Page 4, line 6, after "university" insert ", technical college,"

Page 4, line 11, after "university" insert ", technical college,"

Page 4, line 15, after "association" insert "or from a first class city teacher plan"

Page 19, after line 35, insert:

"Sec. 2. [354A.026] [DULUTH TEACHERS RETIREMENT FUND ASSOCIATION; EXCEPTION TO CERTAIN ACTUARIAL VALUATION PROVISIONS.]

Notwithstanding any provision of section 356.215, subdivision 4g, to the contrary, the amortization target date for use in determining the amortization contribution requirement in any actuarial valuation of the Duluth teachers retirement fund association after the date of enactment must be June 30, 2020."

Page 27, line 10, delete "1.16" and insert "1.13"

Page 27, lines 12 and 21, delete "1.66" and insert "1.63"

Page 27, after line 33, insert:

"The insurer shall reimburse the fund for the administrative expense of deducting and paying the premiums. The carrier is liable for any failure to withhold and credit the premiums correctly."

Page 30, lines 10 and 17, delete "7 and 8" and insert "8 and 9"

Page 30, line 29, delete "1.41" and insert "1.38"

Page 30, line 34, delete "2, 7, 8, 9, and 15" and insert "3, 8, 9, 10, and 16"

Page 31, line 3, delete "3, 4, 5, 6, and 14" and insert "4, 5, 6, 7, and 15"

Page 31, line 8, delete "2" and insert "3"

Page 31, line 10, delete "7, 8, 9, 15, 17, and 18" and insert "8, 9, 10, 16, 18, and 19"

Page 31, line 12, delete "11 and 16" and insert "12 and 17"

Page 31, line 13, delete "12 and 13" and insert "13 and 14"

Page 31, line 15, delete "10" and insert "11"

Pages 35 to 37, delete article 4

Page 37, line 7, delete "5" and insert "4"

Page 38, line 11, after "(4)" insert "either" and after "1996" insert ", or, for a person who first becomes eligible for this incentive between January 31, 1996, and December 31, 1996, retires before January 31, 1997"

Page 39, after line 33, insert:

"ARTICLE 5

PUBLIC PENSION PLAN COLLATERALIZATION REQUIREMENT AND INVESTMENT AUTHORITY STATEMENT

Section 1. Minnesota Statutes 1994, section 356A.06, is amended by adding a subdivision to read:

Subd. 8a. [COLLATERALIZATION REQUIREMENT.] (a) The governing board of a covered pension plan shall designate a national bank, an insured state bank, an insured credit union, or an insured thrift institution as the depository for the pension plan for assets not held by the pension plan's custodian bank.

(b) Unless collateralized as provided under paragraph (c), a covered pension plan may not deposit in a designated depository an amount in excess of the insurance held by the depository in the federal deposit insurance corporation, the federal savings and loan insurance corporation, or the national credit union administration, whichever applies.

(c) For an amount greater than the insurance under paragraph (b), the depository must provide collateral in compliance with section 118.01 or with any comparable successor enactment relating to the collateralization of municipal deposits.

Sec. 2. Minnesota Statutes 1994, section 356A.06, is amended by adding a subdivision to read:

Subd. 8b. [DISCLOSURE OF INVESTMENT AUTHORITY; RECEIPT OF STATEMENT.]
(a) For this subdivision, the term "broker" means a broker, broker-dealer, investment advisor, investment manager, or third party agent who transfers, purchases, sells, or obtains investment securities for, or on behalf of, a covered pension plan.

(b) Before a covered pension plan may complete an investment transaction with or in accord with the advice of a broker, the covered pension plan shall provide annually to the broker a written statement of investment restrictions applicable under state law to the covered pension plan or applicable under the pension plan governing board investment policy.

(c) A broker must acknowledge in writing annually the receipt of the statement of investment restrictions and must agree to handle the covered pension plan's investments and assets in accord with the provided investment restrictions. A covered pension plan may not enter into or continue a business arrangement with a broker until the broker has provided this written acknowledgment to the chief administrative officer of the covered pension plan.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective January 1, 1996."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "requiring collateralization and investment authority statement;"

Page 1, line 7, delete "353.65, subdivision 7;"

Page 1, line 15, after the first semicolon, insert "356A.06, by adding subdivisions;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was referred the following appointment as reported in the Journal for March 2, 1995:

IRON RANGE RESOURCES AND REHABILITATION
COMMISSIONER

James Gustafson

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 Jobs, Energy and Community Development, to which was referred the following appointment as reported in the Journal for February 21, 1995:

WORKERS' COMPENSATION COURT OF APPEALS

Thomas L. Johnson

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. No. 806 was read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1701 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1701: 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 47 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Janezich	Laidig	Novak	Samuelson
Belanger	Johnson, D.E.	Larson	Oliver	Scheevel
Berg	Johnson, J.B.	Lesewski	Olson	Solon
Berglin	Johnston	Lessard	Ourada	Spear
Betzold	Kelly	Limmer	Pappas	Terwilliger
Chandler	Kiscaden	Marty	Piper	Vickerman
Chmielewski	Kleis	Merriam	Price	Wiener
Day	Knutson	Mondale	Ranum	
Finn	Kramer	Morse	Runbeck	
Hanson	Kroening	Murphy	Sams	

So the bill passed and its title was agreed to.

Mr. Kelly moved that S.F. No. 1701 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1670 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1670

A bill for an act relating to the organization and operation of state government; appropriating money for community development and certain agencies of state government, with certain conditions; establishing and modifying certain programs; providing for regulation of certain activities and practices; providing for accounts, assessments, and fees; requiring studies and reports; amending Minnesota Statutes 1994, sections 116J.873, subdivision 3, and by adding subdivisions; 116M.16, subdivision 2; 116M.18, subdivisions 4, 5, and by adding a subdivision; 116N.03, subdivision 2; 116N.08, subdivisions 5, 6, and by adding a subdivision; 124.85, by adding a subdivision; 175.171; 268A.01, subdivisions 4, 5, 6, 9, and 10; 268A.03; 268A.06, subdivision 1; 268A.07; 268A.08, subdivisions 1 and 2; 268A.13; 462A.201, subdivision 2; 462A.204, subdivision 1; and 462A.21, subdivisions 3b, 8b, 21, and by adding a subdivision; Laws 1994, chapter 643, section 19, subdivision 9; proposing coding for new law in Minnesota

Statutes, chapters 178; 268A; and 462A; repealing Minnesota Statutes 1994, sections 116J.874, subdivision 6; 268A.01, subdivisions 7, 11, and 12; and 268A.09.

May 17, 1995

The Honorable Allan H. Spear
President of the Senate

The Honorable Irv Anderson
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1670, 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. 1670 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [ECONOMIC DEVELOPMENT; APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another named fund, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures "1996" and "1997," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1996, or June 30, 1997, respectively. The term "first year" means the fiscal year ending June 30, 1996, and "second year" means the fiscal year ending June 30, 1997.

SUMMARY BY FUND

	1995	1996	1997	TOTAL
General	\$408,000	\$194,091,000	\$160,733,000	\$355,232,000
Petroleum Tank Cleanup		838,000	842,000	1,680,000
Trunk Highway Special		670,000	670,000	1,340,000
Compensation	407,000	20,641,000	18,179,000	39,227,000
Special Revenue		336,000	341,000	677,000
TOTAL	\$815,000	\$216,576,000	\$180,765,000	\$398,156,000

APPROPRIATIONS Available for the Year Ending June 30

	1995	1996	1997
Sec. 2. TRADE AND ECONOMIC DEVELOPMENT			
Subdivision 1. Total Appropriation	\$	\$ 36,579,000	\$ 21,648,000
Summary by Fund			
General	35,909,000	20,978,000	
Trunk Highway	670,000	670,000	

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Business and Community Development

23,961,000	9,351,000
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\$100,000 the first year and \$100,000 the second year are for the affirmative enterprise program. The appropriation is available until spent.

\$6,017,000 the first year is for economic recovery grants, of which \$500,000 may be used for the purposes of the capital access program, and is available until spent.

\$379,000 the first year and \$379,000 the second year are for the small cities federal match.

\$200,000 the first year and \$200,000 the second year are for grants to Advantage Minnesota, Inc. The funds are available only if matched on at least a dollar-for-dollar basis from other sources. The commissioner may release the funds only upon:

- (1) certification that matching funds from each participating organization are available; and
- (2) review and approval by the commissioner of the proposed operations plan of Advantage Minnesota, Inc. for the biennium.

\$450,000 the first year and \$450,000 the second year are for the state's match for the federal small business development centers. If funding in one year is insufficient, the other year's appropriation is available.

\$1,987,000 the first year and \$1,962,000 the second year are for the job skills partnership program.

\$300,000 is to the job skills partnership board for the purpose of funding the development and implementation of a program by the city of St. Paul which connects the economic development activities of the St. Paul port authority with the city of St. Paul's employment and job development programs. This employment connection program shall be administered by the port authority consistent with, and subject to, the program requirements of the Minnesota job skills partnership program. The appropriation is available until spent.

\$100,000 the first year and \$100,000 the second year are to the job skills partnership board for a grant to the city of Minneapolis' employment connection program with the Minneapolis Community Development Agency.

\$7,800,000 is for grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until spent.

\$100,000 is for a grant to the Phoenix Group, Inc. The grant must be used to make grants and loans and provide technical and other assistance

to community residents in neighborhoods with high levels of poverty for the purpose of creating business opportunities to promote self-sufficiency. The appropriation is available for the biennium ending June 30, 1997.

\$200,000 the first year is for a grant to Hennepin county for the multijurisdictional reinvestment program established in Minnesota Statutes, section 383B.79. Hennepin county, working in conjunction with the metropolitan council, shall report to the senate committee on jobs, energy, and community development and the house committee on economic development, infrastructure, and regulation finance by February 15, 1996, with its recommendations, funding needs, and potential funding sources to carry out the multijurisdictional reinvestment program. This appropriation does not lapse, and is available until spent.

\$450,000 the first year and \$515,000 the second year are from fees collected under Minnesota Statutes, section 446A.04, subdivision 5, and credited to the general fund to administer the programs of the public facilities authority.

\$250,000 is for the state's share for a matching defense conversion grant to Hennepin and Ramsey counties from the United States department of commerce economic development administration. The state and local government contribution must be matched at least three to one by the federal government. This appropriation is available until spent.

Subd. 3. Minnesota Trade Office

2,304,000	2,318,000
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\$150,000 the first year and \$150,000 the second year are for state participation in the federal City-State Leveraged Financing Program.

Subd. 4. Tourism

8,172,000	8,147,000
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Summary by Fund

General	7,502,000	7,477,000
Trunk Highway	670,000	670,000

\$100,000 is for the costs of activities by the commissioner of trade and economic development to resolve a dispute concerning fishing restrictions in Ontario waters that unduly restrict the rights of Minnesota residents to take fish by angling in border waters. The commissioner may use this appropriation for (1) a grant to the attorney general to study a legal challenge in the courts of Ontario or any other

available forum to actions of that province relating to fishing rights of Minnesotans in border waters, (2) efforts to mediate the dispute, (3) seeking recourse through the mechanisms of international trade agreements, or (4) other actions the commissioner deems necessary to achieve a resolution. This appropriation is available until spent.

\$100,000 the first year and \$175,000 the second year are for expanded group tour marketing and to host the National Tour Association Convention in Minnesota in 1996.

To develop maximum private sector involvement in tourism, \$2,500,000 the first year and \$2,500,000 the second year of the amounts appropriated for marketing activities are contingent upon receipt of an equal contribution of nonstate sources that have been certified by the commissioner. Up to one-half of the match may be given in in-kind contributions. This appropriation may not be spent until the money is matched. Of this appropriation, \$400,000 the first year and \$400,000 the second year are for international marketing and tourism promotion to maximize international tourism to Minnesota and to promote Minnesota goods and services in the international market place. The office of tourism shall consult with the trade office in these promotional efforts. The office shall report on January 1, 1997, to the chairs of the legislative committees with jurisdiction over economic development policy and finance on these promotional efforts.

In order to maximize marketing grant benefits, the commissioner must give priority for joint venture marketing grants to organizations with year-round sustained tourism activities. For programs and projects submitted, the commissioner must give priority to those that encompass two or more areas or that attract nonresident travelers to the state.

Any unexpended money from general fund appropriations made under this subdivision do not cancel, but must be placed in a special advertising account for use by the office of tourism to purchase additional media.

If an appropriation for either year for grants is not sufficient, the appropriation for the other year is available for it.

\$229,000 the first year and \$229,000 the second year are for the Minnesota film board. This appropriation is available only upon receipt by the board of \$1 in matching contributions of

money or in-kind from nonstate sources for every \$3 provided by this appropriation.

The commissioner may use grant dollars or the value of in-kind services to provide the state contribution for the joint venture grant program.

Subd. 5. Administration

2,142,000 1,832,000

\$670,000 the first year and \$330,000 the second year are for network management services and support.

Sec. 3. MINNESOTA TECHNOLOGY, INC.

8,034,000

7,834,000

\$6,105,000 the first year and \$6,105,000 the second year are for transfer from the general fund to the Minnesota Technology, Inc. fund.

\$75,000 the first year and \$75,000 the second year are for grants to Minnesota Inventors Congress.

\$494,000 the first year and \$494,000 the second year are for grants to Minnesota Project Innovation.

\$1,147,000 the first year and \$947,000 the second year are for grants to Natural Resources Research Institute. Of this appropriation the institute shall spend \$200,000 the first year as follows:

(1) \$100,000 is for a study of water quality impacts and permitting requirements related to peat harvesting operations. The study must include: (i) a review of existing water quality permitting requirements and the ability of peat producers to comply with these requirements; (ii) establishment and monitoring of representative background control and downstream sampling locations at selected peat harvesting operations; (iii) an evaluation of the use of innovative best management practices to minimize downstream water quality impacts; and (iv) development of a model water quality permit for peat harvesting operations in this state. By October 1, 1997, the institute shall report on the results of the study to the chairs of the senate and house environment and natural resources committees. The report must include recommendations, if any, for changes to existing state laws and rules relating to water quality permitting requirements for peat harvesting operations.

(2) \$100,000 is for a grant to Rainy River community college for a study of reclamation and restoration options for harvested peatlands. The grant recipient must submit to the chairs of the senate and house environment and natural

resources committees a report on the study, including any recommendations for changes to existing laws and rules relating to reclamation and restoration of harvested peatlands.

\$88,000 the first year and \$88,000 the second year are for grants to Minnesota Council for Quality.

\$50,000 the first year and \$50,000 the second year are for grants to Minnesota Technology Corridor Corporation.

\$75,000 the first year and \$75,000 the second year are for grants to Minnesota Cold Weather Research Center.

Sec. 4. WORLD TRADE CENTER CORP. 170,000

Sec. 5. ECONOMIC SECURITY 51,952,000 47,772,000

Subdivision 1. Rehabilitation Services

18,232,000 18,232,000

\$100,000 the first year and \$100,000 the second year are for centers for independent living.

\$70,000 in 1996 and \$70,000 in 1997 is for mentally ill employment support services authorized by Minnesota Statutes, section 268A.13.

\$50,000 the first year and \$50,000 the second year are for purposes of planning, implementing, and managing the statewide reimbursement system authorized by Minnesota Statutes, section 268A.14.

Subd. 2. State Services for the Blind

3,638,000 3,659,000

This appropriation may be supplemented by funds provided by the Friends of the Communication Center, for support of Services for the Blind's Communication Center, which serves all blind and visually handicapped Minnesotans. The commissioner shall report to the legislature on a biennial basis the funds provided by the Friends of the Communication Center.

Subd. 3. Community-Based Services

30,082,000 25,881,000

\$935,000 the first year and \$935,000 the second year are for operating costs of transitional housing programs under Minnesota Statutes, section 268.38.

\$7,000,000 the first year and \$7,000,000 the second year are for the Minnesota economic opportunity grant program. Of this appropriation the commissioner may use up to 8.7 percent each year for state operations.

For the biennium ending June 30, 1997, the commissioner shall transfer to the low-income home weatherization program at least five percent of the money received under the low-income home energy assistance block grant in each year of the biennium and shall spend all of the transferred money during the year of the transfer or the year following the transfer. Up to 1.63 percent of the transferred money may be used by the commissioner for administrative purposes.

For the biennium ending June 30, 1997, no more than 1.63 percent of money remaining under the low-income home energy assistance program after transfers to the weatherization program may be used by the commissioner for administrative purposes.

The state appropriation for the temporary emergency food assistance program may be used to meet the federal match requirements.

\$100,000 the first year and \$100,000 the second year are for youth intervention programs under Minnesota Statutes, section 268.30, subdivisions 1 and 2. Funding may be used to expand existing programs to serve unmet needs and to create new programs in underserved areas. In awarding these new funds, the commissioner may waive or modify the requirement for local match when this requirement deters expansion to underserved communities or populations. This appropriation is available until spent.

Notwithstanding Minnesota Statutes, section 268.022, subdivision 2, the commissioner of finance shall transfer to the general fund from the dedicated fund \$3,000,000 in the first year and \$3,000,000 in the second year of the money collected through the special assessment established in Minnesota Statutes, section 268.022, subdivision 1.

Of this appropriation, \$3,000,000 the first year is for summer youth employment programs.

Of the money appropriated for the summer youth employment programs for the first year, \$750,000 is immediately available. Any remaining balance of the immediately available money is available for the year in which it is appropriated. If the appropriation for either year of the biennium is insufficient, money may be transferred from the appropriation for the other year.

\$200,000 the first year is for youth employment and for housing for the homeless through the YOUTHBUILD program. A Minnesota

YOUTHBUILD program funded under this section as authorized in Minnesota Statutes, sections 268.361 to 268.367 qualifies as an approved training program under Minnesota Rules, part 5200.0930, subpart 1.

Of the appropriation for Head Start, the commissioner may use up to two percent each year for state operations.

\$250,000 is for the learn to earn summer youth employment demonstration program established in section 39. This appropriation is available until spent.

Sec. 6. HOUSING FINANCE AGENCY

30,082,000

17,532,000

This appropriation is for transfer to the housing development fund for the programs specified. This transfer is part of the agency's permanent budget base.

Any state appropriations used to meet match requirements under Title II of the National Affordable Housing Act of 1990, Public Law Number 101-625, 104 Stat. 4079, must be repaid, to the extent required by federal law, to the HOME Investment Trust Fund established by the department of housing and urban development pursuant to Title II of the National Affordable Housing Act of 1990 for the state of Minnesota or for the appropriate participating jurisdiction.

State appropriations to the Minnesota housing finance agency may be granted by the agency to cities or nonprofit organizations to the extent necessary to meet match requirements under Title II of the National Affordable Housing Act of 1990, Public Law Number 101-625, 104 Stat. 4079, provided that other program requirements are met.

Spending limit on cost of general administration of agency programs:

1996	1997
10,493,000	9,911,000

\$1,200,000 the first year and \$1,200,000 the second year are for a rental housing assistance program for persons with a mental illness or families with an adult member with a mental illness under Minnesota Statutes, section 462A.2097.

\$6,000,000 is for the affordable rental investment fund program. To the extent practicable, this appropriation shall be used so that an approximately equal number of housing units are financed in the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, and in the nonmetropolitan area.

(a) In the area of the state outside the metropolitan area, the agency must work with groups in the funding regions created under Minnesota Statutes, section 116N.08 to assist the agency in identifying the affordable housing needed in each region in connection with economic development and redevelopment efforts and in establishing priorities for uses of the affordable rental investment fund. The groups must include the regional development commissioners, the regional organization selected under section 116N.08, the private industry councils, units of local government, community action agencies, the Minnesota housing partnership network groups, local lenders, for-profit and nonprofit developers, and realtors. In addition to priorities developed by the group, the agency must give a preference to economically viable projects in which units of local government, area employers, and the private sector contribute financial assistance.

(b) In the metropolitan area, the commissioner shall collaborate with the metropolitan council to identify the priorities for use of the affordable rental investment fund. Funds distributed in the metropolitan area must be used consistent with the objectives of the metropolitan development guide, adopted under Minnesota Statutes, section 473.145. In addition to the priorities identified in conjunction with the metropolitan council, the agency shall give preference to economically viable projects that:

- (1) include a contribution of financial resources from units of local government and area employers;
- (2) take into account the availability of transportation in the community; and
- (3) take into account the job training efforts in the community.

\$5,800,000 is for the community rehabilitation program. Of this amount, \$250,000 each year is for full cycle home ownership and purchase-rehabilitation lending initiatives. At least 20 percent of this appropriation must be used in areas in a city of the first class located in the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, in which at least one census tract meets at least three of the four following criteria:

- (1) at least 70 percent of the housing structures were built before 1960;
- (2) at least 60 percent of the single-family housing is owner occupied;

(3) the median value, as recorded in the 1990 federal decennial census, of the area's owner-occupied housing is not more than 100 percent of the purchase price limit for existing homes eligible for purchase in the area under the agency's home mortgage loan program; and

(4) between 1980 and 1990, the rate of owner-occupancy of residential properties in the area declined by five percent, or at least 80 percent of the residential properties in the area are rental properties.

The area shall include eight blocks in any direction from the census tract.

In cities of the first class located in the metropolitan area the appropriation may be used only for grants and loans for owner-occupied housing. Priority must be given for property located in an area that meets all four of the criteria. This appropriation may fund grants in an amount greater or less than \$350,000 and a grantee may receive grants to serve one or more census tracts within a city.

In distributing funds available from the 1994 Series E bond sale, the agency, in accordance with the terms of that sale, shall give priority to requests for use of the funds in cities which receive funding from this appropriation to the community rehabilitation program.

\$150,000 is for equal grants to the six regional organizations selected under Minnesota Statutes, section 116N.08, for capacity building grants and if the appropriation is not spent under that section it is available for the capacity building grant program under Minnesota Statutes, section 462A.21, subdivision 3b.

\$187,000 the first year and \$187,000 the second year are for the urban Indian housing program under Minnesota Statutes, section 462A.07, subdivision 15.

\$1,683,000 the first year and \$1,683,000 the second year are for the tribal Indian housing program under Minnesota Statutes, section 462A.07, subdivision 14.

\$186,000 the first year and \$186,000 the second year are for the Minnesota rural and urban homesteading program under Minnesota Statutes, section 462A.057.

The agency may use up to \$1,000,000 of available resources for the purpose of making loans under the Minnesota rural and urban homesteading program established under Minnesota Statutes, section 462A.057,

subdivision 1. The commissioner shall report to the relevant finance divisions in the house of representatives and senate on the outcomes of this program January 15 of each year.

\$500,000 is for the purpose of residential lead paint and lead contaminated soil abatement under Minnesota Statutes, section 462A.05, subdivision 15c, paragraph (b).

\$4,287,000 the first year and \$4,287,000 the second year are for the housing rehabilitation and accessibility program under Minnesota Statutes, section 462A.05, subdivision 14a.

\$1,500,000 the first year and \$1,500,000 the second year are for the rent assistance for family stabilization program under Minnesota Statutes, section 462A.205.

\$100,000 is for the contract for deed guarantee account.

\$200,000 the first year and \$200,000 the second year are for family homeless prevention and assistance program.

\$200,000 the first year and \$200,000 the second year are for the emergency mortgage foreclosure prevention and emergency rental assistance program.

\$25,000 the first year and \$25,000 the second year are for home equity conversion counseling grants under Minnesota Statutes, section 462A.28.

Sec. 7. COMMERCE

Subdivision 1. Total

Appropriation	15,087,000	15,162,000
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Summary by Fund

General	13,913,000	13,979,000
Petro Cleanup	838,000	842,000
Special Revenue	336,000	341,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Financial Examinations

3,775,000	3,790,000
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Subd. 3. Registration and Analysis

3,995,000	4,002,000
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Subd. 4. Enforcement and Licensing

3,913,000	3,934,000
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Summary by Fund

General	3,577,000	3,593,000
Special Revenue	336,000	341,000

\$336,000 the first year and \$341,000 the second year are from the real estate education, research, and recovery account in the special revenue fund for the purpose of Minnesota Statutes, section 82.34, subdivision 6. If the appropriation from the special revenue fund for either year is insufficient, the appropriation for the other year is available for it.

**Subd. 5. Petroleum Tank Release
Cleanup Board**

838,000 842,000

This appropriation is from the petroleum tank release cleanup account in the environmental fund for administration.

Subd. 6. Administrative Services

2,716,000 2,744,000

Subd. 7. General Reduction

(150,000) (150,000)

Sec. 8. BOARD OF ACCOUNTANCY 537,000 558,000

**Sec. 9. BOARD OF ARCHITECTURE,
ENGINEERING, LAND SURVEYING,
LANDSCAPE ARCHITECTURE, AND
INTERIOR DESIGN** 100,000 625,000 635,000

The appropriation for fiscal year 1995 is for legal fees and is available until June 30, 1997.

**Sec. 10. BOARD OF BARBER
EXAMINERS** 128,000 129,000

Sec. 11. BOARD OF BOXING 75,000 75,000

Sec. 12. LABOR AND INDUSTRY

**Subdivision 1. Total
Appropriation** 23,136,000 20,680,000

Summary by Fund

General 3,866,000 3,883,000

**Workers'
Compensation** 407,000 19,270,000 16,797,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

**Subd. 2. Workers' Compensation
Regulation and Enforcement**

407,000 11,861,000 9,412,000

Summary by Fund

General 100,000 100,000

**Special
Compensation** 407,000 11,761,000 9,312,000

The appropriation for fiscal year 1995 is from

the special compensation fund for litigation expenses.

\$2,500,000 the first year is from the worker's compensation special compensation fund for the Daedalus imaging systems project, to be available until June 30, 1997.

\$100,000 in the first year and \$100,000 in the second year are for grants to the Vinland Center for rehabilitation service.

Notwithstanding Minnesota Statutes, section 79.253, \$45,000 the first year and \$45,000 the second year are appropriated from the assigned risk safety account in the special compensation fund to the commissioner of labor and industry for the purpose of providing information to employers regarding the prevention of violence in the workplace.

Notwithstanding Minnesota Statutes, section 79.253, \$140,000 the first year and \$140,000 the second year are appropriated from the assigned risk safety account in the special compensation fund to the commissioner of labor and industry for the purpose of hiring two occupational safety and health inspectors. The inspectors shall perform safety consultations for employers through labor-management committees as defined in Minnesota Statutes, section 179.81, subdivision 2, under an interagency agreement entered into between the commissioners of labor and industry and mediation services.

Subd. 3. Workplace Services

5,353,000	5,339,000	
	Summary by Fund	
General	2,516,000	2,527,000
Workers' Comp.	2,837,000	2,812,000

Subd. 4. General Support

5,922,000	5,929,000	
	Summary by Fund	
General	1,250,000	1,256,000
Workers' Compensation	4,672,000	4,673,000

\$204,000 the first year and \$204,000 the second year are for labor education and advancement program grants.

Sec. 13. MEDIATION SERVICES

Subdivision 1. Total Appropriation

1,820,000	1,823,000
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Subd. 2. Labor Management Cooperation Grants

222,000	222,000		
<p>\$222,000 the first year and \$222,000 the second year are for grants to area labor-management committees. Any unencumbered balance remaining at the end of the first year does not cancel but is available for the second year.</p>			
Subd. 3. Office of Dispute Resolution			
81,000	81,000		
Sec. 14. WORKERS' COMPENSATION COURT OF APPEALS			
		1,371,000	1,382,000
<p>This appropriation is from the special compensation fund.</p>			
Sec. 15. LABOR INTERPRETIVE CENTER			
		140,000	200,000
Sec. 16. PUBLIC UTILITIES COMMISSION			
		3,244,000	3,219,000
Sec. 17. DEPARTMENT OF PUBLIC SERVICE			
Subdivision 1. Total Appropriation			
		8,797,000	8,763,000
<p>The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.</p>			
Subd. 2. Telecommunications			
761,000	767,000		
Subd. 3. Weights and Measures			
2,926,000	2,937,000		
Subd. 4. Information and Operations Management			
1,461,000	1,472,000		
Subd. 5. Energy			
3,649,000	3,587,000		
<p>\$588,000 the first year and \$588,000 the second year are for transfer to the energy and conservation account established in Minnesota Statutes, section 216B.241, subdivision 2a, for programs administered by the commissioner of economic security to improve the energy efficiency of residential oil-fired heating plants in low-income households and, when necessary, to provide weatherization services to the homes.</p>			
Sec. 18. MINNESOTA HISTORICAL SOCIETY			
Subdivision 1. Total Appropriation			
		18,889,000	18,832,000
<p>The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.</p>			

The Minnesota historical society is eligible for a salary supplement in the same manner as state agencies if one is available. Employees of the Minnesota historical society will be paid in accordance with the appropriate pay plan.

Subd. 2. Public Programs
and Operations

18,434,000 18,500,000

(a) History Center Operations

9,043,000 9,043,000

(b) History Center Building Services

5,568,000 5,568,000

(c) Historic Site Operations

2,749,000 2,815,000

(d) Statewide Outreach

644,000 644,000

(e) Repair and Replacement

430,000 430,000

Subd. 3. Fiscal Agent

455,000 332,000

(a) State Archaeologist

104,000 104,000

(b) Sibley House Association

88,000 88,000

This appropriation is available for operation and maintenance of the Sibley house and related buildings on the Old Mendota state historic site operated by the Sibley house association.

(c) Minnesota International Center

50,000 50,000

(d) Minnesota Air National
Guard Museum

19,000

(e) Institute for Learning and
Teaching - Project 120

90,000 90,000

(f) Minnesota Military Museum

29,000

(g) Farmamerica

25,000

Notwithstanding any other law, this appropriation may be used for operations.

(h) Kee theatre

25,000

(i) Federal National Guard Museum

25,000

(j) Balances Forward

Any unencumbered balance remaining in this subdivision the first year does not cancel but is available for the second year of the biennium.

Subd. 4. Preservation grants

Notwithstanding Laws 1994, chapter 643, section 19, subdivision 5, the historical society may award grants from the unexpended balance under that subdivision to public agencies or entities based on historical preservation purposes and needs. The society shall require significant matching money for such projects. A grant awarded under this section for historical preservation is not subject to the requirements of Minnesota Statutes, section 16A.695.

Subd. 5. Carryover

Amounts appropriated under Laws 1993, chapter 369, section 12, subdivisions 2, 3, 4, and 5, do not cancel on June 30, 1995, but are available until June 30, 1997.

Sec. 19. MINNESOTA HUMANITIES COMMISSION

586,000 586,000

Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

Sec. 20. BOARD OF THE ARTS**Subdivision 1. Total Appropriation**

6,897,000 6,903,000

Any unencumbered balance remaining in this section the first year does not cancel but is available for the second year of the biennium.

Subd. 2. Operations and Services

690,000 693,000

Subd. 3. Grants Program

4,781,000 4,783,000

The board shall spend this appropriation to ensure that at least ten percent of the expenditure is for arts programs intended primarily for children.

Subd. 4. Regional Arts Councils

1,426,000 1,427,000

The board shall distribute this appropriation to the regional arts councils to ensure that ten percent of the total distribution in each region is for arts programs intended primarily for children.

Sec. 21. MINNESOTA MUNICIPAL BOARD

300,000 287,000

Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

**Sec. 22. UNIFORM LAWS
COMMISSION**

29,000 29,000

**Sec. 23. COUNCIL ON BLACK
MINNESOTANS**

229,000 232,000

The appropriation for the second year is contingent on submission of the report required in section 35.

**Sec. 24. COUNCIL ON AFFAIRS
OF SPANISH-SPEAKING PEOPLE**

246,000 248,000

During the biennium ending June 30, 1997, council publications may contain advertising. Receipts from advertising are appropriated to the council for purposes of council publications. For the biennium ending June 30, 1997, the council shall report to the legislature on the revenues and expenditures from advertising by February 15 each year.

The appropriation for the second year is contingent on submission of the report required in section 35.

**Sec. 25. COUNCIL ON
ASIAN-PACIFIC MINNESOTANS**

198,000 200,000

The appropriation for the second year is contingent on submission of the report required in section 35.

**Sec. 26. INDIAN AFFAIRS
COUNCIL**

508,000 463,000

For the biennium ending June 30, 1997, federal money received for the Indian affairs council is appropriated to the council and added to this appropriation.

The appropriation for the second year is contingent on submission of the report required in section 35.

Sec. 27. SECRETARY OF STATE

**Subdivision 1. Total
Appropriation**

6,617,000 5,573,000

The amounts that may be spent from this appropriation for each activity are specified in the following subdivisions.

Subd. 2. Administration

938,000 947,000

Subd. 3. Operations

5,231,000 4,103,000

The legislature estimates that the increase in fees for expedited processing under Minnesota Statutes, section 5.14, provided for by this act, will increase revenue to the general fund by

\$350,000 the first year and \$350,000 the second year.

Subd. 4. Election Administration

448,000 523,000

Sec. 28. BOARD FOR COMMUNITY COLLEGES

300,000

This appropriation is to the state board for community colleges or its successor for the design through development of construction documents, to the extent possible given the amount of the appropriation, for a residential facility at Fond du Lac community college. The facility is intended for Indian students, to help immerse them in Indian culture while attending the college. The board shall include the facility in its capital budget request for consideration by the 1996 legislature. This appropriation is available until expended.

Sec. 29. ETHICAL PRACTICES BOARD

308,000

This appropriation is for fiscal year 1995. Of this appropriation, \$291,000 is for litigation expenses and \$17,000 is for severance costs.

Sec. 30. [EFFECTIVE DATE FOR LAWS 1995, CHAPTER 22.]

Laws 1995, chapter 22, is effective March 28, 1995. This section is effective the day following final enactment.

Sec. 31. Laws 1994, chapter 573, section 5, subdivision 2, is amended to read:

Subd. 2. [PUBLIC UTILITIES COMMISSION; RESEARCH PROJECTS.] \$150,000, or so much of this amount as may be needed, is appropriated from the general fund to the public utilities commission to complete the work of the team of science advisors as specified in section 1 or initiate research projects in fiscal year 1995 as recommended by the team of science advisors and approved by the commission. Any amount of this appropriation that remains unencumbered after June 30, 1996, reverts to the general fund.

Sec. 32. Laws 1993, chapter 369, section 9, subdivision 2, is amended to read:

Subd. 2. Workers' Compensation Regulation and Enforcement

14,961,000 9,410,000

Summary by Fund

General	100,000	100,000
Workers' Comp.	14,861,000	9,310,000

\$5,000,000 the first year from the special compensation fund is for the Daedalus imaging systems project. This appropriation must not be allotted until the commissioner certifies that all information policy office requirements for this project have been met or will be met. This appropriation is available ~~for either year of the biennium~~ until June 30, 1997.

\$100,000 in the first year and \$100,000 in the second year are for grants to the Vinland Center for rehabilitation service.

Fee receipts collected as a result of providing direct computer access to public workers' compensation data on file with the commissioner must be credited to the general fund.

Sec. 33. Laws 1993, chapter 369, section 9, subdivision 3, is amended to read:

Subd. 3. Workplace Services

5,455,000	4,744,000	
Summary by Fund		
General	2,704,000	2,703,000
Workers' Comp.	2,751,000	2,041,000

This appropriation includes the transfer of the industrial hygiene activity from the department of health. The appropriation for this activity is from the special compensation fund.

\$710,000 the first year from the special compensation fund is for litigation of alleged ergonomic violations cases under the occupational safety and health act (OSHA). This appropriation is available ~~for either year of the biennium~~ until June 30, 1997.

Sec. 34. [BASE CUT TRANSFERS.]

For any agency assigned base cuts in this act, the proportion of agency base cuts for pass-through grants compared to total agency base cuts may not exceed the proportion of dollars appropriated for pass-through grants in the agency compared to total dollars appropriated to that agency.

Sec. 35. [COUNCILS TO REPORT.]

(a) The Indian affairs council, the council on affairs of Spanish-speaking people, the council on Black Minnesotans, and the council on Asian-Pacific Minnesotans shall, individually and jointly as provided in paragraph (b), conduct a study of each council's membership and operations. Each council's study must contain recommendations on:

- (1) removal of council members by the governor;
- (2) statutory requirements and qualifications for council membership;
- (3) appointment of the council director, including qualifications;
- (4) methods of reducing overall costs of the councils through sharing of staff and administrative expenses;
- (5) methods of improving coordination with other state agencies;
- (6) methods of reducing burdensome reporting requirements without compromising accountability;
- (7) methods of educating council members in management issues for state agencies, including but not limited to statewide budget and accounting practices, management practices, and legal liability; and
- (8) a statement of the mission of each council and measurable impact goals for each council.

(b) Each council must make all feasible efforts to coordinate its study with each other council's study, to achieve the maximum possible consistency in recommendations.

(c) Each council must consult with the governor's office in studying paragraph (b), items (1) to (3).

(d) Each council must submit its report to the legislature by February 1, 1996.

Sec. 36. [STUDY TO ASSESS BENEFITS OF CIVIC CENTERS.]

The division of tourism of the department of trade and economic development shall conduct a statewide study assessing the benefits of publicly owned civic and convention centers to the convention and tourism industry in the state. The results of the study shall be reported to the house capital investment committee and the senate finance committee by September 30, 1995. A copy of the study shall be given to the governor and to the commissioner of finance, who shall consider whether to include funding for civic and convention centers in the 1996 capital budget.

Sec. 37. [WORKERS' COMPENSATION DIVISION; SALARIES; MANAGERIAL PLAN.]

Funds appropriated to the department of labor and industry may not be used to pay the salaries for any positions in the managerial plan under Minnesota Statutes, section 43A.18, subdivision 3, in the workers' compensation division unless the positions existed on October 1, 1994, and had been filled on or before that date. This section does not prohibit the addition or modification of duties or responsibilities to existing managerial plan positions.

Sec. 38. [BRANDON FISHERIES ACQUISITION.]

The commissioner of trade and economic development shall study whether it is economically feasible and otherwise appropriate for the state to acquire the Brandon fisheries property near Brandon, Minnesota, for the purpose of a rest stop or tourism information center. The results of the study shall be reported to the relevant finance divisions and committees of the legislature by January 15, 1996.

Sec. 39. [DEMONSTRATION PROGRAM.]

The commissioner of economic security shall fund a demonstration program for summer youth employment which requires that youth who are otherwise eligible for employment under Minnesota Statutes, sections 268.56 and 268.561, participate in a program of remedial education involving reading and writing skills in both a learning and teaching capacity as part of summer youth programs. The commissioner shall evaluate the success of the program and report to the chairs of the jobs, energy, and community development committee of the senate and the economic development, infrastructure, and regulation finance committee of the house of representatives.

Sec. 40. [REGIONAL PROGRAM TO IDENTIFY ENERGY-EFFICIENCY INVESTMENT OPPORTUNITIES FOR BUSINESS.]

Subdivision 1. [PURPOSE.] A grant program for fiscal year 1996 is established to support regional efforts to identify energy-efficiency investments for businesses to provide opportunities for economic growth and job creation.

Subd. 2. [GRANT APPLICATION AND REVIEW PROCESS.] Regional development commissions are eligible to apply to the commissioner of public service for grants under this section. Applications must be submitted to the commissioner in the form and manner determined by the commissioner. The applicant must specify a process for identifying business and industrial sectors most appropriate for making changes in energy use. This regional process may include surveys, interviews, and regional forums to identify opportunities for energy-efficiency improvements and the use of new energy resources by businesses.

The applicant must identify and retain the services of an appropriate nonprofit corporation to provide the technical expertise to assess energy-efficiency opportunities in new, existing, and expanding businesses, to analyze the cost-effectiveness of the opportunities, and to facilitate relationships among utilities, energy service providers, businesses, and public agencies that result in cost-effective investments in energy-efficiency improvements that contribute to economic

development. These efforts must be designed to maximize participation in utility conservation and energy efficiency programs and to promote the growth of the energy service industry in the region, which includes engineering firms, distributors, contractors, and other energy service providers.

In each participating region, the regional development commission shall establish a project oversight committee that shall consist of a labor representative, a utility representative, a business representative, and not more than two additional members. This committee shall review and approve the project work plan and proposed activities and energy-efficiency installations undertaken as part of the project.

Subd. 3. [EVALUATION.] Each grant proposal must include a process for evaluating the specific business cost savings resulting from the regional energy-efficiency program activity.

Subd. 4. [REPORT.] The commissioner of public service shall report to the legislature by January 1, 1997, on the business investments in energy-efficiency technology which resulted from the grant program.

Sec. 41. [RADIO TALKING BOOK FOR THE BLIND.]

The commissioner of the department of economic security, the Friends of the Communication Center, the Rehabilitation Advisory Council of the Blind, and consumer organizations of the blind must initiate open public discussions regarding privatization of the Radio Talking Book for the Blind. The discussions must include, but not be limited to, a study of the Radio Talking Book, its statewide coverage, effectiveness of service, staffing, funding, programming, and the relationship between State Services for the Blind, the Friends of the Communication Center, consumer organizations of the blind, and Radio Talking Book consumers.

Sec. 42. [EXTENDED EMPLOYMENT AUDITS.]

The department of economic security, division of vocational rehabilitation, must complete its audit and reconciliation for extended employment programs according to the following schedule:

- (1) fiscal year 1991 by April 14, 1995;
- (2) fiscal year 1992 by July 28, 1995;
- (3) fiscal year 1993 by July 28, 1995; and
- (4) fiscal year 1994 by June 1, 1996.

Sec. 43. [LEGISLATIVE AUDITOR; ECONOMIC RECOVERY GRANT PROGRAM.]

The legislative audit commission is requested to direct the legislative auditor to conduct an evaluation of the economic recovery grant program under Minnesota Statutes, section 116J.873. The evaluation must include an audit of loans and grants made under the program and the criteria used in selecting projects for grants and loans. The legislative auditor shall report the results of the evaluation to the legislature by January 15, 1996.

Sec. 44. [LEGISLATIVE AUDITOR; BUSINESS ASSISTANCE PROGRAMS.]

The legislative audit commission is requested to direct the legislative auditor to conduct an evaluation of business assistance programs of state and local governments and report the results of the evaluation to the legislature by January 15, 1996. The evaluation must include tax increment financing assistance. The evaluation must identify the source of public funds for each project, number of jobs proposed or promised at the time of application and the number of jobs created, estimated number of jobs retained, salary and benefit distribution and dispersal by company for the jobs resulting from the public assistance, the number and name of projects approved, and, if possible, the number of jobs displaced by the assistance.

The salary distribution must show the number of employees in salary per hour bands, one dollar in width, beginning with the minimum wage and proceeding to the maximum salary paid.

Sec. 45. [WASTE WOOD COGENERATION FACILITIES; BIOMASS MANDATE.]

Electric energy produced at a St. Paul district heating and cooling system cogeneration facility which utilizes waste wood as a primary fuel source may also count toward satisfaction of up to 25 megawatts of the amount of biomass energy required by Minnesota Statutes, section 216B.2424, clause (2), provided that:

(1) the cogeneration facility utilizes nonhazardous tree trimmings and other nonhazardous waste wood, including, but not limited to, wood that would otherwise be landfilled or burned in a process not designed to reclaim and use the energy contained therein as a primary fuel source; and

(2) the cogenerated thermal load of such facility replaces a thermal load produced by nonrenewable fuels; and

(3) construction of the cogeneration facility begins after August 1, 1995.

All projects seeking to satisfy the biomass mandate of Minnesota Statutes, section 216B.2424, in whole or in part must be selected in a competitive bidding process or such other selection process approved by the public utilities commission.

Sec. 46. [SUSTAINABLE BIOMASS ENERGY PRODUCTION PROJECT; TECHNICAL ASSISTANCE AND SUPPORT.]

The commissioner of the department of agriculture, in collaboration and consultation with the commissioners of the departments of natural resources, trade and economic development, and public service, shall provide technical assistance and support to the Sustainable Biomass Energy Production Project, a joint effort of the University of Minnesota, the Minnesota Valley Alfalfa Producers, and other public and private interests. The support shall include assistance in analysis of environmental and economic benefits of the proposed project, assistance in developing feasibility and market assessments of the alfalfa-derived coproducts that would be produced by the project, and assistance to aid the project in securing a grant from the United States Department of Energy and the United States Department of Agriculture under the Biomass Power for Rural Development Initiative. The assistance provided under this section shall terminate June 30, 1997.

Sec. 47. [COGENERATION; POWER PLANT SITING ACT EXEMPTION.]

(a) A person who proposes to construct a cogeneration facility which utilizes gasified petroleum coke as its primary fuel source which is derived as a by-product of the oil refining process at an oil refining facility owned by the person proposing the project may identify a single site for the project in its application under Minnesota Statutes, section 116C.57, subdivision 1, instead of the two sites normally required under that subdivision, if the site is in reasonable proximity to the thermal host of the cogeneration plant. For the purposes of this subdivision, the "thermal host" of a cogeneration plant means the facility in which the thermal energy produced by the cogeneration plant is to be utilized. The environmental quality board shall determine whether the cogeneration facility is reasonably proximate to the thermal host with the understanding that the site should be adjacent to or contiguous with the site of the thermal host whenever practicable.

(b) A person who proposes to construct a cogeneration facility as described in paragraph (a) may apply to the environmental quality board to exempt the construction from the requirements of Minnesota Statutes, sections 116C.51 to 116C.69, under the provisions of Minnesota Statutes, section 116C.57, subdivision 5a, notwithstanding the size restrictions found in that subdivision. All other requirements of Minnesota Statutes, section 116C.57, subdivision 5a, apply to an application for an exemption under this subdivision. If the board determines that the proposed site will not have a significant human and environmental impact, the board may exempt the construction of the proposed plant at the proposed site from the requirements of Minnesota Statutes, sections 116C.51 to 116C.69 with any appropriate conditions.

Sec. 48. Minnesota Statutes 1994, section 5.14, is amended to read:

5.14 [TRANSACTION SURCHARGE.]

The secretary of state may impose a surcharge of \$10 \$20 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. 49. Minnesota Statutes 1994, section 16B.08, subdivision 7, is amended to read:

Subd. 7. [SPECIFIC PURCHASES.] (a) The following may be purchased without regard to the competitive bidding requirements of this chapter:

- (1) merchandise for resale at state park refectories or facility operations;
 - (2) farm and garden products, which may be sold at the prevailing market price on the date of the sale;
 - (3) meat for other state institutions from the technical college maintained at Pipestone by independent school district No. 583; and
 - (4) products and services from the Minnesota correctional facilities.
- (b) Supplies, materials, equipment, and utility services for use by a community-based residential facility operated by the commissioner of human services may be purchased or rented without regard to the competitive bidding requirements of this chapter.

(c) Supplies, materials, or equipment to be used in the operation of a hospital licensed under sections 144.50 to 144.56 that are purchased under a shared service purchasing arrangement whereby more than one hospital purchases supplies, materials, or equipment with one or more other hospitals, either through one of the hospitals or through another entity, may be purchased without regard to the competitive bidding requirements of this chapter if the following conditions are met:

- (1) the hospital's governing authority authorizes the arrangement;
- (2) the shared services purchasing program purchases items available from more than one source on the basis of competitive bids or competitive quotations of prices; and
- (3) the arrangement authorizes the hospital's governing authority or its representatives to review the purchasing procedures to determine compliance with these requirements.

~~(d) Supplies, materials, equipment, and utility services to be used or purchased by the iron range resources and rehabilitation board are subject to the competitive bidding requirements of this chapter only as described in section 298.2211, subdivision 3a.~~

Sec. 50. Minnesota Statutes 1994, section 44A.01, subdivision 2, is amended to read:

Subd. 2. [BOARD MEMBERSHIP.] The corporation is governed by a board of directors consisting of:

- (1) four members, representing the international business community, elected to six-year terms by the association of members established under section 44A.023, subdivision 2, clause (5);
- (2) four members, representing the international business community, appointed by the governor, to serve at the governor's pleasure;
- (3) the mayor of St. Paul or the mayor's designee; and
- (4) the commissioners of trade and economic development, agriculture, and commerce; and

(5) three members of the house appointed by the speaker of the house and three members of the senate appointed under the rules of the senate, who serve as nonvoting members. One member from each house must be a member of the minority party of that house. Legislative members are appointed at the beginning of each regular session of the legislature for two-year terms. A legislator who remains a member of the body from which the legislator was appointed may serve until a successor is appointed and qualifies. A vacancy in a legislator member's term is filled for the unexpired portion of the term in the same manner as the original appointment.

Members appointed by the governor must be knowledgeable or experienced in international trade in products or services.

Sec. 51. Minnesota Statutes 1994, section 97A.531, is amended by adding a subdivision to read:

Subd. 7. [POSSESSION OF FISH ON LAKE OF THE WOODS.] While in Minnesota, a person permitted to take and possess fish in Minnesota and licensed by the province of Ontario to take and possess fish may possess the daily limit of fish allowed by the Ontario border water conservation tag, if the fish taken in Ontario were taken on Ontario waters of Lake of the Woods north of Big Island.

Sec. 52. [97A.552] [FISHING REGULATIONS; EXECUTIVE ORDER.]

Subdivision 1. [ORDER AUTHORIZED.] (a) The governor may by executive order:

(1) require that fish that are lawfully taken by angling and possessed in Canada be brought into the state in-the-round;

(2) authorize fish lawfully taken by angling in Canada to be transported within the state or out of the state by a nonresident;

(3) require that a Minnesota resident transporting in Minnesota fish that have been taken by angling in Canada possess a Minnesota angling license; and

(4) require that any advertisement of fishing resorts or facilities in Canada in printed or broadcast form originating or distributed within the state must contain a summary of the requirement of clause (1) and penalty for noncompliance.

(b) An executive order issued under paragraph (a) is effective the day following the filing of a certified copy of it in the office of the secretary of state, and remains in effect until rescinded by order of the governor.

Subd. 2. [PENALTY FOR NONCOMPLIANCE.] A violation of an executive order imposing the requirement in subdivision 1, paragraph (a), clause (1), is a misdemeanor and, in addition to any criminal penalty imposed, fish brought into or transported within the state contrary to that executive order must be confiscated, and a penalty of \$10 for each fish must be imposed.

Sec. 53. Minnesota Statutes 1994, section 116J.552, subdivision 2, is amended to read:

Subd. 2. [CLEANUP COSTS.] "Cleanup costs" or "costs" mean means the cost costs of developing and implementing an approved a response action plan, but does not include implementation costs incurred before the award of a grant unless the application for the grant was submitted within 180 days after the response action plan was approved by the commissioner of the pollution control agency.

Sec. 54. Minnesota Statutes 1994, section 116J.555, subdivision 2, is amended to read:

Subd. 2. [APPLICATION CYCLES; REPORTING TO LCWM.] (a) In making grants, the commissioner shall establish regular semiannual application deadlines in which grants will be authorized from all or part of the available appropriations of money in the account.

(b) After each semiannual cycle in which grants are awarded, the commissioner shall report to the legislative commission on waste management the grants awarded and appropriate supporting information describing each grant made. This report must be made within 30 days after the grants are awarded.

(c) The commissioner shall annually report to the legislative commission on the status of the cleanup projects undertaken under grants made under the programs. The commissioner shall include in the annual report information on the cleanup and development activities undertaken for the grants made in that and previous fiscal years. The commissioner shall make this report no later than 120 days after the end of the fiscal year.

Sec. 55. Minnesota Statutes 1994, section 116J.873, subdivision 3, is amended to read:

Subd. 3. [GRANT EVALUATION.] The commissioner shall accept, review, and evaluate applications for grants to local units of government made in accordance with rules adopted for

economic development grants in the small cities development program. Projects must be evaluated based on the existence of the following conditions:

(1) whether assistance is necessary to provide equity to business owners who do not have the capacity to invest in a project;

(2) whether there is an inability to secure sufficient financing from other public or private sources at market interest rates or on favorable market terms;

(3) whether assistance is necessary to attract out-of-state businesses or to retain existing business within the state; and

(4) whether there are excessive public infrastructure or improvement costs beyond the means of the affected community and private participants in the project.

A grant or loan cannot be made based solely on a finding that the condition in clause (3) exists. A finding must be made that a condition in clause (1), (2), or (4) also exists.

Applications recommended for funding shall be submitted to the commissioner.

Sec. 56. Minnesota Statutes 1994, section 116J.873, is amended by adding a subdivision to read:

Subd. 5. [SPORTS FACILITY.] An economic recovery grant or loan cannot be used for a project related to a sports facility. For the purpose of this subdivision, "sports facility" means a building that has a professional sports team as a principal tenant.

Sec. 57. Minnesota Statutes 1994, section 116J.982, subdivision 3, is amended to read:

Subd. 3. [CERTIFICATION; CORPORATIONS ELIGIBLE.] (a) The commissioner shall certify a community development corporation under this section if the corporation is a nonprofit corporation incorporated under chapter 317A and meets the other criteria in this subdivision.

(b) The corporation, in its articles of incorporation or bylaws, must designate a low-income area as the specific geographic community within which it will operate. Within cities of the first class, a designated community must be an identifiable neighborhood or a combination of neighborhoods but may not be the entire city. Outside cities of the first class, a designated community may be an identifiable neighborhood or neighborhoods, or home rule charter or statutory cities, townships, unincorporated areas, or combinations of those entities, but may not be an entire economic development region nor cross existing economic development region boundaries except as provided in this section.

(c) The corporation's major purpose, in its articles of incorporation or bylaws, must be economic development, redevelopment, or housing in its designated community.

(d) The corporation must be tax exempt under section 501, paragraph (c), clause (3), of the Internal Revenue Code of 1986, as amended.

(e) The membership and board of directors of the corporation must be representative of the designated community. At least 20 percent of the directors shall have low incomes or shall reside in low-income areas described in subdivision 1, paragraph (e), clause (1), or the low-income subarea described in subdivision 1, paragraph (e), clause (2). At least 60 percent of the directors must be residents of, or be employed in, the designated community. Other directors shall be business, financial, or civic leaders or representatives-at-large of the designated community. At least 40 percent of the directors must reside in the designated community. Notwithstanding the requirements of this paragraph, a corporation which meets board structure requirements for a community housing development corporation under Code of Federal Regulations, title 24, part 92.2, is deemed to meet the board membership requirements of this subdivision.

(f) The corporation shall not discriminate against any persons on the basis of a status protected under chapter 363.

(g) The corporation shall demonstrate that it has or can obtain the technical skills to analyze

projects, that it is familiar with available public and private funding sources and economic development, redevelopment, and housing programs, and that it is capable of packaging economic development, redevelopment, and housing projects.

(h) The corporation must have completed two or more economic development, redevelopment, or housing projects within its designated community during the last three years.

Sec. 58. [116J.991] [PUBLIC ASSISTANCE TO BUSINESS; WAGE AND JOB REQUIREMENTS.]

A business that receives state or local government assistance for economic development or job growth purposes must create a net increase in jobs in Minnesota within two years of receiving the assistance.

The government agency providing the assistance must establish wage level and job creation goals to be met by the business receiving the assistance. A business that fails to meet the goals must repay the assistance to the government agency.

Each government agency must report the wage and job goals and the results for each project in achieving those goals to the department of trade and economic development. The department shall compile and publish the results of the reports for the previous calendar year by June 1 of each year. The reports of the agencies to the department and the compilation report of the department shall be made available to the public.

For the purpose of this section, "assistance" means a grant or loan in excess of \$25,000 or tax increment financing.

Sec. 59. Minnesota Statutes 1994, section 116M.16, subdivision 2, is amended to read:

Subd. 2. [GIFTS; GRANTS; APPROPRIATION.] The board may apply for, accept, and disburse gifts, grants, loans, or other property from the United States, the state, private foundations, or any other source. It may enter into an agreement required for the gifts, grants, or loans and may hold, use, and dispose of its assets in accordance with the terms of the gift, grant, loan, or agreement. Money received by the board under this subdivision must be deposited in a separate account in the state treasury and invested by the state board of investment. The amount deposited, including investment earnings, is appropriated to the board to carry out its duties.

Sec. 60. Minnesota Statutes 1994, section 116M.18, subdivision 4, is amended to read:

Subd. 4. [BUSINESS LOAN CRITERIA.] (a) The criteria in this subdivision apply to loans made under the urban challenge grant program.

(b) Loans must be made to businesses that are not likely to undertake a project for which loans are sought without assistance from the urban challenge grant program.

(c) A loan must be used for a project designed to benefit persons in low-income areas through the creation of job or business opportunities for them. ~~Among loan applicants, priority must be given on the basis of the number of permanent jobs created or retained by the project and the proportion of nonpublic money leveraged by the loan.~~ Priority must also be given for loans to the lowest income areas.

(d) The minimum loan is \$5,000 and the maximum is \$150,000.

~~(e) With the approval of the commissioner, a loan may be used to provide up to 50 percent of the private investment required to qualify for a grant from the economic recovery account.~~

(f) A loan must be matched by at least an equal amount of new private investment.

~~(g)~~ (f) A loan may not be used for a retail development project.

~~(h)~~ (g) The business must agree to work with job referral networks that focus on minority applicants from low-income areas.

Sec. 61. Minnesota Statutes 1994, section 116M.18, is amended by adding a subdivision to read:

Subd. 4a. [MICROENTERPRISE LOAN.] Urban challenge grants may be used to make microenterprise loans to small, beginning businesses, including a sole proprietorship. Microenterprise loans are subject to this section except that:

- (1) they may also be made to qualified retail businesses;
- (2) they may be made for a minimum of \$1,000 and a maximum of \$10,000; and
- (3) they do not require a match.

Sec. 62. Minnesota Statutes 1994, section 116M.18, subdivision 5, is amended to read:

Subd. 5. [REVOLVING FUND ADMINISTRATION; RULES.] (a) The board shall establish a minimum interest rate for loans to ensure that necessary loan administration costs are covered.

(b) Loan repayment amounts equal to one-half of the principal and interest must be deposited in a revolving fund created by the board for challenge grants. The remaining amount of the loan repayment may be deposited in a revolving loan fund created by the nonprofit corporation originating the loan being repaid for further distribution, consistent with the loan criteria specified in subdivision 4.

(c) Administrative expenses of the board and nonprofit corporations with whom the board enters into agreements under subdivision 2 may be paid out of the interest earned on loans and out of interest earned on money invested by the state board of investment under section 116M.16, subdivision 2.

Sec. 63. Minnesota Statutes 1994, section 116N.03, subdivision 2, is amended to read:

Subd. 2. [GIFTS; GRANTS.] The board may apply for, accept, and disburse gifts, grants, loans, or other property from the United States, the state, private foundations, or any other source. It may enter into an agreement required for the gifts, grants, or loans and may hold, use, and dispose of its assets in accordance with the terms of the gift, grant, loan, or agreement. Money received by the board under this subdivision must be deposited in a separate account in the state treasury and invested by the state board of investment. The amount deposited, including investment earnings, is appropriated to the board to carry out its duties.

Sec. 64. Minnesota Statutes 1994, section 116N.08, subdivision 5, is amended to read:

Subd. 5. [LOAN CRITERIA.] The following criteria apply to loans made under the challenge grant program:

(a) Loans must be made to businesses that are not likely to undertake a project for which loans are sought without assistance from the challenge grant program.

(b) A loan must be used for a project designed principally to benefit low-income persons through the creation of job or business opportunities for them. ~~Among loan applicants, priority must be given on the basis of the number of permanent jobs created or retained by the project and the proportion of nonstate money leveraged by the revolving loan.~~

(c) The minimum loan is \$5,000 and the maximum is \$100,000.

~~(d) With the approval of the commissioner, a loan may be used to provide up to 50 percent of the private investment required to qualify for a grant from the economic recovery account.~~

(e) A loan may not exceed 50 percent of the total cost of an individual project.

~~(f)~~ (e) A loan may not be used for a retail development project.

~~(g)~~ (f) A business applying for a loan, except a microenterprise loan under subdivision 5a, must be sponsored by a resolution of the governing body of the local governmental unit within whose jurisdiction the project is located.

Sec. 65. Minnesota Statutes 1994, section 116N.08, is amended by adding a subdivision to read:

Subd. 5a. [MICROENTERPRISE LOANS.] Challenge grants may be used to make microenterprise loans to small, beginning businesses, including a sole proprietorship. Microenterprise loans are subject to this section except that:

- (1) they may also be made to qualified retail businesses;
- (2) they may be for a minimum of \$1,000 and a maximum of \$10,000; and
- (3) they do not require a match.

Sec. 66. Minnesota Statutes 1994, section 116N.08, subdivision 6, is amended to read:

Subd. 6. [REVOLVING FUND ADMINISTRATION.] (a) The board shall establish a minimum interest rate for loans to ensure that necessary management costs are covered.

(b) Loan repayment amounts equal to one-half of the principal and interest must be deposited in the rural rehabilitation revolving fund for challenge grants to the region from which the money was originally designated. The remaining amount of the loan repayment may be deposited in the regional revolving loan fund for further distribution by the regional organization, consistent with the loan criteria specified in subdivisions 4 and 5.

(c) The first \$1,000,000 of revolving loans for each region must be matched by nonstate sources. The matching requirement does not apply to loans made under subdivision 6, clause (b).

(d) Administrative expenses of each organization may be paid out of the interest earned on loans and on interest earned on money invested by the state board of investment under section 116N.03, subdivision 2.

Sec. 67. Minnesota Statutes 1994, section 124.85, is amended by adding a subdivision to read:

Subd. 2c. [PAYMENT OF REVIEW EXPENSES.] The commissioner of public service may charge a school district requesting services under subdivisions 2a and 2b actual costs incurred by the department while conducting the review, or one-half percent of the total identified project cost, whichever is less. Before conducting the review, the commissioner shall notify a school district requesting review services that expenses will be charged to the school district. The commissioner shall bill the school district upon completion of the contract review. Money collected by the commissioner under this subdivision must be deposited in the general fund. A district may include the cost of a review by the commissioner under subdivision 2a in a contract made pursuant to this section.

Sec. 68. Minnesota Statutes 1994, section 175.171, is amended to read:

175.171 [POWERS AND DUTIES, DEPARTMENT OF LABOR AND INDUSTRY.]

The department of labor and industry shall have the following powers and duties:

(1) to exercise all powers and perform all duties of the department consistent with the provisions of this chapter;

(2) to adopt reasonable and proper rules relative to the exercise of its powers and duties, and proper rules to govern its proceedings and to regulate the mode and manner of all investigations and hearings, which shall not be effective until ten days after their adoption, and a copy of these rules shall be delivered to every citizen making application therefor;

(3) to collect, collate, and publish statistical and other information relating to the work under its jurisdiction, to keep records and to make public reports in its judgment necessary; and on or before October 1 in each even-numbered year the department shall report its doings, conclusions, and recommendations to the governor, which report shall be printed and distributed by November 15 of each even-numbered year to the legislature pursuant to section 3.195, and otherwise as the department may direct;

(4) to establish and maintain branch offices as needed for the conduct of its affairs; and

(5) to provide direct computer access to and electronic data interchange of public and nonpublic

workers' compensation data and other data maintained by the department and to charge a reasonable fee for the access and electronic data interchange, except that in no circumstances may a fee be charged an employee or the employee's attorney seeking access and data interchange to information about the employee's claim or circumstances. Notwithstanding any other law to the contrary, the fee receipts for providing the computer access to and electronic data interchange of data shall be deposited in the special compensation fund. Access to and electronic data interchange of nonpublic data shall be only as authorized by the subject of the data, as authorized in chapter 13, or as otherwise authorized by law.

Sec. 69. Minnesota Statutes 1994, section 176.011, subdivision 7a, is amended to read:

Subd. 7a. (1) [COMPENSATION JUDGE.] "Compensation judge" means a workers' compensation judge at the office of administrative hearings.

(2) [CALENDAR JUDGE.] "Calendar judge" means a workers' compensation judge at the office of administrative hearings.

(3) [SETTLEMENT JUDGE.] "Settlement judge" means a compensation judge at the department of labor and industry. Settlement judges may conduct settlement conferences, issue summary decisions, approve settlements and issue awards thereon, determine petitions for attorney fees and costs, and make other determinations, decisions, orders, and awards as may be delegated to them by the commissioner. Settlement judges must be learned in the law.

Sec. 70. Minnesota Statutes 1994, section 176.231, is amended by adding a subdivision to read:

Subd. 12. [REPORTS; ELECTRONIC MONITORING.] Beginning July 1, 1995, the commissioner shall monitor electronically all reports of injury, all payments for reported injuries, and compliance with all reporting and payment timelines.

Sec. 71. [176.445] [SETTLEMENT JUDGES.]

Notwithstanding section 176.011, subdivision 27, any provision in chapter 175 setting out general power of the commissioner, or any other law to the contrary:

(1) The chief settlement judge at the department is the administrator and supervisor of all dispute resolute functions and personnel, and reports directly to the commissioner.

(2) The commissioner may delegate authority only to settlement judges to make determinations under the procedure in sections 176.106, 176.238, and 176.239 and to approve settlements of claims under section 176.521. A settlement judge must preside at all workers' compensation settlement conferences conducted at the department.

Sec. 72. [178.20] [LABOR EDUCATION ADVANCEMENT GRANT PROGRAM.]

The commissioner shall establish the labor education advancement grant program for the purpose of facilitating the participation of minorities and women in apprenticeable trades and occupations. The commissioner shall award grants to community-based organizations serving the targeted populations on a competitive request-for-proposal basis. Interested organizations shall apply for the grants in a form prescribed by the commissioner. As part of the application process, applicants must provide a statement of need for the grant, a description of the targeted population and apprenticeship opportunities, a description of activities to be funded by the grant, evidence supporting the ability to deliver services, information related to coordinating grant activities with other employment and training programs, identification of matching funds, a budget, and performance objectives. Each submitted application shall be evaluated for completeness and effectiveness of the proposed grant activity.

Sec. 73. Minnesota Statutes 1994, section 207A.01, is amended to read:

207A.01 [PRESIDENTIAL PRIMARY.]

A presidential primary must be held on the first Tuesday in April of each year after 1999 in which a president and vice president of the United States are to be nominated and elected, at which the voters of this state may express their preference among the candidates of the major political

party of their choice, for that party's nomination to be president of the United States or may vote for uncommitted delegates to the national party convention. For the purposes of sections 207A.01 to 207A.07, "political party" or "party" means a political party as defined in section 200.02, subdivision 7.

Sec. 74. Minnesota Statutes 1994, section 216B.16, subdivision 2, is amended to read:

Subd. 2. [SUSPENSION OF PROPOSED RATES; HEARING; FINAL DETERMINATION DEFINED.] (a) Whenever there is filed with the commission a schedule modifying or resulting in a change in any rates then in force as provided in subdivision 1, the commission may suspend the operation of the schedule by filing with the schedule of rates and delivering to the affected utility a statement in writing of its reasons for the suspension at any time before the rates become effective. The suspension shall not be for a longer period than ten months beyond the initial filing date except as provided in this subdivision or subdivision 1a. During the suspension the commission shall determine whether all questions of the reasonableness of the rates requested raised by persons deemed interested or by the administrative division of the department of public service can be resolved to the satisfaction of the commission. If the commission finds that all significant issues raised have not been resolved to its satisfaction, or upon petition by ten percent of the affected customers or 250 affected customers, whichever is less, it shall refer the matter to the office of administrative hearings with instructions for a public hearing as a contested case pursuant to chapter 14, except as otherwise provided in this section. The commission may order that the issues presented by the proposed rate changes be bifurcated into two separate hearings as follows: (1) determination of the utility's revenue requirements and (2) determination of the rate design. Upon issuance of both administrative law judge reports, the issues shall again be joined for consideration and final determination by the commission. All prehearing discovery activities of state agency intervenors shall be consolidated and conducted by the department of public service. If the commission does not make a final determination concerning a schedule of rates within ten months after the initial filing date, the schedule shall be deemed to have been approved by the commission; except if:

(1) an extension of the procedural schedule has been granted under subdivision 1a, in which case the schedule of rates is deemed to have been approved by the commission on the last day of the extended period of suspension; or

(2) a settlement has been submitted to and rejected by the commission and the commission does not make a final determination concerning the schedule of rates, the schedule of rates is deemed to have been approved 60 days after the initial or, if applicable, the extended period of suspension.

(b) If the commission finds that it has insufficient time during the suspension period to make a final determination of a case involving changes in general rates because of the need to make a final determination of other another previously filed cases case involving changes in general rates under this section or section 237.075, the commission may extend the suspension period to the extent necessary to allow itself 20 working days to make the final determination after it has made a final determination in the previously filed cases case. An extension of the suspension period under this paragraph does not alter the setting of interim rates under subdivision 3.

(c) For the purposes of this section, "final determination" means the initial decision of the commission and not any order which may be entered by the commission in response to a petition for rehearing or other further relief. The commission may further suspend rates until it determines all those petitions.

Sec. 75. Minnesota Statutes 1994, section 216B.16, is amended by adding a subdivision to read:

Subd. 12a. [EXEMPTION FOR SMALL ELECTRIC UTILITY FRANCHISE.] (a) An electric utility, operating as such in a bordering state and having fewer than 200 customers in Minnesota, is exempt from this section if the utility:

(1) charges Minnesota customers the same rates as those charged to customers in the bordering state;

(2) provides 60-day notice to the commission of rate increases for its Minnesota customers;

- (3) provides individual, written notice of rate increases to its Minnesota customers;
 - (4) provides the commission with schedules of rates and tariffs charged in the bordering state and revenues by class under the former and proposed rates; and
 - (5) maintains an up-to-date tariff book with the department.
- (b) The commission may initiate an investigation under section 216B.17, on its own motion or upon customer complaint with respect to the utility's rates and practices in Minnesota.

Sec. 76. Minnesota Statutes 1994, section 216B.2424, is amended to read:

216B.2424 [BIOMASS POWER MANDATE.]

A public utility, as defined in section 216B.02, subdivision 4, that operates a nuclear-powered electric generating plant within this state must, by December 31, 1998, construct and operate, purchase, or contract to construct and operate (1) by December 31, 1998, 50 megawatts of electric energy installed capacity generated by farm grown closed-loop biomass scheduled to be operational by December 31, 2001; and (2) by December 31, 1998, an additional 75 megawatts of installed capacity so generated scheduled to be operational by December 31, 2002. Of the total 125 megawatts of biomass electric energy installed capacity required under this section, no more than 75 megawatts may be provided by a single project. Of the 75 megawatts of biomass electric energy installed capacity required under clause (2), no more than 25 megawatts of this capacity may be provided by a St. Paul district heating and cooling system cogeneration facility utilizing waste wood as a primary fuel source. The public utility must accept and consider on an equal basis with other proposals a proposal to satisfy the requirements of this section that includes a project that exceeds the megawatt capacity requirements of either clause (1) or (2) and that proposes to sell the excess capacity to the public utility or to other purchasers.

Sec. 77. Minnesota Statutes 1994, section 216B.27, subdivision 4, is amended to read:

Subd. 4. [DEADLINE TO GRANT APPLICATION.] Any application for a rehearing not granted within 20 60 days from the date of filing thereof, shall be deemed denied.

Sec. 78. Minnesota Statutes 1994, section 237.701, subdivision 1, is amended to read:

Subdivision 1. [FUND CREATED; AUTHORIZED EXPENDITURES.] 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 \$314,000 annually; and
- (3) reimbursement of the administrative expenses of the commission not to exceed \$25,000 annually; and
- (4) reimbursement of the statewide indirect cost of the commission.

Sec. 79. Minnesota Statutes 1994, section 245A.11, subdivision 2, is amended to read:

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, except that a residential program whose primary purpose is to treat juveniles who have violated criminal statutes relating to sex offenses or have been adjudicated delinquent on the basis of conduct in violation of criminal statutes relating to sex offenses shall not be considered a permitted use. 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.

Sec. 80. Minnesota Statutes 1994, section 268A.01, subdivision 4, is amended to read:

Subd. 4. [VOCATIONAL REHABILITATION SERVICES.] "Vocational rehabilitation services" means those services and goods so defined in the federal Rehabilitation Act of 1973, as amended, and section 268A.03, clause (b).

Sec. 81. Minnesota Statutes 1994, section 268A.01, subdivision 5, is amended to read:

Subd. 5. [PERSON WITH A DISABILITY.] "Person with a disability" means a person who because of a substantial physical, mental, or emotional disability ~~or dysfunction~~ requires special services in order to enjoy the benefits of society.

Sec. 82. Minnesota Statutes 1994, section 268A.01, subdivision 6, is amended to read:

Subd. 6. [REHABILITATION FACILITY.] "Rehabilitation facility" means an entity which meets the definition of community rehabilitation facility program in the federal Rehabilitation Act of 1973, as amended; ~~However, for the purposes of sections 268A.03, paragraph (a), 268A.06, 268A.08, and 268A.09~~ 268A.15, rehabilitation facility means an entity which is operated for the primary purpose of ~~providing remunerative or facilitating employment to those for persons with a severe disability who, as a result of physical or mental disability, are unable to participate in competitive employment. A rehabilitation facility shall supply such employment (1) as a step in the rehabilitation process for those who cannot be readily absorbed in the competitive labor market, or (2) during such time as employment opportunities for them in the competitive labor market do not exist.~~

Sec. 83. Minnesota Statutes 1994, section 268A.01, subdivision 9, is amended to read:

Subd. 9. [~~LONG TERM CENTER-BASED EMPLOYMENT PROGRAM SUBPROGRAM.~~] "Long term Center-based employment program subprogram" means ~~a program employment which provides paid work on the premises of a rehabilitation facility and training services or other services necessary for employment on or off the premises and which does not include work activity of the rehabilitation facility.~~

Sec. 84. Minnesota Statutes 1994, section 268A.01, subdivision 10, is amended to read:

Subd. 10. [EXTENDED EMPLOYMENT PROGRAMS PROGRAM.] "Extended employment programs program" means ~~the following programs which may be offered by a rehabilitation facility:~~ center-based employment and supported employment subprograms.

~~(1) long term employment program;~~

~~(2) work activity program;~~

~~(3) work component program; and~~

~~(4) supported employment program.~~

Sec. 85. Minnesota Statutes 1994, section 268A.03, is amended to read:

268A.03 [POWERS AND DUTIES.]

The commissioner shall:

(a) certify the rehabilitation facilities to offer extended employment programs, grant funds to the extended employment programs, and perform the duties as specified in section ~~268A.09~~ 268A.15;

(b) provide vocational rehabilitation services to persons with disabilities in accordance with the state plan for vocational rehabilitation. These services include but are not limited to: diagnostic and related services incidental to determination of eligibility for services to be provided, including medical diagnosis and vocational diagnosis; vocational counseling, training and instruction, including personal adjustment training; physical restoration, including corrective surgery, therapeutic treatment, hospitalization and prosthetic and orthotic devices, all of which shall be obtained from appropriate established agencies; transportation; occupational and business licenses

or permits, customary tools and equipment; maintenance; books, supplies, and training materials; initial stocks and supplies; placement; on-the-job skill training and time-limited postemployment services leading to supported employment; acquisition of vending stands or other equipment, initial stocks and supplies for small business enterprises; supervision and management of small business enterprises, merchandising programs, or services rendered by severely disabled persons. Persons with a disability are entitled to free choice of vendor for any medical, dental, prosthetic, or orthotic services provided under this paragraph;

(c) expend funds and provide technical assistance for the establishment, improvement, maintenance, or extension of public and other nonprofit rehabilitation facilities or centers;

(d) maintain a contractual or regulatory relationship with the United States as authorized by the Social Security Act, as amended. Under this relationship, the state will undertake to make determinations referred to in those public laws with respect to all individuals in Minnesota, or with respect to a class or classes of individuals in this state that is designated in the agreement at the state's request. It is the purpose of this relationship to permit the citizens of this state to obtain all benefits available under federal law;

(e) provide an in-service training program for division of rehabilitation services employees by paying for its direct costs with state and federal funds;

(f) conduct research and demonstration projects; provide training and instruction, including establishment and maintenance of research fellowships and traineeships, along with all necessary stipends and allowances; disseminate information to persons with a disability and the general public; and provide technical assistance relating to vocational rehabilitation and independent living;

(g) receive and disburse pursuant to law money and gifts available from governmental and private sources including, but not limited to, the federal Department of Education and the Social Security Administration, for the purpose of vocational rehabilitation or independent living;

(h) design all state plans for vocational rehabilitation or independent living services required as a condition to the receipt and disbursement of any money available from the federal government;

(i) cooperate with other public or private agencies or organizations for the purpose of vocational rehabilitation or independent living. Money received from school districts, governmental subdivisions, mental health centers or boards, and private nonprofit organizations is appropriated to the commissioner for conducting joint or cooperative vocational rehabilitation or independent living programs;

(j) enter into contractual arrangements with instrumentalities of federal, state, or local government and with private individuals, organizations, agencies, or facilities with respect to providing vocational rehabilitation or independent living services;

(k) take other actions required by state and federal legislation relating to vocational rehabilitation, independent living, and disability determination programs;

(l) hire staff and arrange services and facilities necessary to perform the duties and powers specified in this section;

(m) adopt, amend, suspend, or repeal rules necessary to implement or make specific programs that the commissioner by sections 268A.01 to ~~268A.10~~ 268A.15 is empowered to administer; and

(n) contact any person with traumatic brain injury or spinal cord injury reported by the commissioner of health under section 144.664, subdivision 3, and notify the person, or the person's parent or guardian if the person is a minor or is mentally incompetent, of services available to the person, eligibility requirements and application procedures for public programs, and other information the commissioner believes may be helpful to the person to make appropriate use of available rehabilitation services.

Sec. 86. Minnesota Statutes 1994, section 268A.06, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] Any city, town, county, nonprofit corporation, state regional

center, or any combination thereof, may apply to the commissioner for assistance in establishing or operating a community rehabilitation facility. Application for assistance shall be on forms ~~supplied~~ prescribed by the commissioner. Each applicant shall annually submit to the commissioner its plan and budget for the next fiscal year. No applicant shall be eligible for a grant hereunder unless its plan and budget have been approved by the commissioner.

Sec. 87. Minnesota Statutes 1994, section 268A.07, is amended to read:

268A.07 [REQUIREMENTS FOR CERTIFICATION.]

Subdivision 1. [BENEFITS.] A rehabilitation facility must, as a condition for receiving program certification, provide employees in ~~a long-term center-based employment program~~ with personnel benefits prescribed in rules adopted by the commissioner of the department of economic security.

Subd. 2. [GRIEVANCE PROCEDURE.] A rehabilitation facility must, as a condition for receiving program certification, provide to employees in ~~a long-term center-based employment program~~ subprograms, a grievance procedure which has as its final step provisions for final and binding arbitration.

Sec. 88. Minnesota Statutes 1994, section 268A.08, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENT; MEMBERSHIP.] Every city, town, county, nonprofit corporation, or combination thereof establishing a rehabilitation facility shall appoint a rehabilitation facility board of no fewer than nine members before becoming eligible for the assistance provided by sections 268A.06 to ~~268A.09~~ 268A.15. When any city, town, or county singly establishes such a rehabilitation facility, the board shall be appointed by the chief executive officer of the city or the chair of the governing board of the county or town. When any combination of cities, towns, counties, or nonprofit corporations establishes a rehabilitation facility, the chief executive officers of the cities, nonprofit corporations and the chairs of the governing bodies of the counties or towns shall appoint the board. If a nonprofit corporation singly establishes a rehabilitation facility, the corporation shall appoint the board of directors. Membership on a board shall be representative of the community served and shall include a person with a disability. One-third to one-half of the board shall be representative of industry or business. The remaining members should be representative of lay associations for persons with a disability, labor, the general public, and education, welfare, medical, and health professions. Nothing in sections 268A.06 to ~~268A.09~~ 268A.15 shall be construed to preclude the appointment of elected or appointed public officials or members of the board of directors of the sponsoring nonprofit corporation to the board, so long as representation described above is preserved. If a state regional center establishes an extended employment program, the chief executive officer of the state regional center shall perform the functions of the rehabilitation facility board as prescribed in subdivision 2. The regional center is not required to establish a separate governing body as a board. The state regional center shall establish an advisory committee following the membership representation requirements of this subdivision. If a county establishes an extended employment program and manages the program with county employees, the governing board shall be the county board of commissioners and other provisions of this chapter pertaining to membership on the governing board do not apply.

Sec. 89. Minnesota Statutes 1994, section 268A.08, subdivision 2, is amended to read:

Subd. 2. [DUTIES.] Subject to the provisions of sections 268A.06 to ~~268A.09~~ 268A.15 and the rules of the department, each rehabilitation facility board shall:

(a) review and evaluate the need for extended employment programs offered by the rehabilitation facility provided pursuant to sections 268A.06 to ~~268A.09~~ 268A.15 and report thereon to the commissioner and, when indicated, the public, together with recommendations for additional extended employment programs;

(b) recruit and promote local financial support for ~~the~~ extended employment programs from private sources such as community chests, business, industrial and private foundations, voluntary agencies and other lawful sources and promote public support for municipal and county appropriations;

(c) promote, arrange, and implement working agreements with other educational and social service agencies both public and private and any other allied agencies;

(d) advise the commissioner on the adoption and implementation of policies to stimulate effective community relations;

(e) review the annual plan and budget and make recommendations thereon;

(f) when ~~the~~ an extended employment program offered by the rehabilitation facility is certified, act as the administrator of the rehabilitation facility and its ~~programs~~ subprograms for purposes of this chapter.

Sec. 90. Minnesota Statutes 1994, section 268A.13, is amended to read:

268A.13 [EMPLOYMENT SUPPORT SERVICES FOR PERSONS WITH MENTAL ILLNESS.]

The commissioner of economic security, in cooperation with the commissioner of human services, shall develop a statewide program of grants to provide services for persons with mental illness in supported employment. Projects funded under this section must: (1) assist persons with mental illness in obtaining and retaining employment; (2) emphasize individual community placements for clients; (3) ensure interagency collaboration at the local level between vocational rehabilitation field offices, county service agencies, community support programs operating under the authority of section 245.4712, and community rehabilitation providers, in assisting clients; and (4) involve clients in the planning, development, oversight, and delivery of support services. Project funds may not be used to provide services in segregated settings such as ~~long-term~~ the center-based employment or work activity programs subprograms as defined in section 268A.01.

The commissioner of economic security, in consultation with the commissioner of human services, shall develop a request for proposals which is consistent with the requirements of this section and which specifies the types of services that must be provided by grantees. Projects shall be funded for state fiscal year 1995 and priority for funding shall be given to organizations with experience in developing innovative employment support services for persons with mental illness. Each applicant for funds under this section shall submit an evaluation protocol as part of the grant application.

Sec. 91. [268A.15] [EXTENDED EMPLOYMENT PROGRAM.]

Subdivision 1. [ADMINISTRATION.] The department of economic security shall administer this section through the division of rehabilitation services. The department may employ staff as required to administer this section and may accept and receive funds from nonstate sources for the purpose of implementing this section.

Subd. 2. [PURPOSE.] The purpose of the extended employment program is to provide the ongoing services necessary to maintain and advance the employment of persons with severe disabilities. Employment under this section must encompass the broad range of employment choices available to all persons and promote an individual's self-sufficiency and financial independence.

Subd. 3. [RULE AUTHORITY.] The commissioner shall adopt rules on an individual's eligibility for the extended employment program, the certification of rehabilitation facilities, and the methods, criteria, and units of distribution for the allocation of state grant funds to certified rehabilitation facilities. In determining the allocation, the commissioner must consider the economic conditions of the community and the performance of rehabilitation facilities relative to their impact on the economic status of workers in the extended employment program.

Subd. 4. [EVALUATION.] The commissioner of economic security shall evaluate the extended employment program to determine whether the purpose of extended employment as defined in subdivision 2 is being achieved. The evaluation must include an assessment of whether workers in the extended employment program are satisfied with their employment. A written report of this evaluation must be prepared at least every two years and made available to the public.

Subd. 5. [TECHNICAL ASSISTANCE.] The commissioner of economic security shall provide technical assistance within available resources to rehabilitation facilities.

Subd. 6. [GRANTS.] The commissioner may provide innovation and expansion grants to rehabilitation facilities to encourage the development, demonstration, or dissemination of innovative business practices, training programs, and service delivery methods that:

(1) expand and improve employment opportunities for persons with severe disabilities who are unserved or underserved by the extended employment program; and

(2) increase the ability of persons with severe disabilities to use new and emerging technologies in employment settings, and foster the capacity of rehabilitation facilities and employers to promote the integration of individuals with severe disabilities into the workplace and the mainstream of community life.

The grants must require collaboration at the local level among vocational rehabilitation field offices, county social service and planning agencies, rehabilitation facilities, and employers.

Subd. 7. [WITHDRAWAL OF FUNDS.] The commissioner may withdraw funds from a rehabilitation facility that is not being administered in accordance with its approved plan and budget unless a modified plan and budget is submitted to and approved by the commissioner, and implemented within a reasonable time. The commissioner may withdraw funds from a rehabilitation facility not being administered according to department rules, or not meeting mandatory standards for certification, unless a plan bringing the rehabilitation facility into compliance with the rules and standards is submitted to and approved by the commissioner, and implemented within a reasonable time. Funds withdrawn shall, after reasonable notice and opportunity for hearing, be reallocated by the commissioner to other rehabilitation facilities.

Sec. 92. Minnesota Statutes 1994, section 298.22, subdivision 2, is amended to read:

Subd. 2. There is hereby created the iron range resources and rehabilitation board, consisting of 11 members, five of whom shall be state senators appointed by the subcommittee on committees of the rules committee of the senate, and five of whom shall be representatives, appointed by the speaker of the house of representatives, their terms of office to commence on May 1, 1943, and continue until January 3rd, 1945, or until their successors are appointed and qualified. Their successors shall be appointed each two years in the same manner as the original members were appointed, in January of every second year, commencing in January, 1945. The 11th member of said board shall be the commissioner of natural resources of the state of Minnesota. Vacancies on the board shall be filled in the same manner as the original members were chosen. At least a majority of the legislative members of the board shall be elected from state senatorial or legislative districts in which over 50 percent of the residents reside within a tax relief area as defined in section 273.134. All expenditures and projects made by the commissioner of iron range resources and rehabilitation shall first be submitted to said iron range resources and rehabilitation board ~~which shall recommend for approval by at least eight board members or disapproval or modification~~ of expenditures and projects for rehabilitation purposes as provided by this section, and the method, manner, and time of payment of all said funds proposed to be disbursed shall be first approved or disapproved by said board. The board shall biennially make its report to the governor and the legislature on or before November 15 of each even numbered year. The expenses of said board shall be paid by the state of Minnesota from the funds raised pursuant to this section.

Sec. 93. Minnesota Statutes 1994, section 298.223, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATION.] The taconite environmental protection fund shall be administered by the commissioner of the iron range resources and rehabilitation board. The commissioner shall by September 1 of each year ~~prepare~~ submit to the board a list of projects to be funded from the taconite environmental protection fund, with such supporting information including description of the projects, plans, and cost estimates as may be necessary. Upon ~~recommendation~~ approval by at least eight members of the iron range resources and rehabilitation board, this list shall be submitted to the governor by November 1 of each year. By December 1 of each year, the governor shall approve or disapprove, or return for further consideration, each project. Funds for a project may be expended only upon approval of the project by the board and governor. The commissioner may submit supplemental projects to the board and governor for approval at any time.

Sec. 94. [383B.79] [MULTIJURISDICTIONAL PROGRAM.]

Subdivision 1. [PROGRAM CREATED.] A multijurisdictional reinvestment program involving Hennepin county, the cities of Minneapolis, Brooklyn Center, and other interested statutory or home rule charter cities in Hennepin county, the Minneapolis park board, and the suburban Hennepin county park district is created. The multijurisdictional program must include plans for housing rehabilitation and removals, industrial polluted land cleanup, water ponding, environmental cleanup, community corridor connections, corridor planning, creation of green space, and job creation.

Subd. 2. [USE OF APPROPRIATIONS.] Up to one-half of any state appropriation for the program created in subdivision 1 may be used by the county as a grant to the cities of Minneapolis and Brooklyn Center to provide assistance in a capital nature for constructing public infrastructure improvements in order to further economic development.

Subd. 3. [MATCHING.] Government jurisdictions participating in the reinvestment program planning and projects must match any state contribution on at least a dollar-for-dollar basis in the aggregate. Government jurisdictions, however constituted, may use any funds under their control for the match requirement.

Sec. 95. Minnesota Statutes 1994, section 462.357, subdivision 7, is amended to read:

Subd. 7. [PERMITTED SINGLE FAMILY USE.] A state licensed residential facility serving six or fewer persons, a licensed day care facility serving 12 or fewer persons, and a group family day care facility licensed under Minnesota Rules, parts 9502.0315 to 9502.0445 to serve 14 or fewer children shall be considered a permitted single family residential use of property for the purposes of zoning, except that a residential facility whose primary purpose is to treat juveniles who have violated criminal statutes relating to sex offenses or have been adjudicated delinquent on the basis of conduct in violation of criminal statutes relating to sex offenses shall not be considered a permitted use.

Sec. 96. Minnesota Statutes 1994, section 462A.05, subdivision 14, is amended to read:

Subd. 14. [REHABILITATION LOANS.] It may agree to purchase, make, or otherwise participate in the making, and may enter into commitments for the purchase, making, or participation in the making, of eligible loans for rehabilitation to persons and families of low and moderate income, and to owners of existing residential housing for occupancy by such persons and families, for the rehabilitation of existing residential housing owned by them. The loans may be insured or uninsured and may be made with security, or may be unsecured, as the agency deems advisable. The loans may be in addition to or in combination with long-term eligible mortgage loans under subdivision 3. They may be made in amounts sufficient to refinance existing indebtedness secured by the property, if refinancing is determined by the agency to be necessary to permit the owner to meet the owner's housing cost without expending an unreasonable portion of the owner's income thereon. No loan for rehabilitation shall be made unless the agency determines that the loan will be used primarily to make the housing more desirable to live in, to increase the market value of the housing, for compliance with state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing, or to accomplish energy conservation related improvements. In unincorporated areas and municipalities not having codes and standards, the agency may, solely for the purpose of administering the provisions of this chapter, establish codes and standards. Except for accessibility improvements under this subdivision 14d and subdivisions 14a and 24, clause (1), no secured loan for rehabilitation of any property shall be made in an amount which, with all other existing indebtedness secured by the property, would exceed its market value, as determined by the agency. No loan under this subdivision 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. Rehabilitation loans shall be made only when the agency determines that financing is not otherwise available, in whole or in part, from private lenders upon equivalent terms and conditions. Accessibility rehabilitation loans authorized under this subdivision may be made to eligible persons and families without limitations relating to the maximum incomes of the borrowers if:

(1) the borrower or a member of the borrower's family requires a level of care provided in a

hospital, skilled nursing facility, or intermediate care facility for persons with mental retardation or related conditions;

(2) home care is appropriate; and

(3) the improvement will enable the borrower or a member of the borrower's family to reside in the housing.

Sec. 97. Minnesota Statutes 1994, section 462A.05, subdivision 15c, is amended to read:

Subd. 15c. [RESIDENTIAL LEAD ABATEMENT.] (a) It may make or purchase loans or grants for the abatement of hazardous levels of lead paint in residential buildings and lead contaminated soil on the property of residential buildings occupied by 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 borrowers or grantees,~~ 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, in consultation with the department of health, shall report to the legislature by January ~~1993~~ 1996 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.

(b) The agency may also make grants to eligible organizations, as defined in section 268.92, subdivision 1, for the purposes of section 268.92.

Sec. 98. Minnesota Statutes 1994, section 462A.05, subdivision 30, is amended to read:

Subd. 30. [AGENCY INVESTMENT IN CERTAIN NOTES AND MORTGAGES.] It may invest in, purchase, acquire, and take assignments of existing notes and mortgages not closed for the purpose of sale to the agency, from lenders that are nonprofit or nonprofit entities, as defined in the agency's rules, provided that: (1) the notes and mortgages evidence loans for the construction, rehabilitation, purchase, improvement, or refinancing of residential housing intended for occupancy and occupied by low- and moderate-income persons and families; and (2) the loan sellers utilize the funds derived from the purchases in accordance with the authority contained in section 462A.07, subdivision 12, for the purposes and objectives of sections 462A.02, 462A.03, 462A.05, 462A.07, and 462A.21; and (3) the purchases are subject to security and limitations on the costs and expenses of the loan sellers incidental to the utilization of the purchase proceeds as the agency may determine. The proceeds of the purchases authorized by this subdivision shall not be subject to the limitations of section 462A.21, subdivisions 4k, 6, 9, and 12. In addition, it may invest in, purchase, acquire, and take assignments of existing federally insured mortgages for multifamily housing, not closed for the purpose of sale to the agency, from any banking institution, savings and loan association, or other lender or financial intermediary approved by the members; provided that the multifamily housing is benefited by contracts for federal housing assistance payments.

Sec. 99. Minnesota Statutes 1994, section 462A.201, subdivision 2, is amended to read:

Subd. 2. [LOW-INCOME HOUSING.] (a) The agency may, in consultation with the advisory committee, use money from the housing trust fund account to provide loans or grants for projects for the development, construction, acquisition, preservation, and rehabilitation of low-income rental and limited equity cooperative housing units and homes for ownership. No more than 20 percent of available funds may be used for home ownership projects.

(b) The A rental or limited equity cooperative housing project must meet one of the following income tests:

(1) ~~at least 75 percent of the rental and cooperative units, and 100 percent of the homes for ownership, must be rented to or cooperatively owned, or owned by persons and families whose income does not exceed 30 percent of the median family income for the metropolitan area as defined in section 473.121, subdivision 2; or~~

(2) all of the units funded by the housing trust fund account must be used for the benefit of persons and families whose income does not exceed 30 percent of the median family income for the metropolitan area as defined in section 473.121, subdivision 2.

The median family income may be adjusted for families of five or more.

(c) Homes for ownership must be owned or purchased by persons and families whose income does not exceed 50 percent of the metropolitan area median income, adjusted for family size.

(d) In making the grants, the agency shall determine the terms and conditions of repayment and the appropriate security, if any, should repayment be required. To promote the geographic distribution of grants and loans, the agency may designate a portion of the grant or loan awards to be set aside for projects located in specified congressional districts or other geographical regions specified by the agency. The agency may adopt emergency and permanent rules for awarding grants and loans under this subdivision. The emergency rules are effective for 180 days or until the permanent rules are adopted, whichever occurs first.

Sec. 100. Minnesota Statutes 1994, section 462A.202, subdivision 2, is amended to read:

Subd. 2. [TRANSITIONAL HOUSING.] The agency may make loans with or without interest to cities and counties 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 cities that propose to acquire properties being sold by the resolution trust corporation or the department of housing and urban development. Loans under this subdivision are subject to the restrictions in subdivision 7.

Sec. 101. Minnesota Statutes 1994, section 462A.202, subdivision 6, is amended to read:

Subd. 6. [NEIGHBORHOOD LAND TRUSTS.] The agency may make loans with or without interest to cities and counties 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 subdivision 7.

Sec. 102. Minnesota Statutes 1994, section 462A.204, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The agency may establish a family homeless prevention and assistance program to assist families who are homeless or are at imminent risk of homelessness. The term "family" may include single individuals. The agency may make grants to develop and implement family homeless prevention and assistance projects under the program. For purposes of this section, "families" means families and persons under the age of 18 22.

Sec. 103. Minnesota Statutes 1994, section 462A.205, subdivision 4, is amended to read:

Subd. 4. [AMOUNT AND PAYMENT OF RENT ASSISTANCE.] (a) This subdivision applies to both the voucher option and the project-based voucher option.

(b) Within the limits of available appropriations, eligible families may receive monthly rent assistance for a 36-month period starting with the month the family first receives rent assistance under this section. The amount of the family's portion of the rental payment is equal to at least 30 percent of gross income.

(c) The rent assistance must be paid by the local housing organization to the property owner.

(d) Subject to the limitations in paragraph (e), the amount of rent assistance is the difference between the rent and the family's portion of the rental payment.

(e) In no case:

(1) may the amount of monthly rent assistance be more than \$250 for housing located within the metropolitan area, as defined in section 473.121, subdivision 2, or more than \$200 for housing located outside of the metropolitan area;

(2) may the owner receive more rent for assisted units than for comparable unassisted units; nor

(3) may the amount of monthly rent assistance be more than the difference between the family's portion of the rental payment and the fair market rent for the unit as determined by the Department of Housing and Urban Development.

Sec. 104. Minnesota Statutes 1994, section 462A.206, subdivision 2, is amended to read:

Subd. 2. [AUTHORIZATION.] The agency may make grants or loans to cities for the purposes of construction, acquisition, rehabilitation, demolition, permanent financing, refinancing, or gap financing of single or multifamily housing, or full cycle home ownership services, as defined in section 462A.209, subdivision 2. 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. The agency shall take into account the amount of money that the city leverages from other sources in awarding grants and loans. Cities may use the grants and loans to establish revolving loan funds and to provide grants and loans to eligible mortgagors. The city may determine the terms and conditions of the grants and loans. An agency loan may only be used by a city to make loans.

Sec. 105. Minnesota Statutes 1994, section 462A.206, subdivision 5, is amended to read:

Subd. 5. [OTHER ELIGIBLE ORGANIZATIONS.] A nonprofit organization is eligible to apply directly for grants or loans from the community rehabilitation fund account if the city within which it is located enacts a resolution authorizing the organization to apply on the city's behalf, except that a nonprofit organization providing full cycle home ownership services may apply directly to the agency.

Sec. 106. [462A.209] [HOME OWNERSHIP ASSISTANCE.]

Subdivision 1. [FULL CYCLE HOME OWNERSHIP SERVICES.] The full cycle home ownership services program shall be used to fund nonprofit organizations and political subdivisions providing, building capacity to provide, or supporting full cycle lending for home ownership to low and moderate income home buyers. The purpose of the program is to encourage private investment in affordable housing and collaboration of nonprofit organizations and political subdivisions with each other and private lenders in providing full cycle lending services.

Subd. 2. [DEFINITION.] "Full cycle home ownership services" means supporting eligible home buyers and owners through all phases of purchasing and keeping a home, by providing prepurchase home buyer education, prepurchase counseling and credit repair, prepurchase property inspection and technical and financial assistance to buyers in rehabilitating the home, postpurchase and mortgage default counseling, postpurchase assistance with home maintenance, entry cost assistance, and access to flexible loan products.

Subd. 3. [ELIGIBILITY.] The agency shall establish eligibility criteria for nonprofit organizations and political subdivisions to receive funding under this section. The eligibility criteria must require the nonprofit organization or political subdivision to provide, to build capacity to provide, or support full cycle home ownership services for eligible home buyers. The agency may fund a nonprofit organization or political subdivision that will provide full cycle home ownership services by coordinating with one or more other organizations that will provide specific components of full cycle home ownership services. The agency may make exceptions to providing all components of full cycle lending if justified by the application. If there are more applicants requesting funding than there are funds available, the agency shall award the funds on a competitive basis and also assure an equitable geographic distribution of the available funds. The eligibility criteria must require the nonprofit organization or political subdivision to have a demonstrated involvement in the local community and to target the housing affordability needs of the local community. Partnerships and collaboration with innovative, grass roots, or

community-based initiatives shall be encouraged. The agency shall give priority to nonprofit organizations and political subdivisions that provide matching funds. Applicants for funds under section 462A.057 may also apply funds under this program.

Subd. 4. [ENTRY COST HOME OWNERSHIP OPPORTUNITY PROGRAM.] The agency may establish an entry cost home ownership opportunity program, on terms and conditions it deems advisable, to assist individuals with downpayment and closing costs to finance the purchase of a home.

Sec. 107. [462A.2091] [CONTRACT FOR DEED GUARANTEE ACCOUNT.]

Subdivision 1. [CREATION.] The contract for deed guarantee account is created as a separate account in the housing development fund. Money in the account is appropriated to the agency for the purposes of this section. The account consists of money appropriated to the account and transferred from other sources and all earnings from money in the account.

Subd. 2. [ACCOUNT USES.] Money in the account may be used to create a guarantee fund for the refinancing of contracts for deed.

Subd. 3. [ELIGIBLE PROPERTY.] Contracts for deed eligible for refinancing with guarantee fund assistance must be for the purchase of an owner-occupied single-family or duplex structure. In a city of the first class in the metropolitan area, as defined in section 473.121, subdivision 2, eligible properties must be located in an area in which at least one census tract meets at least three of the following four criteria:

(1) at least 70 percent of the housing structures were built before 1960;

(2) at least 60 percent of the single-family housing is owner-occupied;

(3) the median market value of the area's owner-occupied housing, as recorded in the most recent federal decennial census, is not more than 100 percent of the purchase price limit for existing homes eligible for purchase in the area under the agency's home mortgage loan program; and

(4) between 1980 and 1990, the rate of owner occupancy of residential properties in the area declined by at least five percent, or at least 80 percent of the residential properties in the area are rental properties.

The area must include eight blocks in any direction from the census tract. Priority must be given for property located in an area that meets all four criteria.

Sec. 108. [462A.2097] [RENTAL HOUSING.]

The agency may establish a rental housing assistance program for persons of low income or for persons with a mental illness or families that include an adult family member with a mental illness. Rental assistance may be in the form of direct rental subsidies for housing for persons or families with incomes of up to 50 percent of the area median income as determined by the United States Department of Housing and Urban Development, adjusted for families of five or more. Housing for the mentally ill must be operated in coordination with social service providers who provide services requested by tenants. Direct rental subsidies must be administered by the agency for the benefit of eligible tenants. Financial assistance provided under this section must be in the form of vendor payments whenever possible.

Sec. 109. Minnesota Statutes 1994, section 462A.21, subdivision 3b, is amended to read:

Subd. 3b. [CAPACITY BUILDING GRANTS.] It may make capacity building grants to nonprofit organizations, local government units, Indian tribes, and Indian tribal organizations to expand their capacity to provide affordable housing and housing-related services. The grants may be used to assess housing needs and to develop and implement strategies to meet those needs, including the creation or preservation of affordable housing, prepurchase and postpurchase counseling and associated administrative costs, and the linking of supportive services to the housing. The agency shall adopt rules specifying the eligible uses of grant money. Funding priority must be given to those applicants that include low-income persons in their membership,

have provided housing-related services to low-income people, and demonstrate a local commitment of local resources, which may include in-kind contributions. Grants under this subdivision may be made only with specific appropriations by the legislature.

Sec. 110. Minnesota Statutes 1994, section 462A.21, subdivision 8, is amended to read:

Subd. 8. [HOME OWNERSHIP ASSISTANCE FUND.] It may establish a home ownership assistance fund, on terms and conditions it deems advisable, to assist persons and families of low and moderate income in the purchase of affordable residential housing and may use the funds to provide loans, additional security for eligible loans or to pay costs associated with or provide additional security for bonds issued by the agency.

Sec. 111. Minnesota Statutes 1994, section 462A.21, subdivision 8b, is amended to read:

Subd. 8b. [FAMILY RENTAL HOUSING.] It may establish a family rental housing assistance program to provide loans or direct rental subsidies for housing for families with incomes of up to 60 80 percent of area state median income. Priority must be given to those developments with resident families with the lowest income. The development may be financed by the agency or other public or private lenders. Direct rental subsidies must be administered by the agency for the benefit of eligible families. Financial assistance provided under this subdivision to recipients of aid to families with dependent children must be in the form of vendor payments whenever possible. Loans and direct rental subsidies under this subdivision may be made only with specific appropriations by the legislature. The limitations on eligible mortgagors contained in section 462A.03, subdivision 13, do not apply to loans for the rehabilitation of existing housing under this subdivision.

Sec. 112. Minnesota Statutes 1994, section 462A.21, subdivision 13, is amended to read:

Subd. 13. [ACCESSIBILITY PROGRAMS.] It may spend money for the purpose purposes of section 462A.05, ~~subdivision~~ subdivisions 14, 14a, and 24, and may pay the costs and expenses necessary and incidental to the development and operation of the programs authorized in ~~that subdivision~~ those subdivisions.

Sec. 113. Minnesota Statutes 1994, section 462A.21, subdivision 21, is amended to read:

Subd. 21. [COMMUNITY REHABILITATION PROGRAM.] The agency or its grantees may spend money for the purposes of the community rehabilitation program authorized under section 462A.206 and may pay the costs and expenses necessary and incidental to the development and operation of the program.

Sec. 114. Minnesota Statutes 1994, section 462A.21, is amended by adding a subdivision to read:

Subd. 22. [CONTRACT FOR DEED GUARANTEE PROGRAM.] It may expend money for the purposes of section 462A.2091 and may pay the costs and expenses necessary and incidental to the development and operation of the program authorized by section 462A.2091.

Sec. 115. Minnesota Statutes 1994, section 462A.21, is amended by adding a subdivision to read:

Subd. 23. [RENTAL HOUSING.] The agency may spend money for the purposes of the rental housing program authorized under section 462A.2097, and may pay the costs and expenses necessary and incidental to the development and operation of the program.

Sec. 116. Minnesota Statutes 1994, section 469.0171, is amended to read:

469.0171 [HOUSING PLAN, PROGRAM, AND REVIEW.]

Prior to the issuance of bonds or obligations for a housing development project proposed by an authority under section 469.017, the authority shall:

(1) prepare a plan meeting the requirements of section 462C.03, subdivision 1, paragraphs (a) to (d);

(2) obtain review of the plan in the manner provided in section 462C.04, subdivision 1; and

(3) prepare and submit for review a program as defined in section 462C.02, subdivision 3, in the manner provided in section 462C.04, subdivision 2, and section 462C.05, subdivision 5, for the making or purchasing of loans by cities.

The authority shall prepare and submit the report required under section 462C.04, subdivision 3.

Sec. 117. Minnesota Statutes 1994, section 504.33, subdivision 2, is amended to read:

Subd. 2. [CITY.] "City" means a any statutory or home rule charter city located within the metropolitan area as defined in section 473.121, subdivision 2, and any city of the first class as defined in section 410.01. The term "city" also includes, where applicable, a port authority, economic development authority, a housing and redevelopment authority, or any development agency established under chapter 469 which share common boundaries with the city.

Sec. 118. Minnesota Statutes 1994, section 504.33, subdivision 3, is amended to read:

Subd. 3. [DISPLACE.] "Displace" means to demolish, acquire for or convert to a use other than low-income housing, or to provide or spend money that directly results in the demolition, acquisition, or conversion of housing to a use other than low-income housing.

"Displace" does not include providing or spending money that directly results in: (i) housing improvements made to comply with health, housing, building, fire prevention, housing maintenance, or energy codes or standards of the applicable government unit; (ii) housing improvements to make housing more accessible to a handicapped person; or (iii) the demolition, acquisition, or conversion of housing for the purpose of creating owner-occupied housing that consists of no more than four units per structure.

"Displace" does not include downsizing large apartment complexes by demolishing less than 25 percent of the units in the complex or by eliminating units through reconfiguration and expansion of individual units for the purpose of expanding the size of the remaining low-income units. For the purpose of this section, "large apartment complex" means two or more adjacent buildings containing a total of 100 or more units per complex.

In any city in the metropolitan area, as defined in section 473.121, subdivision 2, which has met its housing affordability goals under the metropolitan council's metropolitan development guide, adopted under section 473.145, "displace" means the demolition, acquisition, or conversion of housing only for purposes other than the construction or rehabilitation of housing.

Sec. 119. Minnesota Statutes 1994, section 504.34, subdivision 1, is amended to read:

Subdivision 1. [ANNUAL REPORT REQUIRED.] A government unit, or in the case of a government unit located in the metropolitan area as defined in section 473.121, ~~the government unit and~~ the metropolitan council, shall prepare a housing impact report either:

(1) for each year in which the government unit displaces ten or more units of low-income housing in a city of the first class as defined in section 410.01; or

(2) when a specific project undertaken by a government unit for longer than one year displaces a total of ten or more units of low-income housing in a city of the first class as defined in section 410.01.

Sec. 120. Minnesota Statutes 1994, section 504.34, subdivision 2, is amended to read:

Subd. 2. [DRAFT ANNUAL HOUSING IMPACT REPORT.] As provided in subdivision 1, a government unit or in the case of a government unit participating with located in the metropolitan area, as defined in section 473.121, subdivision 2, the metropolitan council subject to this section must prepare a draft annual housing impact report for review and comment by interested persons. The draft report must be completed by January 31 of the year immediately following a year in which the government unit has displaced ten or more units of low-income housing in a city. For a housing impact report required under subdivision 1, clause (2), the draft report must be completed

by January 31 of the year immediately following the year in which the government unit has displaced a cumulative total of ten units of low-income housing in a city.

Sec. 121. Minnesota Statutes 1994, section 504.35, is amended to read:

504.35 [REPLACEMENT HOUSING REQUIRED.]

A government unit which displaces ten or more units of low-income housing in a city of the first class as defined in section 410.01 ~~and is subject to section 504.34~~ or in any city located within the metropolitan area as defined in section 473.121, subdivision 2, must provide the replacement housing within 36 months following the date of the final annual housing impact report, unless there is an adequate supply of available and unoccupied low-income housing units to meet the demand for the replacement housing in the city where housing has been displaced by the government unit.

Sec. 122. [AFFORDABLE NEIGHBORHOOD DESIGN AND DEVELOPMENT INITIATIVE.]

In order to develop and implement methods of reducing the total costs of housing units through the innovative use of technology and planning, the housing finance agency may conduct a competition or secure proposals for innovative plans for the development of housing units affordable to low-income persons. The agency shall seek models for use by local units of government and nonprofit organizations to develop neighborhoods with small, owner-occupied affordable housing. The agency may seek plans that reduce construction costs through technological advancements, uniform housing designs suitable for use throughout the state, central purchasing of material or housing components, or streamlining of regulatory processes for site planning and land development. Designs selected become the property of the state of Minnesota. The agency may award one or more premiums in each competition and may share the costs and fees that may be required for the conduct of competitions.

Sec. 123. [REPLACEMENT HOUSING; METROPOLITAN COUNCIL STUDY.]

The metropolitan council shall study the issue of replacement housing and the need for a metropolitan area replacement housing law. The council shall report the results of the study and its recommendations to the legislature by December 1, 1996.

Sec. 124. Laws 1994, chapter 643, section 19, subdivision 9, is amended to read:

Subd. 9. Museum and Center for
American Indian History

1,100,000

This appropriation is for the Minnesota historical society board of trustees of the Minnesota state colleges and universities to plan, design, and construct a museum and center for American Indian history and policy. The facility shall be located at an institution of higher education, selected by the state university board, which serves a region including the three most populous Indian reservations Bemidji State University. This appropriation is not available unless matched by \$1,000,000 from nonpublic sources. The board of trustees of the Minnesota state colleges and universities is not required to pay any debt service for this appropriation.

Sec. 125. [APPLICABILITY.]

Sections 119, 120, and 123 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 126. [REPEALER.]

(a) Minnesota Statutes 1994, sections 116J.874, subdivision 6; 268A.01, subdivisions 7, 11, and 12; and 268A.09, are repealed.

(b) Minnesota Statutes 1994, sections 298.2211, subdivision 3a, and 462A.21, subdivision 8c, are repealed.

(c) Minnesota Statutes 1994, section 97A.531, subdivisions 2, 3, 4, 5, and 6, are repealed. Any action of the commissioner of natural resources under authority of those subdivisions is void.

(d) Laws 1990, chapter 521, section 4, is repealed.

Sec. 127. [EFFECTIVE DATES.]

Sections 18, subdivision 5; 30 to 47; 49; 57; 69; 71; 76; 79; 95; 96; 98; 100 to 103; 108; 112; 115; 116; 123 to 125; 126, paragraphs (b), (c), and (d); and all provisions of this act making appropriations for fiscal year 1995, are effective the day following final enactment. Section 51 is effective the day following final enactment and is repealed December 31, 1995. Section 52 is effective May 1, 1996. Sections 117 to 121 are effective August 1, 1997. All other provisions of this act are effective July 1, 1995."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for economic development and certain agencies of state government, with certain conditions; establishing and modifying certain programs; providing for regulation of certain activities and practices; providing for accounts, assessments, and fees; requiring studies and reports; amending Minnesota Statutes 1994, sections 5.14; 16B.08, subdivision 7; 44A.01, subdivision 2; 97A.531, by adding a subdivision; 116J.552, subdivision 2; 116J.555, subdivision 2; 116J.873, subdivision 3, and by adding a subdivision; 116J.982, subdivision 3; 116M.16, subdivision 2; 116M.18, subdivisions 4, 5, and by adding a subdivision; 116N.03, subdivision 2; 116N.08, subdivisions 5, 6, and by adding a subdivision; 124.85, by adding a subdivision; 175.171; 176.011, subdivision 7a; 176.231, by adding a subdivision; 207A.01; 216B.16, subdivision 2, and by adding a subdivision; 216B.2424; 216B.27, subdivision 4; 237.701, subdivision 1; 245A.11, subdivision 2; 268A.01, subdivisions 4, 5, 6, 9, and 10; 268A.03; 268A.06, subdivision 1; 268A.07; 268A.08, subdivisions 1 and 2; 268A.13; 298.22, subdivision 2; 298.223, subdivision 2; 462.357, subdivision 7; 462A.05, subdivisions 14, 15c, and 30; 462A.201, subdivision 2; 462A.202, subdivisions 2 and 6; 462A.204, subdivision 1; 462A.205, subdivision 4; 462A.206, subdivisions 2 and 5; 462A.21, subdivisions 3b, 8, 8b, 13, 21, and by adding subdivisions; 469.0171; 504.33, subdivisions 2 and 3; 504.34, subdivisions 1 and 2; and 504.35; Laws 1993, chapter 369, section 9, subdivisions 2 and 3; Laws 1994, chapter 573, section 5, subdivision 2; chapter 643, section 19, subdivision 9; proposing coding for new law in Minnesota Statutes, chapters 97A; 116J; 176; 178; 268A; 383B; and 462A; repealing Minnesota Statutes 1994, sections 97A.531, subdivisions 2, 3, 4, 5, and 6; 116J.874, subdivision 6; 268A.01, subdivisions 7, 11, and 12; 268A.09; 298.2211, subdivision 3a; and 462A.21, subdivision 8c; Laws 1990, chapter 521, section 4."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Carl W. Kroening, Steven G. Novak, Kevin M. Chandler, Janet B. Johnson, Steve Dille

House Conferees: (Signed) James I. Rice, Karen Clark, Mark P. Mahon, Robert Leighton, Jr., Dennis Ozment

SUSPENSION OF RULES

Mr. Moe, R.D. moved that Joint Rule 2.06 be suspended as it relates to the Conference Committee report on S.F. No. 1670. The motion prevailed.

Mr. Kroening moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1670 be now adopted, and that the bill be repassed as amended by the Conference Committee.

CALL OF THE SENATE

Mr. Kroening imposed a call of the Senate for the balance of the proceedings on S.F. No. 1670. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the motion of Mr. Kroening to adopt the recommendations and Conference Committee Report and that the bill be repassed as amended by the Conference Committee.

The roll was called, and there were yeas 41 and nays 16, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Kroening	Murphy	Scheevel
Beckman	Frederickson	Laidig	Novak	Solon
Berg	Hanson	Larson	Ourada	Stumpf
Berglin	Janezich	Lessard	Pappas	Vickerman
Bertram	Johnson, J.B.	Marty	Piper	Wiener
Chandler	Johnston	Metzen	Price	
Chmielewski	Kelly	Moe, R.D.	Ranum	
Cohen	Kleis	Mondale	Sams	
Dille	Kramer	Morse	Samuelson	

Those who voted in the negative were:

Betzold	Kiscaden	Merriam	Olson	Spear
Day	Lesewski	Neuville	Pariseau	Stevens
Johnson, D.E.	Limmer	Oliver	Runbeck	Terwilliger
Johnson, D.J.				

The motion prevailed. So the recommendations and Conference Committee report were adopted.

S.F. No. 1670 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 40 and nays 22, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Krentz	Moe, R.D.	Ranum
Beckman	Frederickson	Kroening	Mondale	Sams
Berg	Hanson	Laidig	Morse	Samuelson
Berglin	Johnson, J.B.	Langseth	Novak	Scheevel
Chandler	Johnston	Larson	Ourada	Solon
Chmielewski	Kelly	Lessard	Pappas	Stumpf
Cohen	Kleis	Marty	Piper	Vickerman
Dille	Kramer	Metzen	Pogemiller	Wiener

Those who voted in the negative were:

Bertram	Johnson, D.J.	Merriam	Pariseau	Stevens
Betzold	Kiscaden	Murphy	Price	Terwilliger
Day	Knutson	Neuville	Robertson	
Janezich	Lesewski	Oliver	Runbeck	
Johnson, D.E.	Limmer	Olson	Spear	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

CONFIRMATION

Mr. Spear moved that the report from the Committee on Crime Prevention, reported April 20, 1995, 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 Crime Prevention, reported April 20, 1995, the Senate, having given its advice, do not now consent to and do not confirm the appointment of:

DEPARTMENT OF PUBLIC SAFETY COMMISSIONER

Michael S. Jordan, 6631 - 135th St. W., Apple Valley, Dakota County, effective January 17, 1995, for a term expiring on the first Monday in January, 1999.

CALL OF THE SENATE

Mr. Johnson, D.E. imposed a call of the Senate for the balance of the proceedings on the confirmation of Mr. Michael Jordan. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the motion of Mr. Spear to not consent to and not confirm the appointment of Mr. Michael Jordan.

The roll was called, and there were yeas 8 and nays 56, as follows:

Those who voted in the affirmative were:

Beckman	Janezich	Langseth	Metzen	Piper
Betzold	Kelly	Marty		

Those who voted in the negative were:

Anderson	Frederickson	Laidig	Olson	Scheevel
Belanger	Hanson	Larson	Ourada	Solon
Berg	Johnson, D.E.	Lesewski	Pappas	Spear
Berglin	Johnson, D.J.	Lessard	Pariseau	Stevens
Bertram	Johnson, J.B.	Limmer	Pogemiller	Stumpf
Chandler	Johnston	Merriam	Price	Terwilliger
Chmielewski	Kiscaden	Moe, R.D.	Ranum	Vickerman
Cohen	Kleis	Mondale	Riveness	Wiener
Day	Knutson	Morse	Robertson	
Dille	Kramer	Neuville	Runbeck	
Finn	Krentz	Novak	Sams	
Flynn	Kroening	Oliver	Samuelson	

The motion did not prevail.

Mr. Spear then moved that the Senate, having given its advice, do now consent to and confirm the appointment of Mr. Michael Jordan as Commissioner of Public Safety.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 59 and nays 6, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kroening	Neuville	Runbeck
Belanger	Hanson	Laidig	Novak	Sams
Berg	Janezich	Larson	Oliver	Samuelson
Berglin	Johnson, D.E.	Lesewski	Olson	Scheevel
Bertram	Johnson, D.J.	Lessard	Ourada	Solon
Chandler	Johnson, J.B.	Limmer	Pappas	Spear
Chmielewski	Johnston	Merriam	Pariseau	Stevens
Cohen	Kiscaden	Metzen	Pogemiller	Stumpf
Day	Kleis	Moe, R.D.	Price	Terwilliger
Dille	Knutson	Mondale	Ranum	Vickerman
Finn	Kramer	Morse	Riveness	Wiener
Flynn	Krentz	Murphy	Robertson	

Those who voted in the negative were:

Beckman	Kelly	Langseth	Marty	Piper
Betzold				

The motion prevailed. So the appointment was confirmed.

MOTIONS AND RESOLUTIONS - CONTINUED

RECONSIDERATION

Mr. Riveness moved that the vote whereby S.F. No. 836 failed to pass the Senate on May 18, 1995, be now reconsidered. The motion prevailed.

Mr. Solon moved that S.F. No. 836 be laid on the table. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Pogemiller moved that the following members be excused for a Conference Committee on H.F. No. 1000 at 2:00 p.m.:

Messrs. Pogemiller, Langseth, Knutson, Mses. Krentz and Robertson. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Mondale moved that the following members be excused for a Conference Committee on S.F. No. 1019 at 4:00 p.m.:

Messrs. Mondale, Oliver, Riveness, Belanger and Ms. Flynn. The motion prevailed.

Mr. Berg moved that S.F. No. 560 be withdrawn from the Committee on Taxes and Tax Laws and re-referred to the Committee on Gaming Regulation. The motion prevailed.

Mr. Berg moved that S.F. No. 977 be withdrawn from the Committee on Taxes and Tax Laws and re-referred to the Committee on Gaming Regulation. The motion prevailed.

S.F. No. 106 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 106

A bill for an act relating to the organization and operation of state government; appropriating money for environmental, natural resource, and agricultural purposes; modifying provisions relating to disposition of certain revenues from state trust lands, sales of software, agricultural and environmental loans, food handlers, ethanol and oxygenated fuels, the citizen's council on Voyageurs National Park, local recreation grants, zoo admission charges, watercraft surcharge, water information, well sealing grants, pollution control agency fees, sale of tax-forfeited lands, and payments in lieu of taxes; establishing the Passing on the Farm Center; establishing special

critical habitat license plates; authorizing establishment of a shooting area in Sand Dunes State Forest; prohibiting the adoption or enforcement of water quality standards that are not necessary to comply with federal law; abolishing the harmful substance compensation board and account; extending performance reporting requirements; providing for easements across state trails in certain circumstances; amending Minnesota Statutes 1994, sections 15.91, subdivision 1; 16A.125; 16B.405, subdivision 2; 17.117, subdivisions 2, 4, 6, 7, 8, 9, 10, 11, 14, 16, and by adding subdivisions; 28A.03; 28A.08; 41A.09, by adding subdivisions; 41B.02, subdivision 20; 41B.043, subdivisions 1b, 2, and 3; 41B.045, subdivision 2; 41B.046, subdivision 1, and by adding a subdivision; 84.631; 84.943, subdivision 3; 84B.11, subdivision 1; 85.015, by adding a subdivision; 85.019; 85A.02, subdivision 17; 86.72, subdivision 1; 86B.415, subdivision 7; 92.46, subdivision 1; 93.22; 97A.531, subdivision 1; 103A.43; 103F.725, subdivision 1a; 103H.151, by adding a subdivision; 103I.331, subdivision 4; 115.03, subdivision 5; 115A.03, subdivision 29; 115A.908, subdivision 3; 115B.20, subdivision 1; 115B.25, subdivision 1a; 115B.26, subdivision 2; 115B.41, subdivision 1; 115B.42; 115C.03, subdivision 9; 116.07, subdivision 4d, and by adding a subdivision; 116.12, subdivision 1; 116.96, subdivision 5; 116C.69, subdivision 3; 116P.11; 239.791, subdivision 8; 282.01, subdivisions 2 and 3; 282.011, subdivision 1; 282.02; 282.04, subdivision 1; 296.02, by adding a subdivision; 446A.07, subdivision 8; 446A.071, subdivision 2; 473.845, subdivision 2; 477A.11, subdivision 4; 477A.12; and 477A.14; proposing coding for new law in Minnesota Statutes, chapters 17; 28A; 89; 116; and 168; repealing Minnesota Statutes 1994, sections 28A.08, subdivision 2; 41A.09, subdivisions 2, 3, and 5; 97A.531, subdivisions 2, 3, 4, 5, and 6; 115B.26, subdivision 1; 239.791, subdivisions 4, 5, 6, and 9; 282.018; 296.02, subdivision 7; 325E.0951, subdivision 5; and 446A.071, subdivision 7; Laws 1993, chapter 172, section 10.

May 17, 1995

The Honorable Allan H. Spear
President of the Senate

The Honorable Irv Anderson
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 106, 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. 106 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another fund named, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures "1995," "1996," and "1997," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1995, June 30, 1996, or June 30, 1997, respectively.

SUMMARY BY FUND

	1995	1996	1997	TOTAL
General	\$ 140,000	\$161,448,000	\$157,190,000	\$318,778,000
Environmental		20,952,000	21,217,000	42,169,000
Solid Waste	130,000	5,819,000	5,743,000	11,692,000
Petroleum Tank		2,386,000	2,659,000	5,045,000
Metro Landfill				
Contingency Trust		134,000	134,000	268,000
Special				
Revenue	122,000	10,386,000	10,379,000	20,887,000
Natural Resources		18,818,000	19,145,000	37,963,000

Game and Fish		51,477,000	51,339,000	102,816,000
Environmental Trust	2,240,000	15,604,000	-0-	17,844,000
Minnesota Future Resources		15,083,000	-0-	15,083,000
Oil Overcharge		2,055,000	-0-	2,055,000
Permanent University		-0-	500,000	500,000
Highway User Tax Distribution		50,000	-0-	50,000
Great Lakes Protection		130,000		130,000
TOTAL	2,632,000	304,342,000	268,306,000	575,280,000

**APPROPRIATIONS
Available for the Year
Ending June 30**

1995 1996 1997

**Sec. 2. POLLUTION CONTROL
AGENCY**

**Subdivision 1. Total
Appropriation 130,000 39,891,000 38,183,000**

Summary by Fund

General		11,572,000	9,441,000
Environmental		19,342,000	19,607,000
Solid Waste	130,000	5,679,000	5,643,000
Metro Landfill Contingency		134,000	134,000
Special Revenue		778,000	699,000
Petroleum Tank		2,386,000	2,659,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Water Pollution Control

11,178,000 9,109,000

Summary by Fund

General		8,104,000	6,123,000
Environmental		3,074,000	2,986,000

\$1,946,000 the first year is for grants to local units of government for the clean water partnership program. Any unencumbered balance remaining in the first year does not cancel and is available for the second year of the biennium.

General fund money appropriated for the nonpoint source pollution Minnesota River project must be matched by federal dollars.

Of this amount, \$855,000 in each fiscal year is for grants for county administration of the feedlot permit program. This amount is transferred to the board of water and soil resources for disbursement in accordance with Minnesota Statutes, section 103B.3369, in cooperation with the pollution control agency. Grants must be matched with a combination of local cash and/or in-kind contributions. Counties receiving these grants shall submit an annual report to the pollution control agency regarding activities conducted under the grant, expenditures made, and local match contributions. First priority for funding shall be given to counties that have requested and received delegation from the pollution control agency for processing of animal feedlot permit applications under Minnesota Statutes, section 116.07, subdivision 7. Delegated counties shall be eligible to receive a grant of \$5,000 plus either: \$15 multiplied by the number of livestock or poultry farms with sales greater than \$10,000, as reported in the 1992 Census of Agriculture, published by the United States Bureau of Census; or \$25 multiplied by the number of feedlots with greater than ten animal units as determined by a level 2 or level 3 feedlot inventory conducted in accordance with the Feedlot Inventory Guidebook published by the board of water and soil resources, dated June 1991. To receive the additional funding that is based on the county feedlot inventory, the county shall submit a copy of the inventory to the pollution control agency. Any remaining money is for distribution to all counties on a competitive basis through the challenge grant process for the conducting of feedlot inventories, development of delegated county feedlot programs, and for information and education or technical assistance efforts to reduce feedlot-related pollution hazards.

The governor shall appoint an advisory task force to examine the point source permitting program in the water quality division of the agency. The task force must include representatives of industrial and municipal permittees regulated by the agency and environmental interest groups. The task force shall report to the governor and chairs of the senate finance and house of representatives ways and means committees, and chairs of the environmental policy and finance committees and divisions of the senate and house of representatives by November 30, 1995. The report must address the following issues: (1)

what constitutes an adequate point source permitting program; (2) what the associated costs are of running an adequate program; (3) how these costs should be allocated and funded; (4) load-based fees; (5) fees for permittees that have violations requiring enforcement actions; (6) how to improve public access to information concerning toxic pollutants in permitted discharges; and (7) a time reporting system to improve tracking of resource usage. The task force expires on December 1, 1995.

The pollution control agency shall, by January 1, 1996, provide the chairs of the house environment and natural resources finance committee and the senate environmental and natural resources finance division with the following information:

- (1) a list of all wastewater treatment facility upgrade and construction projects the agency has identified as necessary to meet existing and proposed water quality standards and regulations;
- (2) an estimate of the total project costs and an estimate in the increase in sewer service rates resulting from these project costs;
- (3) a list of existing and proposed state water quality standards that are not required under federal law;
- (4) a list of existing and proposed state water quality standards that are more stringent than is necessary to comply with federal law; and
- (5) recommendations from the agency for alternative methods to prioritize the projects listed in clause (1).

The commissioner is required to comply with this mandate only to the extent that funding is available to perform the additional oversight and engineering and fiscal review.

\$165,000 in the second year is for the operation of water quality monitoring stations.

Subd. 3. Air Pollution Control

7,082,000	7,217,000
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Summary by Fund

Environmental	6,304,000	6,518,000
Special Revenue	778,000	699,000

Up to \$100,000 in fiscal year 1996 and \$150,000 in fiscal year 1997 may be transferred to the small business environmental loan account established in Minnesota Statutes, section 116.992.

\$200,000 each year is for a monitoring program under Minnesota Statutes, section 116.454.

By February 1, 1996, the pollution control agency, in consultation with the public utilities commission, the department of public service, representatives from the electric utility industry, and other interested parties, shall:

(1) conduct an assessment of the effect that the market for the sale of sulphur dioxide emission credits by entities within the state has had on the state's environment; and

(2) make recommendations to the legislature regarding measures the state could take to increase the positive effect of this market on the environment, including whether the legislature should create a sulphur dioxide reduction fund into which the proceeds of the sale of sulphur dioxide emission credits could be placed and used to fund programs for the reduction of sulphur dioxide emissions.

Subd. 4. Groundwater and Solid Waste Management

8,009,000

7,985,000

Summary by Fund

Environmental	3,199,000	3,213,000
Metro Landfill Contingency	126,000	126,000
Solid Waste	4,684,000	4,646,000

\$1,000,000 is transferred from the motor vehicle transfer account in the environmental fund to the environmental response, compensation, and compliance account in the environmental fund and is appropriated as provided in this subdivision.

All money in the environmental response, compensation, and compliance account in the environmental fund not otherwise appropriated is appropriated to the commissioners of the pollution control agency and the department of agriculture for purposes of Minnesota Statutes, section 115B.20, subdivision 2, clauses (1), (2), (3), (4), (11), (12), and (13). At the beginning of each fiscal year, the two commissioners shall jointly submit an annual spending plan to the commissioner of finance that maximizes the utilization of resources and appropriately allocates the money between the two agencies. This appropriation is available until June 30, 1997.

Any unencumbered balance from the metropolitan landfill contingency action trust

fund remaining in the first year does not cancel but is available for the second year.

The unencumbered balances of the appropriations made to the commissioner of the pollution control agency in Laws 1993, chapter 172, section 2, from the motor vehicle transfer account in the environmental fund for grants and administrative costs for development of management alternatives for shredder residue from recyclable steel shall not cancel, but is available through June 30, 1997.

\$5,517,000 from the balance in the motor vehicle transfer account in the environmental fund, shall be transferred to the general fund by June 30, 1997.

\$50,000 is appropriated each year from the solid waste fund for transfer to the commissioner of revenue to enhance compliance and collection of solid waste assessments.

Subd. 5. Hazardous Waste Management

5,800,000 6,069,000

Summary by Fund

General	1,660,000	1,660,000
Environmental	2,202,000	2,206,000
Petroleum Cleanup	1,938,000	2,203,000

\$100,000 the first year is transferred from the motor vehicle transfer account to be credited to the used motor oil reimbursement account.

Subd. 6. Policy and Operational Support

7,822,000 7,803,000

Summary by Fund

General	1,808,000	1,658,000
Environmental	4,563,000	4,684,000
Solid Waste	995,000	997,000
Metro Landfill Contingency	8,000	8,000
Petroleum Tank	448,000	456,000

The following amounts are appropriated for the final phase of an environmental computer compliance management system:

General	400,000	400,000
Environmental	2,055,000	2,055,000
Petroleum Tank	32,000	32,000

Subd. 7. Deficiency Appropriation

\$130,000 is appropriated from the landfill

cleanup fund to the commissioner of the pollution control agency for fiscal year 1995 for rulemaking under Minnesota Statutes, section 115A.47, and activities related to defense of the statute in federal court.

Sec. 3. OFFICE OF ENVIRONMENTAL ASSISTANCE

20,487,000 20,487,000

Summary by Fund

General 19,146,000 19,146,000

Environmental 1,341,000 1,341,000

\$14,008,000 the first year and \$14,008,000 the second year are for the SCORE block grants to counties.

Any unencumbered grant and loan balances in the first year do not cancel but are available for grants and loans in the second year.

All money in the metropolitan landfill abatement account in the environmental fund not otherwise appropriated is appropriated to the office of environmental assistance for the purposes of Minnesota Statutes, section 473.844.

Sec. 4. ZOOLOGICAL BOARD

Subdivision 1. Total Appropriation

5,274,000 5,074,000

The amounts that may be spent from this appropriation are specified in the following subdivisions.

Subd. 2. Biological Programs

655,000 655,000

Subd. 3. Operations

4,619,000 4,419,000

\$200,000 in the first year is for computer systems.

Sec. 5. NATURAL RESOURCES

Subdivision 1. Total Appropriation

140,000 159,063,000 158,878,000

Summary by Fund

General 140,000 88,698,000 87,824,000

Game and Fish 51,477,000 51,339,000

Natural Resources 18,788,000 19,115,000

Permanent University -0- 500,000

Solid Waste 100,000 100,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Mineral Resources Management

4,717,000 4,717,000

Summary by Fund

General	4,717,000	4,217,000
Permanent University	-0-	500,000

\$311,000 the first year and \$311,000 the second year are for iron ore cooperative research, of which \$225,000 the first year and \$225,000 the second year are available only as matched by \$1 of nonstate money for each \$1 of state money. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

\$375,000 the first year and \$375,000 the second year are for mineral diversification. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

\$45,000 the first year and \$45,000 the second year are for minerals cooperative environmental research, of which \$30,000 the first year and \$30,000 the second year are available only as matched by \$1 of nonstate money for each \$1 of state money. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

\$500,000 the second year is from the university lands and minerals suspense account in the permanent university fund for activities of the commissioner to protect, improve, administer, manage, and otherwise enhance the mineral value of university lands. This is a one-time appropriation. The board of regents of the University of Minnesota is requested to discuss options with the commissioner of natural resources to determine a method to calculate reasonable costs of the commissioner to maintain the university trust lands.

Subd. 3. Water Resources Management

8,781,000 8,706,000

Summary by Fund

General	8,540,000	8,465,000
Natural Resources	241,000	241,000

\$95,000 the first year and \$95,000 the second year are for a grant to the Mississippi headwaters board for up to 50 percent of the cost of implementing the comprehensive plan for the upper Mississippi within areas under its jurisdiction.

\$17,000 the first year and \$17,000 the second year are for payment to the Leech Lake Band of Chippewa Indians to implement its portion of the comprehensive plan for the upper Mississippi.

\$50,000 is for development and administration of contracts with water well contractors for exploratory drilling and installation of observation wells to characterize the geologic and hydrologic conditions in the southwest region of the state where water supplies are difficult to locate. This appropriation is available until June 30, 1997, and is contingent on the receipt by the commissioner of \$50,000 in nonstate money. Results must be reported to the legislative water commission by February 15, 1996, and February 15, 1997.

\$25,000 is appropriated in fiscal year 1996 under Minnesota Statutes, section 103G.701, to the commissioner of natural resources for a grant, requiring no local match, to Morrison county for improving water flow along the easterly shoreline of the Mississippi river near Highway 10 in Morrison county, notwithstanding Minnesota Statutes, section 103G.701, subdivision 4.

Subd. 4. Forest Management

30,121,000	31,148,000	
Summary by Fund		
General	29,679,000	30,706,000
Natural Resources	442,000	442,000

\$2,736,000 the first year and \$2,736,000 the second year are for presuppression and suppression costs of emergency fire fighting. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. If these appropriations are insufficient to cover all costs of suppression, the amount necessary to pay for emergency firefighting expenses during the biennium is appropriated from the general fund. If money is spent under the appropriation in the preceding sentence, the commissioner of natural resources shall, by the 15th day of the following month, report on how the money was spent to the chairs of the senate finance committee, the house of representatives ways and means committee, the finance division of the senate environment and natural resources committee, and the house of representatives environment and natural resources finance committee. The appropriations may not be transferred.

Of this appropriation, \$585,000 the first year and \$1,430,000 the second year are for implementing the planned timber harvest on state land. In implementing the planned harvest, the department shall follow existing guidelines for protection of forest resource values. By

November 1, 1996, and November 1, 1997, the commissioner shall submit to the senate environment and natural resources finance division and the house environment and natural resources finance committee a report that includes: (1) the planned harvest levels for the preceding fiscal year and the fiscal year in which the report is being submitted, and documentation of the methodology used to determine these levels; (2) the volume of, and revenue from, timber sales on state land during the preceding fiscal year; and (3) a description of the resource protection guidelines followed in implementing the planned harvest.

\$730,000 the first year and \$1,007,000 the second year are for implementation of the generic environmental impact statement on timber harvesting. Of these amounts, \$140,000 the first year and \$140,000 the second year are for transfer to the forest resources council for the council's activities under Minnesota Statutes, chapter 89A.

\$100,000 the first year and \$100,000 in the second year is an increase in appropriation to the Minnesota conservation corps.

\$75,000 is appropriated in the first year to preserve and enhance oak savannah stands in Ramsey county and the city of St. Paul.

\$20,000 in the first year is for construction of a recreational shooting area at Sand Dunes state forest.

Subd. 5. Parks and Recreation
Management

140,000	23,850,000	23,879,000
Summary by Fund		
General	140,000	23,163,000
Natural Resources		687,000
		23,197,000
		682,000

\$687,000 the first year and \$682,000 the second year are from the water recreation account in the natural resources fund for state park development projects. If the appropriation in either year is insufficient, the appropriation for the other year is available for it.

\$2,238,000 the first year and \$2,238,000 the second year are for payment of a grant to the metropolitan council for metropolitan area regional parks maintenance and operation.

\$50,000 in the first year and \$50,000 in the second year are for operational costs at Cuyuna Country State Recreation Area.

In operating a work training program for

unemployed and underemployed individuals for the 1995 parks season, the commissioner of natural resources shall implement the 1995 tentative agreement with AFSCME, with any modifications mutually agreed to by the commissioner and AFSCME. The commissioner may not operate a work training program for unemployed and underemployed individuals during the 1996 and 1997 park seasons unless the terms and conditions of employment of such individuals have been negotiated and an agreement on these issues has been reached with the exclusive bargaining representatives of employees pursuant to Minnesota Statutes, chapter 179A. Negotiations for the 1996 and 1997 park seasons must begin by November 1 of the preceding year.

The commissioner of natural resources shall develop an implementation plan, including estimated costs and uses, for an electronic permit tracking system that would allow the identification and tracking of state park users. The commissioner shall submit the plan by January 15, 1996, to the chairs of the senate and house of representatives environment and natural resources committees, the finance division of the senate environment and natural resources committee, and the house of representatives environment and natural resources finance committee.

The commissioner shall prepare a five-year plan for using available funds to construct or modify for accessibility to persons with physical disabilities at least one trail in each state park containing trails.

For 1995 - \$140,000

\$140,000 in fiscal year 1995 is appropriated for replacement of equipment and the contents of the building destroyed by arson fire at William O'Brien State Park.

Subd. 6. Trails and Waterways
Management

11,437,000

11,086,000

Summary by Fund

General	1,215,000	1,177,000
Game and Fish	1,334,000	1,021,000
Natural Resources	8,888,000	8,888,000

\$2,249,000 the first year and \$2,249,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for snowmobile grants-in-aid.

\$250,000 the first year and \$250,000 the second

year are from the water recreation account in the natural resources fund for a safe harbor program on Lake Superior. Any unencumbered balance at the end of the first year does not cancel and is available for the second year.

The amounts spent by the commissioner of natural resources from the appropriations in Laws 1993, chapter 311, article 1, section 18, paragraph (a), for off-highway motorcycles and article 2, section 19, paragraph (a), for off-road vehicles must be reimbursed to the general fund by June 30, 1996.

Subd. 7. Fish and Wildlife Management

35,555,000 35,490,000

Summary by Fund

General	2,656,000	2,656,000
Game and Fish	30,800,000	30,800,000
Natural Resources	2,099,000	2,034,000

\$300,000 each year is for resource population surveys in the 1837 treaty area. Of this amount, \$100,000 each year is from the game and fish fund.

\$955,000 the first year and \$955,000 the second year are from the nongame wildlife management account in the natural resources fund for the purpose of nongame wildlife management. Any unencumbered balance remaining in the first year does not cancel but is available the second year.

\$1,313,000 the first year and \$1,313,000 the second year are for the reinvest in Minnesota programs of game and fish, critical habitat, and wetlands established under Minnesota Statutes, section 84.95, subdivision 2. Any unencumbered balance for the first year does not cancel but is available for use the second year.

\$1,104,000 the first year and \$1,104,000 the second year are from the wildlife acquisition account for only the purposes specified in Minnesota Statutes, section 97A.071, subdivision 3.

\$1,200,000 the first year and \$1,200,000 the second year are from the deer habitat improvement account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 1, paragraph (b).

\$138,000 the first year and \$138,000 the second year are from the deer and bear management account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 1, paragraph (c).

\$130,000 the first year and \$130,000 the second year are from the game and fish fund for deer and bear management to include emergency deer feeding. If the appropriation for either year is insufficient, the appropriation for the other year is available.

\$661,000 the first year and \$661,000 the second year are from the waterfowl habitat improvement account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 2.

\$400,000 the first year and \$400,000 the second year are from the trout and salmon management account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 3.

\$545,000 the first year and \$545,000 the second year are from the pheasant habitat improvement account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 4.

\$284,000 the first year and \$284,000 the second year are from the game and fish fund for activities relating to reduction and prevention of property damage by wildlife. \$50,000 each year is for emergency damage abatement materials.

Subd. 8. Enforcement

17,586,000

18,490,000

Summary by Fund

General	2,971,000	3,110,000
Game and Fish	11,370,000	11,710,000
Natural Resources	3,145,000	3,570,000
Solid Waste	100,000	100,000

\$1,082,000 the first year and \$1,082,000 the second year are from the water recreation account in the natural resources fund for grants to counties for boat and water safety.

The commissioner shall maintain historic levels of overtime and retain field-based conservation officer positions except in the event of unanticipated budget shortfalls or unallotments. The commissioner may reduce these items in proportion with other reductions in the division.

\$50,000 is appropriated in the second year to add one area-wide conservation officer in the seven-county metropolitan area.

\$50,000 the first year and \$50,000 the second year are for costs related to the 1837 Treaty with the Chippewa.

\$100,000 each year is from the solid waste fund

for solid waste enforcement activities under Minnesota Statutes, section 116.073.

Subd. 9. Operations Support

26,643,000 24,989,000

Summary by Fund

General	15,384,000	13,923,000
Game and Fish	7,973,000	7,808,000
Natural Resources	3,286,000	3,258,000

The commissioner of natural resources may contract with and make grants to nonprofit agencies to carry out the purposes, plans, and programs of the office of youth programs, Minnesota conservation corps.

\$750,000 in the first year is for transfer to the attorney general's office for treaty litigation expenses related to the Mille Lacs and Fond du Lac cases.

Any telephone services offered through the information center must be provided toll-free for all residents of the state.

\$150,000 in the second year is appropriated to the commissioner of natural resources for the southeast asian information and outreach program.

The appropriation of \$50,000 from the game and fish fund contained in Laws 1993, chapter 172, section 5, subdivision 8, to consolidate enforcement arrest ledgers, is available until June 30, 1996.

\$5,000 the first year is for the hydrologic task force expenses.

\$8,000 from the natural resources fund and \$55,000 from the game and fish fund in the first year is for design work on a revenue accounting system. The department must meet any requirements contained in the information policy office evaluation of the project before expending any funds from this appropriation.

\$250,000 is appropriated in the first year to be transferred to the director of the office of strategic and long-range planning. The money is to be used for a grant to the Northern Counties Land Use Coordinating Board, contingent on the board receiving \$125,000 in local matching funds. The grant is to be used for developing a coordinated planning process and comprehensive land use plans pursuant to policy goals in the National Environmental Policy Act, United States Code, title 42, section 4331.

If the Morrison county board determines that

Morrison county did not comply with tax-forfeiture laws with respect to property owned in 1977 by Richard T. Peterson, Route No. 6, Little Falls, MN, 56345, in Morrison county, referred to by Laws 1984, chapter 502, article 13, section 15, whose ownership he lost to the state in a disputed tax-forfeiture, then Morrison county is authorized to pay \$6,000 to Richard and Nancy Peterson. If the county payment is made, \$6,000 is also appropriated from the general fund to the commissioner of natural resources for payment to Richard and Nancy Peterson and shall be paid to him within 60 days of the payment by the county. The sum of \$12,000 represents the value of the property at the time of the forfeiture on August 16, 1982, and interest since that date. This paragraph is not a finding or attribution of responsibility on the part of the state, the county, or Richard and Nancy Peterson. Under Minnesota Statutes, section 645.023, subdivision 1, the authority granted to the county by this paragraph takes effect without local approval.

Subd. 10. Integrated Resource Management Pilot Project

373,000

373,000

The commissioner of natural resources shall develop a pilot project for implementation of a sustainable, multiple-use natural resources management system, including budgeting, that is based on appropriate natural resource management boundaries. In developing the project, the commissioner shall include hunting, fishing, outdoor recreation, agriculture, and other interested groups. The commissioner shall coordinate project activities with activities of the pollution control agency, the board of water and soil resources, the department of agriculture, the department of health, and local governmental units. \$173,000 each year is for community environmental assistance. \$200,000 each year is for geographic information system implementation.

Six members of the legislature may serve as liaisons between the legislature and the commissioner in the development of the pilot project. The chairs of the senate environment and natural resources committee and the finance division of the committee may jointly appoint three members of the senate to act as liaisons, at least one of whom must be a member of the minority caucus. The chairs of the house environment and natural resources committee and the environment and natural resources

finance committee may jointly appoint three members of the house to act as liaisons, at least one of whom must be a member of the minority caucus. Legislative staff may, at the direction of the legislative liaisons, participate in the development of the pilot project.

The commissioner shall submit a preliminary plan by November 15, 1995, and a final plan by February 15, 1996, to the senate environment and natural resources finance division and the house environment and natural resources finance committee. The preliminary and final plans must include any plans of the commissioner to transfer personnel to the regions in which the pilot project is to be implemented.

Of the amounts appropriated in this section, none of the money for fiscal year 1997 for activities in regions 4 and 5 may be spent until the final plan for the pilot project has been approved by the legislature.

Nothing in this subdivision alters any restrictions in law relating to allowed uses of revenues credited to the general, game and fish, and natural resources funds.

**Sec. 6. BOARD OF WATER AND
SOIL RESOURCES**

13,719,000

13,947,000

\$5,353,000 the first year and \$5,353,000 the second year are for natural resources block grants to local governments. Of this amount, \$50,000 in each year is for a grant to the north shore management board and \$35,000 in each year is for a grant to the St. Louis River board.

The board shall reduce the amount of the natural resource block grant to a county by an amount equal to any reduction in the county's general services allocation to a soil and water conservation district from the county's 1994 allocation.

Grants must be matched with a combination of local cash or in-kind contributions. The base grant portion related to water planning must be matched by an amount that would be raised by a levy under Minnesota Statutes, section 103B.3369.

\$1,826,000 the first year and \$2,054,000 the second year are for grants to soil and water conservation districts for general purposes and for implementation of the RIM conservation reserve program. Upon approval of the board, expenditures may be made from these appropriations for supplies and services benefiting soil and water conservation districts.

\$2,120,000 the first year and \$2,120,000 the second year are for grants to soil and water conservation districts for cost-sharing contracts for erosion control and water quality management. This appropriation is available until expended.

\$189,000 the first year and \$189,000 the second year are for grants to watershed districts and other local units of government in the southern Minnesota river basin study area 2 for floodplain management.

Any unencumbered balance in the board's program of grants does not cancel at the end of the first year and is available for the second year for the same grant program.

Sec. 7. AGRICULTURE

Subdivision 1. Total Appropriation

24,812,000 23,646,000

Summary by Fund

General	15,135,000	13,897,000
Environmental	269,000	269,000
Special Revenue	122,000 9,408,000	9,480,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Protection Service

17,058,000 16,787,000

Summary by Fund

General	7,581,000	7,238,000
Environmental	269,000	269,000
Special Revenue	122,000 9,208,000	9,280,000

\$269,000 the first year and \$269,000 the second year are from the environmental response, compensation, and compliance account in the environmental fund.

\$4,070,000 the first year and \$4,070,000 the second year are appropriated from the pesticide regulatory account established under Minnesota Statutes, section 18B.05, for administration and enforcement of Minnesota Statutes, chapter 18B.

\$694,000 the first year and \$694,000 the second year are appropriated from the fertilizer inspection account established under Minnesota Statutes, section 18C.131, for administration and enforcement of Minnesota Statutes, chapter 18C.

\$431,000 the first year and \$431,000 the second year are appropriated from the seed potato

inspection fund established under Minnesota Statutes, section 21.115, for administration and enforcement of Minnesota Statutes, sections 21.111 to 21.122.

\$695,000 the first year and \$695,000 the second year are appropriated from the seed inspection fund established under Minnesota Statutes, section 21.92, for administration and enforcement of Minnesota Statutes, sections 21.80 to 21.92.

\$691,000 the first year and \$691,000 the second year are appropriated from the commercial feed inspection account established under Minnesota Statutes, section 25.39, subdivision 4, for administration and enforcement of Minnesota Statutes, sections 25.35 to 25.44.

\$668,000 the first year and \$668,000 the second year are appropriated from the fruit and vegetables inspection account established under Minnesota Statutes, section 27.07, subdivision 6, for administration and enforcement of Minnesota Statutes, section 27.07.

\$1,644,000 the first year and \$1,716,000 the second year are appropriated from the dairy services account established under Minnesota Statutes, section 32.394, subdivision 9, for the purpose of dairy services under Minnesota Statutes, chapter 32.

\$315,000 the first year and \$315,000 the second year are appropriated from the livestock weighing fund established under Minnesota Statutes, section 17A.11, for the purpose of livestock weighing costs under Minnesota Statutes, chapter 17A.

\$100,000 each year is appropriated from the general fund for a contract with the Minnesota institute for sustainable agriculture to gather, evaluate, publish, and disseminate sustainable agriculture information to a broad audience through both printed and electronic means. The Minnesota institute for sustainable agriculture must work in cooperation with the department of agriculture in carrying out this activity. By January 15, 1997, the executive director of the Minnesota institute for sustainable agriculture must provide a progress report to the legislative water commission on its activities funded under this section.

Notwithstanding Minnesota Statutes, section 16A.1285, subdivision 2, the commissioner need not increase fees to recover general fund appropriations made before July 1, 1995, to supplement fee-supported activities or made for

fiscal year 1996 for dairy services under Minnesota Statutes, chapter 32, or for grain inspections under Minnesota Statutes, chapter 17B.

\$180,000 each year is for the biological control program.

For 1995 - \$122,000

There is appropriated \$122,000 in fiscal year 1995 from the seed potato inspection fund to reimburse the general fund appropriation to the department of agriculture for costs incurred in building the seed potato facility located in East Grand Forks.

Subd. 3. Promotion and Marketing

1,146,000 1,146,000

Summary by Fund

General	954,000	954,000
Special Revenue	192,000	192,000

Notwithstanding Minnesota Statutes, section 41A.09, subdivision 3, the total payments from the ethanol development account to all producers may not exceed \$25,000,000 for the biennium ending June 30, 1997. If the total amount for which all producers are eligible in a quarter exceeds the amount available for payments, the commissioner shall make the payments on a pro rata basis.

\$100,000 the first year and \$100,000 the second year are for ethanol promotion and public education.

\$100,000 the first year and \$100,000 the second year must be spent for the WIC coupon program.

\$71,000 the first year and \$71,000 the second year are for transfer to the Minnesota grown matching account and may be used as grants for Minnesota grown promotion under Minnesota Statutes, section 17.109.

\$192,000 the first year and \$192,000 the second year are from the commodities research and promotion account in the special revenue fund.

Subd. 4. Administration and Financial Assistance

6,608,000 5,713,000

Summary by Fund

General	6,600,000	5,705,000
Special Revenue	8,000	8,000

\$1,200,000 from the balance in the special account created in Minnesota Statutes, section

41.61, shall be transferred to the general fund by June 30, 1997.

\$150,000 the first year and \$50,000 the second year are for dairy policy studies and federal milk marketing order reform.

\$285,000 the first year and \$285,000 the second year are for family farm security interest payment adjustments. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. No new loans may be approved in fiscal year 1996 or 1997.

\$199,000 the first year and \$199,000 the second year are for the family farm advocacy program.

\$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.

\$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.

\$150,000 the first year and \$150,000 the second year are for grants to agriculture information centers. The grants are only available on a match basis. The funds may be released at the rate of \$4 of state money for each \$1 of matching nonstate money that is raised. Any appropriated amounts not matched by April 1 of each year are available for other purposes within the department, of which \$10,000 each year may be used for farm safety programs and remains available until June 30, 1997.

\$53,000 the first year and \$53,000 the second year are for payment of claims relating to livestock damaged by threatened or endangered animal species and agricultural crops damaged by elk. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$115,000 the first year and \$115,000 the second year are for the seaway port authority of Duluth.

\$19,000 the first year and \$19,000 the second year is for a grant to the Minnesota livestock breeder's association.

\$50,000 the first year and \$50,000 the second year are for the passing on the farm center under Minnesota Statutes, section 17.985. This appropriation is available only to the extent matched with nonstate money.

\$75,000 the first year and \$75,000 the second year are for grants to the University of Minnesota for applied research on odor control at feedlots. This appropriation is available only if matched by the same amount in nonstate money. The research must provide: (1) an evaluation of cost-effective covers for manure storage structures; and (2) development of economical means of altering the biological activity in manure storage structures to reduce odor emissions.

\$25,000 the first year is for a grant to the University of Minnesota for research into the effects feedlots have on the value of nearby property. The research must take into account the distance the property is from the feedlot, the type of feedlot, and be based on actual sales of property near feedlots.

\$150,000 is for a grant to the beaver damage control joint powers board formed by the counties of Beltrami, Clearwater, Marshall, Pennington, Polk, Red Lake, Mahnomon, Norman, Becker, Hubbard, Itasca, Kittson, Koochiching, St. Louis, Roseau, and Lake of the Woods for the purpose of beaver damage control. The grant must be matched by at least \$80,000 from the joint powers board. The joint powers board may enter into an agreement with the Red Lake Band of Chippewa Indians for participation by the band in the joint powers board's beaver damage control program. This appropriation is available until June 30, 1997.

Notwithstanding any other law to the contrary, for fiscal year 1995 \$800,000 from the general fund may be transferred to the special account created in Minnesota Statutes, section 17B.15, subdivision 1, to provide an operating loan to the grain inspection and weighing account. The commissioner of agriculture shall repay the loan from the special account by June 30, 1997.

\$50,000 in the first year shall be used by the commissioner of agriculture as a grant for a pilot project for an anaerobic digestion plant for the management of animal manures and research of other appropriate technologies for management of animal manures.

\$350,000 the first year is for transfer to the ethanol development account in the special revenue fund.

\$200,000 the first year is for transfer to the value added agriculture product revolving loan account in the special revenue fund.

\$20,000 in the first year is to provide staff and research support for the livestock processing markets task force.

Sec. 8. BOARD OF ANIMAL HEALTH	2,165,000	2,217,000
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Sec. 9. MINNESOTA-WISCONSIN BOUNDARY AREA COMMISSION	164,000	168,000
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Summary by Fund

General	134,000	138,000
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Natural Resources	30,000	30,000
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This appropriation is only available to the extent it is matched by an equal amount from the state of Wisconsin.

\$60,000 is from the water recreation account in the natural resources fund for the St. Croix management and stewardship program.

Sec. 10. CITIZEN'S COUNCIL ON VOYAGEURS NATIONAL PARK	59,000	60,000
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Sec. 11. SCIENCE MUSEUM OF MINNESOTA	1,108,000	1,108,000
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Sec. 12. MINNESOTA ACADEMY OF SCIENCE	36,000	36,000
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Sec. 13. MINNESOTA HORTICULTURAL SOCIETY	72,000	72,000
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Sec. 14. AGRICULTURAL UTILIZATION RESEARCH INSTITUTE	4,330,000	4,330,000
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Summary by Fund

General	4,130,000	4,130,000
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Special Revenue	200,000	200,000
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\$200,000 each year is for a grant to the natural resources research institute for hybrid tree management research and development of an implementation plan for establishing hybrid tree plantations in the state. This appropriation is available to the extent matched by \$2 of nonstate money for each \$1 of state money.

Sec. 15. ATTORNEY GENERAL	40,000	
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This appropriation is from the solid waste fund for the voluntary insurance buy-out program evaluation required by Laws 1994, chapter 639, article 2, section 5.

Sec. 16. PUBLIC SAFETY	50,000	
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\$50,000 is appropriated from the highway user tax distribution fund to the commissioner of public safety for costs of handling and

manufacturing special license plates under section 85.

Sec. 17. OFFICE OF STRATEGIC AND LONG-RANGE PLANNING

100,000

100,000

\$100,000 the first year and \$100,000 the second year are for the sustainable development initiatives round table.

Sec. 18. TRADE AND ECONOMIC DEVELOPMENT

100,000

This appropriation is from the general fund to the commissioner of trade and economic development for grants to political subdivisions for projects that provide for improved resource management, tourism promotion, and economic development for American resorts on the Minnesota-Ontario border area of Lake of the Woods, Rainy River, and Rainy Lake.

Sec. 19. MINNESOTA RESOURCES

Subdivision 1. Total Appropriation

32,872,000

Summary by Fund

Minnesota Future Resources Fund

15,083,000

Environment and Natural Resources Trust Fund

15,604,000

Of this appropriation \$3,144,000 is trust fund acceleration.

Oil Overcharge Money in the Special Revenue Fund

2,055,000

Great Lakes Protection Account

130,000

The amounts in this section are appropriated for the biennium ending June 30, 1997. Unless otherwise provided, the projects in this section must be completed and final products delivered by June 30, 1997.

Subd. 2. Definitions

(a) "Future resources fund" means the Minnesota future resources fund referred to in Minnesota Statutes, section 116P.13.

(b) "Trust fund" means the Minnesota environment and natural resources trust fund referred to in Minnesota Statutes, section 116P.02, subdivision 6.

(c) "Trust fund acceleration" means the money referred to in Minnesota Statutes, section 116P.11, paragraph (b), clause (4).

(d) "Oil overcharge money" means the money referred to in Minnesota Statutes, section 4.071, subdivision 2.

(e) "Great lakes protection account" means the account referred to in Minnesota Statutes, section 116Q.02.

Subd. 3. Legislative Commission
on Minnesota Resources

702,000

\$308,000 of this appropriation is from the future resources fund and \$394,000 is from the trust fund, pursuant to Minnesota Statutes, section 116P.09, subdivision 5.

Subd. 4. Parks and Trails

(a) METROPOLITAN REGIONAL
PARK SYSTEM

3,950,000

This appropriation is from the trust fund for payment by the commissioner of natural resources to the metropolitan council for subgrants to rehabilitate, develop, acquire, and retrofit the metropolitan regional park system consistent with the metropolitan council regional recreation open space capital improvement program and subgrants for regional trails, consistent with an updated regional trail plan. \$1,666,000 of this appropriation is from the trust fund acceleration.

This appropriation may be used for the purchase of homes only if the purchases are expressly included in the work program approved by the legislative commission on Minnesota resources.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

(b) STATE PARK AND RECREATION AREA
ACQUISITION, DEVELOPMENT, BETTERMENT,
AND REHABILITATION

3,150,000

This appropriation is from the trust fund to the commissioner of natural resources as follows: (1) for state park and recreation area acquisition \$1,070,000, of which up to \$670,000 may be used for state trail acquisition of a critical nature; (2) for state park and recreation area development \$680,000; and (3) for betterment and rehabilitation of state parks and recreation areas \$1,400,000. The use of the Minnesota conservation corps is encouraged in the rehabilitation and development.

\$1,384,000 of this appropriation is from the trust fund acceleration. The commissioner must submit grant requests for supplemental funding for federal ISTEAA money in eligible categories

and report the results to the legislative commission on Minnesota resources.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

(c) STATE TRAIL REHABILITATION
AND ACQUISITION

250,000

This appropriation is from the trust fund to the commissioner of natural resources for state trail plan priorities. \$94,000 of this appropriation is from the trust fund acceleration. The commissioner must submit grant requests for supplemental funding for federal ISTEAs and report the results to the legislative commission on Minnesota resources.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

(d) WATER ACCESS

600,000

This appropriation is from the trust fund to the commissioner of natural resources to accelerate public water access acquisition and development statewide. Access includes boating access, fishing piers, and shoreline access. Up to \$100,000 of this appropriation may be used for a cooperative project to acquire and develop land, local park facilities, an access trail, and a boat access at the LaRue pit otherwise consistent with the water access program.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

(e) LOCAL GRANTS

1,800,000

This appropriation is from the future resources fund to the commissioner of natural resources to provide matching grants, as follows: (1) \$500,000 to local units of government for local park and recreation areas; (2) \$500,000 to local units of government for natural and scenic areas pursuant to Minnesota Statutes, section 85.019; (3) \$400,000 to local units of government for trail linkages between communities, trails, and parks; and (4) \$400,000 for a conservation partners program, a statewide pilot to encourage private organizations and local governments to cost share enhancement of fish, wildlife, and native plant habitats; and research and surveys of fish and wildlife, and related education activities. Conservation partners grants may be up to \$10,000 each and must be equally matched. In addition to the required work program, grants may not be approved until grant proposals to be

funded have been submitted to the legislative commission on Minnesota resources and the commission has either made a recommendation or allowed 60 days to pass without making a recommendation. The above appropriations are available half for the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2, and half for outside of the metropolitan area. For the purpose of this paragraph, match includes nonstate contributions either cash or in-kind.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

(f) MINNEAPOLIS PARK AND TRAIL CONNECTIONS

141,000

This appropriation is from the future resources fund to the commissioner of transportation for half of the nonfederal match of ISTE A projects for the Minneapolis park and recreation board to develop park and trail connections including: Minnehaha park to Mendota bridge, Stone Arch bridge to bridge number 9 on West River Parkway, Boom island to St. Anthony Parkway, and West River Parkway to Shingle Creek Parkway. The Minneapolis park and recreation board must apply for and receive approval of the federal money in order to receive this appropriation.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

(g) LOCAL SHARE FOR ISTE A FEDERAL PROJECTS

300,000

This appropriation is from oil overcharge money to the commissioner of administration for half of the nonfederal match of ISTE A projects for: (1) Chisago county, \$150,000 for a trail between North Branch and Forest Lake township; and (2) the St. Louis and Lake counties regional rail authority, \$150,000 for the development of approximately 40 miles of a multipurpose recreational trail system. Chisago county and the St. Louis and Lake counties regional rail authority must apply for and receive approval of the federal money in order to receive these appropriations.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

(h) PINE POINT PARK REST STATION

100,000

This appropriation is from the future resources

fund to the commissioner of natural resources for an agreement with Washington county to construct a rest station on the Gateway segment of the Willard Munger state trail in compliance with the Americans with Disabilities Act. This appropriation must be matched by at least \$30,000 of nonstate money.

(i) INTERACTIVE MULTIMEDIA COMPUTER INFORMATION SYSTEM 45,000

This appropriation is from the future resources fund to the commissioner of trade and economic development, office of tourism, for an agreement with Explore Lake County, Inc. to develop a pilot multimedia interactive computer information system at the R. J. Houle visitor information center.

(j) UPPER SIOUX AGENCY STATE PARK 200,000

This appropriation to the commissioner of natural resources is from the future resources fund for bathroom and shower facilities at Upper Sioux Agency State Park.

(k) GRAIN BELT MISSISSIPPI RIVERFRONT DEVELOPMENT 500,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with the metropolitan council for a subgrant to the Minneapolis park and recreation board, which shall cooperate with the Minneapolis community development agency to create riverfront recreational park and marina facilities through acquisition and development of Mississippi riverfront property. This appropriation is contingent on this facility being designated part of the metropolitan regional park and open space system. This appropriation is also contingent on the Guthrie theater's occupancy of the Grain Belt Brewery.

(l) WILDCAT REGIONAL PARK 40,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with Houston county to construct an off-channel boat ramp on the Mississippi River, and wingwalls to protect the ramp and existing swimming beach.

Subd. 5. Management Approaches

(a) LOCAL RIVER PLANNING - CONTINUATION 140,000

This appropriation is from the future resources fund to the commissioner of natural resources for the third biennium of a three-biennium project to assist counties statewide in developing

comprehensive plans for the management and protection of rivers through grants for up to two-thirds of the cost that address locally identified issues while maintaining consistency with state floodplain and shoreland laws and local water plans. For the purpose of this paragraph, the nonstate portion includes contributions either cash or in-kind. The appropriation in Laws 1993, chapter 172, section 14, subdivision 11, paragraph (b), is available until June 30, 1997.

(b) CANNON RIVER WATERSHED STRATEGIC PLAN: INTEGRATED MANAGEMENT

325,000

\$245,000 of this appropriation is from the trust fund and \$80,000 is from the future resources fund to the board of water and soil resources for an agreement with the Cannon River Watershed Partnership to implement activities in the Cannon River watershed through matching grants and technical assistance. This appropriation must be matched by at least \$81,000 of nonstate money.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

(c) TRI-COUNTY LEECH LAKE WATERSHED PROJECT

300,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with Cass county in cooperation with the Tri-County Leech Lake Watershed project for integrated resource management in the watershed through baseline data, public information and education, and pilot projects.

(d) BLUFFLANDS LANDSCAPE

630,000

\$450,000 of this appropriation is from the trust fund and \$180,000 is from the future resources fund to the commissioner of natural resources to assist communities in developing a management framework for the scenic and biological resources of the Mississippi valley blufflands landscape and to foster integrated decisions and citizen commitment to long-term resource protection. \$304,000 is for a cooperative agreement with Architectural Environments; at least \$40,000 of this amount must be used for demonstration and implementation activities. \$236,000 is for a cooperative agreement with Historic Bluff Country. \$90,000 is for expenses within the department of natural resources. This appropriation must be matched by at least \$50,000 of nonstate money.

**(e) GLACIAL LAKE AGASSIZ BEACH
RIDGES: MINING AND PROTECTION**

85,000

This appropriation is from the future resources fund to the commissioner of natural resources to coordinate a long-term plan for the beach ridges in Clay county that balances protection of native prairies with a sustainable aggregate industry.

**(f) ATMOSPHERIC MERCURY EMISSIONS,
DEPOSITION, AND ENVIRONMENTAL COST
EVALUATION**

575,000

This appropriation is from the future resources fund to the commissioner of the pollution control agency for a mercury emission inventory and quantification of mercury atmospheric deposition. \$50,000 is for an evaluation of the external costs of mercury emissions from Minnesota sources.

**(g) MERCURY DEPOSITION AND
LAKE QUALITY TRENDS**

250,000

\$120,000 of this appropriation is from the future resources fund and \$130,000 is from the Great Lakes protection account to the commissioner of the pollution control agency for an agreement with the University of Minnesota-Duluth to synthesize and interpret a five-year (1990-1994) mercury deposition database and evaluate water quality and fish contamination trends for 80 high-value lakes and compare it with historic data. This is to be done in cooperation with the pollution control agency. Data compatibility requirements in subdivision 14 apply to this appropriation.

**(h) FEEDLOT AND MANURE MANAGEMENT
PRACTICES ASSISTANCE**

200,000

This appropriation is from the future resources fund to the commissioner of agriculture to accelerate adoption of and changes in feedlot and manure management practices through research, economic analysis, and enhanced program design and delivery. \$100,000 of this appropriation is for an agreement with the University of Minnesota for evaluation of manure effluent treatments.

**(i) WATER QUALITY IMPACTS OF FEEDLOT
POLLUTION CONTROL SYSTEMS**

300,000

This appropriation is from the future resources fund to the commissioner of the pollution control agency to evaluate earthen manure storage basins and vegetated filter strips for effects on ground and surface water quality by monitoring seepage and runoff. This appropriation must be matched by at least \$267,000 of nonstate contributions, either cash or in-kind.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

**(j) SHORELAND SEPTIC INVENTORY
AND EDUCATION**

145,000

This appropriation is from the future resources fund to the board of water and soil resources in cooperation with the pollution control agency for an agreement with Hubbard county to inventory the Mantrap watershed for failing septic systems and education and enforcement efforts to implement upgrading of the systems. In the work program for this project required under Minnesota Statutes, section 116P.05, subdivision 2, paragraph (c), Hubbard county shall include documentation that the county is actively pursuing adoption of a countywide ordinance to regulate individual sewage treatment systems.

**(k) ALTERNATIVE INDIVIDUAL SEWAGE
TREATMENT SYSTEMS DEVELOPMENT AND
DEMONSTRATION**

425,000

This appropriation is from the future resources fund to the commissioner of the pollution control agency to develop and demonstrate reliable, low cost alternative designs for septic systems in areas with seasonally high water tables, and designs for removal of nitrogen by septic systems.

**(l) PATHWAYS TO SUSTAINABLE
DEVELOPMENT**

200,000

This appropriation is from the trust fund to the director of the office of strategic and long-range planning for the environmental quality board to evaluate government barriers to sustainable development in agriculture, energy, manufacturing, and settlement and to recommend strategies to address priority barriers to sustainable development.

**(m) UPPER MISSISSIPPI RIVER
PROTECTION PROJECT**

200,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with the Mississippi headwaters board in cooperation with the metropolitan council to protect the Mississippi river from water quality impairment. This appropriation must be matched by at least \$100,000 of nonstate contributions, either cash or in-kind.

**(n) FOREST MANAGEMENT TO MAINTAIN
STRUCTURAL AND SPECIES DIVERSITY**

160,000

This appropriation is from the trust fund to the commissioner of natural resources to document

forest management practices in a pilot area, assess the long-term effects of current and alternative timber harvest practices on structural aspects of biological diversity (especially old-growth forest characteristics), and prepare forest management guidelines to maintain these features in commercial forests.

**(o) ACCELERATED NATIVE GRASS AND FORBS
ON ROAD RIGHTS-OF-WAY**

150,000

This appropriation is from the trust fund to the commissioner of natural resources in cooperation with the interagency roadside committee to accelerate native plant establishment and management in roadsides using integrated resource management techniques including educational materials about benefits of low maintenance and biologically diverse roadsides statewide.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

**(p) ACCELERATED LANDSCAPE MANAGEMENT
ACTIVITIES IN WHITEWATER WATERSHED**

60,000

This appropriation is from the future resources fund to the commissioner of natural resources to expand activities in the Whitewater watershed through shared funding and staffing to assist and coordinate with the Whitewater watershed project on landscape management activities such as sustainable land use, watershed restoration, and improved water quality.

**(q) SUSTAINABLE GRASSLAND CONSERVATION
AND UTILIZATION**

125,000

This appropriation is from the future resources fund to the commissioner of natural resources to develop integrated grassland projects in northwest Minnesota and to evaluate different management strategies.

**(r) DEVELOPING, EVALUATING, AND
PROMOTING SUSTAINABLE FARMING SYSTEMS**

225,000

This appropriation is from the future resources fund to the commissioner of agriculture for an agreement with the Whitewater joint powers board to develop and evaluate farming systems for impacts on ecosystems, profitability, and quality of life through on-farm research, experiment station research, watershed demonstration farms, and education. This appropriation must be matched by at least \$50,000 of nonstate money.

**(s) COOPERATIVES TO PROMOTE
SUSTAINABLE AGRICULTURAL PRACTICES
AND RESEARCH**

100,000

This appropriation is from the future resources fund to the commissioner of agriculture for an agreement with the sustainable farming association of Minnesota to promote sustainable farming practices by strengthening farmer-based demonstration and education networks of the sustainable farming association and by forming a pilot cooperative of on-farm and southwest experiment station research. This appropriation must be matched by at least \$15,000 of nonstate money.

(t) RECYCLED BIOSOLIDS PRODUCT USED TO RECLAIM DISTURBED AREAS 200,000

This appropriation is from the oil overcharge money to the commissioner of administration for payment to the metropolitan council in cooperation with N-Viro, Minnesota to increase the market for biosolids by demonstrating the use of N-Viro soil for reclamation through a program of research and field and public demonstrations.

Subd. 6. Environmental Education

(a) LEOPOLD EDUCATION PROJECT CURRICULUM 100,000

This appropriation is from the trust fund to the office of environmental assistance for an agreement with Pheasants Forever, Inc. to provide teacher training in the use of the Leopold education project conservation ethics curriculum. This appropriation must be matched by at least \$50,000 of nonstate money.

(b) ENVIRONMENTAL EDUCATION TEACHER TRAINING 500,000

This appropriation is from the trust fund to the office of environmental assistance in cooperation with the environmental education advisory board to develop and deliver statewide environmental education training for preservice and in-service teachers.

(c) SHARING ENVIRONMENTAL EDUCATION KNOWLEDGE 200,000

This appropriation is from the trust fund to the office of environmental assistance in cooperation with the environmental education advisory board to plan and develop an information data exchange and service center that coordinates the collection, evaluation, dissemination, and promotion of environmental education resources and programs.

(d) ENVIRONMENTAL VIDEO RESOURCE LIBRARY AND PUBLIC TELEVISION SERIES 250,000

This appropriation is from the future resources

fund to the office of environmental assistance in cooperation with the environmental education advisory board for an agreement with Twin Cities Public Television to create a resource information center for environmental video and to produce and broadcast an environmental television series about Minnesota environmental achievements.

(e) DEVELOPMENT, ASSIMILATION, AND DISTRIBUTION OF WOLF EDUCATIONAL MATERIALS

100,000

This appropriation is from the future resources fund to the office of environmental assistance for an agreement with the International Wolf Center to collect and develop written, electronic, and photographic audio-visual material about wolf ecology, recovery, and management for electronic distribution. This appropriation must be matched by at least \$30,000 of nonstate money.

(f) ENVIRONMENTAL ACTION GRANTS FOR MINNESOTA SCHOOLS

200,000

This appropriation is from the trust fund to the department of natural resources for an agreement with St. Olaf college for the school nature area project matching grants to schools for school area nature sites. This appropriation must be matched by at least \$50,000 of nonstate money.

(g) ELECTRONIC ENVIRONMENTAL EDUCATION NETWORK

250,000

This appropriation is from the future resources fund to the office of environmental assistance for an agreement with the University of Minnesota raptor center to develop a program for student participation in satellite-tracking research, data collection and dissemination using INTERNET, workshops, material development, and off-site classroom experience. This appropriation must be matched by at least \$38,000 of nonstate money.

(h) THREE RIVERS INITIATIVE

750,000

This appropriation is from the future resources fund to the Science Museum of Minnesota to develop exhibits and programs focusing on the Mississippi, Minnesota, and St. Croix rivers.

(i) INTERACTIVE COMPUTER EXHIBIT ON MINNESOTA RENEWABLE ENERGY SOURCES

150,000

This appropriation is from oil overcharge money to the commissioner of administration for an agreement with the Izaak Walton League of America, midwest office in cooperation with the Science Museum of Minnesota to develop and

disseminate an interactive multimedia computer exhibit on renewable energy resources.

(j) TREES FOR TEENS: TRAINING, RESOURCES, EDUCATION, EMPLOYMENT, SERVICE

75,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with Twin Cities Tree Trust to develop a pilot program and curriculum materials for educating high school students about urban forestry and assisting them in carrying out peer education and community service projects. This project must be done in cooperation with the Minnesota releaf program.

(k) REDWOOD FALLS SCHOOL DISTRICT NO. 637 ENVIRONMENTAL EDUCATION PROJECT

250,000

This appropriation is from the future resources fund to the office of environmental assistance for an agreement with the Redwood Falls school district to accelerate development of an outdoor environmental learning center and to integrate environmental education into the K-12 curriculum. Project development will include prairie access improvements including a trail system, establishment of a wetland, and an arboretum.

(l) TOGETHER OUTDOORS MINNESOTA

575,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with Wilderness Inquiry for diversity specialist training, training of outdoor service professionals to provide inclusive programming, and diversity networking, including the development of a directory of recreation facility accessibility. This appropriation must be matched by at least \$80,000 of nonstate money.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

(m) ENHANCED NATURAL RESOURCE OPPORTUNITIES FOR ASIAN-PACIFIC MINNESOTANS

150,000

This appropriation is from the future resources fund to the commissioner of natural resources for the second biennium of funding for community outreach, cultural collaboration, training, and education to increase Asians' participation and understanding of natural resources management. Supplemental funding must be requested and the results reported to the legislative commission on Minnesota resources.

(n) DELIVER ECOLOGICAL INFORMATION AND TECHNICAL ASSISTANCE TO LOCAL GOVERNMENTS 100,000

This appropriation is from the future resources fund to the commissioner of natural resources to provide interpretation of ecological data collected by the county biological survey.

(o) NONPOINT SOURCE POLLUTION PUBLIC EDUCATION DEMONSTRATION PROJECT 100,000

This appropriation is from the future resources fund to the commissioner of the pollution control agency for an agreement with the city of St. Paul for a joint project with the city of Minneapolis to conduct surveys and develop and implement nonpoint source pollution public education. This appropriation must be matched by at least \$12,000 of nonstate money.

(p) WHITETAIL DEER RESOURCE CENTER 50,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with the Minnesota Deer Hunters Association to develop a facility and operations plan. This appropriation must be matched by \$50,000 of nonstate money.

(q) GORDON GULLION CHAIR IN FOREST WILDLIFE RESEARCH AND EDUCATION 350,000

This appropriation is from the future resources fund to the University of Minnesota to establish an endowed chair in forest wildlife research and education to develop forest and wildlife sustainable management practices. This appropriation must be matched by at least \$350,000 of nonstate money. This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

(r) NEY ENVIRONMENTAL CENTER 100,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with Le Sueur county to develop an environmental learning center in the Minnesota River Valley near Henderson. The appropriation shall be used to convert existing buildings to classrooms, add restroom facilities and improve access, and remove unneeded structures.

(s) LAWNSDALE ENVIRONMENTAL CENTER 400,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with Lawnsdale Environmental Foundation to develop an environmental learning

center near Herman with emphasis on prairie, wetlands, and agricultural themes. This appropriation must be matched by at least \$100,000 of nonstate money.

Subd. 7. Natural Resource Data

(a) ENVIRONMENTAL INDICATORS INITIATIVE 350,000

This appropriation is from the trust fund to the commissioner of natural resources to create the framework for an integrated, statewide network for selecting and monitoring environmental indicators to assess and communicate Minnesota's environmental health status and trends. The work program must be submitted to the environmental quality board for review before approval by the legislative commission on Minnesota resources. Data compatibility requirements in subdivision 14 apply to this appropriation.

(b) ASSESSING WETLAND QUALITY WITH ECOLOGICAL INDICATORS 275,000

This appropriation is from the trust fund to the board of water and soil resources for an agreement with the University of Minnesota to develop plant and animal indicators of wetland quality, establish a system of reference natural wetlands for comparative monitoring, and develop guidelines for wetland assessment and monitoring to guide replacement wetland monitoring. Data compatibility requirements in subdivision 14 apply to this appropriation.

(c) COUNTY BIOLOGICAL SURVEY - CONTINUATION 900,000

This appropriation is from the trust fund to the commissioner of natural resources for the fifth biennium of a proposed 12-biennium project to accelerate the county biological survey for the systematic collection, interpretation, and distribution of data on the distribution and ecology of rare plants, animals, and natural communities. Data compatibility requirements in subdivision 14 apply to this appropriation.

(d) FOREST BIRD DIVERSITY INITIATIVE - CONTINUATION 400,000

This appropriation is from the trust fund to the commissioner of natural resources for the third biennium of a proposed six-biennium project for a comprehensive monitoring and research program that develops management tools to maintain diversity of forest birds and establishes benchmarks for using birds as ecological indicators of forest health. Data compatibility requirements in subdivision 14 apply to this

appropriation. This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

(e) BASE MAPS FOR 1990s - FINAL PHASE CONTINUATION

600,000

This appropriation is from the trust fund to the director of the office of strategic and long-range planning to provide the third biennium of a three-biennium state match for a federal program to complete statewide coverage of orthophoto maps and complete the update mapping for the state's most obsolete topographic maps. Data compatibility requirements in subdivision 14 apply to this appropriation.

(f) COMPLETION OF STATEWIDE LAND USE UPDATE - CONTINUATION

380,000

This appropriation is from the future resources fund to the director of the office of strategic and long-range planning, in cooperation with the board of water and soil resources, for an agreement with the association of Minnesota counties for the third and final biennium to complete the update of the land use map for Minnesota, complete conversion of the data to computer format, and make the data available to users. Data compatibility requirements in subdivision 14 apply to this appropriation.

(g) FILLMORE COUNTY SOIL SURVEY UPDATE

65,000

This appropriation is from the future resources fund to the board of water and soil resources to provide half of the nonfederal share to begin a three-biennium project to update the Fillmore county soil survey into a digitized and manuscript format. Data compatibility requirements in subdivision 14 apply to this appropriation.

(h) MINNESOTA RIVER TILE SYSTEM RESEARCH - CONTINUATION

150,000

This appropriation is from the future resources fund to the commissioner of the pollution control agency for the second biennium of a two-biennium project to continue research on the impact of and best management practices for surface tile inlets.

(i) SUGARLOAF SITE ASSESSMENT AND INTERPRETATION

70,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with the Sugarloaf Interpretive Center Association for inventories, native habitat

restoration, and the interpretation of the natural and cultural characteristics of Sugarloaf Cove. The data collection must be coordinated with the department of natural resources natural heritage program. Reasonable public use and access must be provided. This appropriation must be matched by \$30,000 of nonstate money.

(j) MICROBIAL DETERIORATION OF ASPHALT MATERIALS AND ITS PREVENTION 60,000

This appropriation is from the oil overcharge money to the commissioner of administration for a transfer to the commissioner of transportation to survey microbial deterioration of asphalt-bituminous materials in cooperation with Bemidji state university or other research institutions.

(k) ANALYSIS OF LANDS ENROLLED IN CONSERVATION RESERVE PROGRAM 200,000

This appropriation is from the Minnesota future resources fund to the commissioner of agriculture for continuing the analysis of lands enrolled in the conservation reserve program relative to nonpoint source pollution, developing land management options for lands emerging from the program, and developing the capability to target future program funds for the greatest environmental benefit.

Subd. 8. Urban Natural Resources

(a) URBAN WILDLIFE HABITAT PROGRAM 150,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with the St. Paul neighborhood energy consortium to provide workshops and native planting materials to households for landscaping for wildlife, demonstrating plant diversity, and alternative lawn care practices in the urban environment. This project must be done in cooperation with the department of natural resources nongame wildlife and releaf programs. This appropriation must be matched by at least \$35,000 of nonstate money.

(b) GARDENING PROGRAM - STATEWIDE 300,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with the sustainable resources center for a joint project with the Minnesota horticultural society - Minnesota Green and Duluth Plant-A-Lot community garden program to provide technical assistance on community plantings, food gardens, trees, native plants, and environmentally sound horticultural and land use practices. This appropriation must be matched by at least \$3,000 in nonstate money.

**(c) RELIEF: PLANTING FOR ENERGY
CONSERVATION IN COMMUNITIES** 400,000

This appropriation is from the oil overcharge money to the commissioner of administration for an agreement with the department of natural resources for the second biennium of a project to achieve the strategic planting of predominately native shade trees and community windbreaks for statewide energy conservation and carbon dioxide abatement through acceleration of the Minnesota relief program by providing grants administered on a reimbursement basis. The program shall be administered to maximize local contributions on a cash and service basis.

**(d) MAPLEWOOD INNOVATIVE STORM
WATER MANAGEMENT PROJECT** 100,000

This appropriation is from the future resources fund to the commissioner of the pollution control agency for an agreement with the city of Maplewood to design, construct, and monitor a demonstration stormwater management system. This appropriation must be matched by at least \$165,000 of nonstate money.

(e) PHALEN WETLAND RESTORATION 115,000

This appropriation is from the trust fund to the board of water and soil resources for an agreement with the city of St. Paul to restore a wetland at the south end of Lake Phalen. This appropriation must be matched by at least \$50,000 in nonstate money.

**(f) WETLAND RESTORATION AND
ENHANCEMENT TO CREATE COMMUNITY AMENITY
AND FORM** 200,000

This appropriation is from the trust fund to the director of the office of strategic and long-range planning for an agreement with the University of Minnesota to provide technical design assistance to help five communities create restored and enhanced wetlands that reinforce community form and emphasize habitat creation, water quality, and recreational amenities.

**(g) METROPOLITAN AREA GROUNDWATER
MODEL TO PREDICT CONTAMINANT MOVEMENT** 250,000

This appropriation is from the trust fund to the commissioner of the pollution control agency to develop and apply a tool to improve prediction of contaminant movement in groundwater at contamination sites in the metropolitan area using a flexible regional groundwater flow model. Data compatibility requirements in subdivision 14 apply to this appropriation.

**(h) ARBORETUM BOUNDARY LAND
ACQUISITION** 680,000

This appropriation is from the future resources fund to the University of Minnesota for a grant to the University of Minnesota landscape arboretum foundation to expand the boundary of the Minnesota Landscape Arboretum and, if money is available after the intended acquisition, to develop a wetland restoration demonstration. This appropriation must be matched by at least \$400,000 nonstate money.

Subd. 9. Fisheries

(a) STATEWIDE EXPERIMENTAL
FISHING REGULATIONS

650,000

This appropriation is from the future resources fund to the commissioner of natural resources for baseline data collection to evaluate experimental fishing regulations.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

(b) RIM - ACCELERATE FISHERIES
ACQUISITION FOR ANGLER ACCESS

300,000

This appropriation is from the trust fund to the commissioner of natural resources to provide increased angler access by accelerating easement and fee title acquisition of land adjacent to streams and lakes, including access for non-boat owners and urban users.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

(c) RIM - ACCELERATE STATEWIDE
FISHERIES HABITAT DEVELOPMENT,
HATCHERY REHABILITATION, AND
STREAM FLOW PROTECTION

1,000,000

\$555,000 of this appropriation is from the trust fund and \$445,000 is from the future resources fund to the commissioner of natural resources to implement projects for the acquisition, restoration, improvement, and development of fisheries habitat and hatchery rehabilitation. Up to \$215,000 of the trust fund appropriation is available to continue the stream flow protection program for the second biennium of a proposed eight-biennium effort to establish a watershed level stream habitat database and develop the tools to set protected flows for ecosystem diversity. Data compatibility requirements in subdivision 14 apply to this appropriation.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

Subd. 10. Wildlife

(a) RIM - ACCELERATE WILDLIFE
LAND ACQUISITION 650,000

\$510,000 of this appropriation is from the trust fund and \$140,000 is from the future resources fund to the commissioner of natural resources to accelerate acquisition activities in the reinvest in Minnesota program by acquiring land identified in North American waterfowl management plan project areas. This appropriation must first be used for projects qualifying for a match, which may include costs for acquisition, enhancements, and wetland restoration.

(b) RIM - ACCELERATE CRITICAL
HABITAT MATCH PROGRAM 250,000

This appropriation is from the trust fund to the commissioner of natural resources to accelerate the reinvest in Minnesota program to acquire and improve critical habitat for game and nongame fish, wildlife, and native plants under Minnesota Statutes, section 84.943. Projects must occur in both urban and rural areas.

(c) RIM - ACCELERATE WILDLIFE
HABITAT STEWARDSHIP 450,000

This appropriation is from the future resources fund to the commissioner of natural resources for improvement of wildlife habitat and natural plant communities statewide, both urban and rural public lands, to protect and enhance wildlife, native plant species, and ecological diversity.

(d) BIOMASS PRODUCTION, MANAGEMENT AND
RESTORATION OF BRUSHLAND HABITATS 200,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with the University of Minnesota-Duluth in cooperation with the natural resources research institute and the Minnesota Sharptailed Grouse Society to assess brushland harvesting, brushland as wildlife habitat, and habitat management strategies.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

(e) TURN IN POACHERS YOUTH ACTIVITY BOOK 50,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with TIP, Inc. to print and disseminate an activity book to inform and educate children about poaching and its impact on natural resources, and to promote ethical hunting and fishing. This appropriation must be matched by at least \$12,500 of nonstate money.

Subd. 11. Energy

**(a) INTER-CITY ELECTRIC VEHICLE
TRANSPORTATION DEMONSTRATION** 150,000

This appropriation is from the oil overcharge money to the commissioner of administration for an agreement with Minnesota Power and Light Company to develop and evaluate an electric vehicle infrastructure with charging stations for use between Duluth and St. Paul, including installation of a charging station at the state of Minnesota central motor pool location. This appropriation must be matched by at least \$30,000 of nonstate money.

**(b) SUSTAINABLE DEVELOPMENT OF WIND
ENERGY ON FAMILY FARMS** 200,000

This appropriation is from the oil overcharge money to the commissioner of administration for an agreement with the sustainable resources center to provide technical assistance and technology transfer for the development of wind energy harvesting.

**(c) ONE-MEGAWATT HYBRID ELECTRICAL
GENERATION SIMULATION PROJECT** 50,000

This appropriation is from the oil overcharge money to the commissioner of administration for an agreement with Dan Mar & Associates in cooperation with the agriculture utilization research institute for a simulation project using biofuel electrical generation to firm up wind power to provide electrical energy on demand.

**(d) AVIAN POPULATION ANALYSIS FOR
WIND POWER GENERATION REGIONS** 75,000

This appropriation is from the oil overcharge money to the commissioner of administration for an agreement with American Wind Energy Association to identify and assess significant avian activity areas within identified wind farm corridors in Minnesota. This appropriation must be matched by at least \$75,000 of nonstate money.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

**(e) ENERGY IMPROVEMENTS IN PUBLIC
ICE ARENAS** 470,000

This appropriation is from the oil overcharge money to the commissioner of administration for an agreement with the Center for Energy and Environment to assess, install, and evaluate energy and indoor air quality improvements in at least 25 publicly owned ice arenas located

throughout Minnesota. Projects receiving funding from this appropriation must be in compliance with the indoor ice facilities prime ice time and gender preference requirements in Minnesota Statutes, section 15.98. This appropriation is for up to 50 percent of the cost of retrofit activities.

Subd. 12. Historic

(a) RESTORE HISTORIC MISSISSIPPI RIVER MILL SITE

120,000

This appropriation is from the future resources fund to the Minnesota historical society for a subgrant to the Minneapolis park and recreation board to implement an agreement with Crown Hydro Company to restore gatehouse foundations, construct catwalks and lighting through the tailrace tunnels, and restore and display the historic turbine of the historic Crown roller mill. This activity must be done in cooperation with the St. Anthony falls heritage board. Reasonable public use and access must be provided. This appropriation must be matched by at least \$120,000 of nonstate money. This appropriation is contingent on the receipt of all applicable hydropower and other public agency approvals.

(b) POND-DAKOTA MISSION RESTORATION

270,000

This appropriation is from the future resources fund to the Minnesota historical society for an agreement with the city of Bloomington to continue the restoration of the Pond house and Dakota Indian mission site. This appropriation must be matched by \$80,000 of nonstate money.

(c) JOSEPH R. BROWN INTERPRETIVE CENTER RESTORATION PROJECT

75,000

This appropriation is from the future resources fund to the Minnesota historical society for an agreement with the Sibley county historical society for building restoration and renovation activities on the 1879 Sibley county courthouse, to be used as the Joseph R. Brown interpretive center. This appropriation must be matched by at least \$5,000 of nonstate money.

(d) HERITAGE TRAILS

200,000

This appropriation is from the future resources fund to the Minnesota historical society to plan and construct trails for at least three historic sites and for trail interpretive material and equipment.

(e) RESTORATION OF HISTORIC ELBA FIRE TOWER

73,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with the Elba booster club, in consultation with the Minnesota historical society, for restoration and the development of interpretive materials and to provide access to the Elba fire tower for safe recreational and educational use. This project must be available for reasonable public use and access.

(f) MANAGING MINNESOTA SHIPWRECKS 100,000

This appropriation is from the future resources fund to the Minnesota historical society to survey historic north shore shipping facilities and shipwrecks, survey shipwrecks in Minnesota inland lakes and rivers, organize a conference on underwater cultural resources, and revise the management plan. Supplemental funding must be requested and the results reported to the legislative commission on Minnesota resources.

(g) LAC QUI PARLE MISSION HISTORICAL TRAIL 181,000

This appropriation is from the future resources fund to the Minnesota historical society to construct a mile-long trail for hiking and biking, including an overlook at the site of the historic Lac Qui Parle Mission. The trail must be accessible by persons with disabilities.

Subd. 13. Biological Control

(a) BIOLOGICAL CONTROL OF EURASIAN WATER MILFOIL AND PURPLE LOOSESTRIFE - CONTINUATION 300,000

\$250,000 of this appropriation is from the trust fund and \$50,000 is from the future resources fund to the commissioner of natural resources for the second biennium of a five-biennium project to develop biological controls for Eurasian water milfoil and purple loosestrife. This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

(b) BIOLOGICAL CONTROL OF OVERLAND SPREAD OF OAK WILT 90,000

This appropriation is from the future resources fund to the commissioner of agriculture in cooperation with the University of Minnesota to improve application methods for enhancing natural biological control of the overland spread of oak wilt.

(c) BENEFICIAL FUNGAL INOCULUM FOR PRAIRIE AND WETLAND RECLAMATION 100,000

This appropriation is from the trust fund to the

commissioner of transportation for an agreement with the University of Minnesota for the characterization and development of inoculum production methods for soil fungi associated with the roots of native and naturalized Minnesota plants in prairies and wetlands to assist in restoration projects.

Subd. 14. Data Compatibility Requirements

During the biennium ending June 30, 1997, the data collected by the projects funded under this section that have common value for natural resource planning and management must conform to information architecture as defined in guidelines and standards adopted by the information policy office. Data review committees may be established to develop or comment on plans for data integration and distribution and shall submit semiannual status reports to the legislative commission on Minnesota resources on their findings. In addition, the data must be provided to and integrated with the Minnesota land management information center's geographic databases with the integration costs borne by the activity receiving funding under this section.

Subd. 15. Project Requirements

It is a condition of acceptance of the appropriations in this section that any agency or entity receiving the appropriation must comply with Minnesota Statutes, chapter 116P.

Subd 16. Match Requirements

Appropriations in this section that must be matched and for which the match has not been committed by January 1, 1996, must be canceled. Unless specifically authorized, in-kind contributions may not be counted as match.

Subd. 17. Payment Conditions and Capital Equipment Expenditures

All agreements, grants, or contracts referred to in this section must be administered on a reimbursement basis. Payment must be made upon receiving documentation that reimbursable amounts have been expended, except that reasonable amounts may be advanced to projects in order to accommodate cash flow needs. The advances must be approved as part of the work program. No expenditures for capital equipment are allowed unless expressly authorized in the project work program.

Subd. 18. Purchase of Recycled and Recyclable Materials

A political subdivision, public or private

corporation, or other entity that receives an appropriation in this section must use the appropriation in compliance with Minnesota Statutes, sections 16B.121 to 16B.123, requiring the purchase of recycled, repairable, and durable materials, the purchase of uncoated paper stock, and the use of soy-based ink, the same as if it were a state agency.

Subd. 19. Carryforward

(a) Except as provided in paragraph (b), the availability of the appropriations for the following projects is extended to December 31, 1995; on that date the appropriations cancel and no further payment is authorized: Laws 1993, chapter 172, section 14, subdivisions 3, paragraphs (a), (f), and (i); 6, paragraph (b); 9; 10, paragraphs (a), (c), (g), (p), (q), and (r); and 12, paragraphs (a), (b), (c), (h), (j), and (l).

(b) The availability of the appropriations for the following projects is extended to December 31, 1996; on that date the appropriations cancel and no further payment is authorized: (1) Laws 1993, chapter 172, section 14, subdivisions 3, paragraph (c); 4, paragraph (e); 10, paragraphs (d), (f), and (o); 12, paragraphs (f) and (g); in subdivision 10, paragraph (b), the Bloomington East and West Bush Lake picnic areas; and, in subdivision 10, paragraph (c), Cedar Lake trail development and the Dakota North regional trail in South St. Paul; and (2) Laws 1994, chapter 632, article 2, section 6, local recreation grants and Silver Bay harbor.

Subd. 20. Energy Conservation

A recipient to whom an appropriation is made in this section for a capital improvement project shall ensure that the project complies with the applicable energy conservation standards contained in law, including Minnesota Statutes, sections 216C.19 to 216C.21, and rules adopted thereunder. The recipient may use the energy planning and intervention and energy technologies units of the department of public service to obtain information and technical assistance on energy conservation and alternative energy development relating to the planning and construction of the capital improvement project.

Sec. 20. ADDITIONAL APPROPRIATIONS

The following amounts are appropriated from the Minnesota environment and natural resources trust fund referred to in Minnesota Statutes, section 116P.02, subdivision 6. The appropriations are available until December 31, 1995, and are subject to the provisions of Laws

1993, chapter 172, section 14, subdivisions 14 to 18. If revenues are insufficient to meet these appropriations, the commissioner of finance shall reduce the amounts proportionately.

**(a) STATE PARK AND RECREATION
AREA ACQUISITION**

1,120,000

This appropriation is to the commissioner of natural resources for acquisition of land within the statutory boundaries of state parks and recreation areas.

**(b) METROPOLITAN REGIONAL PARKS AND
TRAILS ACQUISITION**

1,120,000

This appropriation is to the commissioner of natural resources for payment to the metropolitan council for subgrants to acquire parks and trails consistent with the metropolitan council regional recreation open space capital improvement plan.

This appropriation may be used for the purchase of homes only if the purchases are expressly included in the work program approved by the legislative commission on Minnesota resources.

(c) The projects in this section must be completed and final products delivered by December 31, 1995, and the appropriations are available until that date.

**Sec. 21. MINNESOTA FUTURE RESOURCES
FUND TRANSFER**

As cash flow in the Minnesota future resources fund permits, but no later than June 30, 1997, the commissioner of finance, in consultation with the director of the legislative commission on Minnesota resources, shall transfer \$1,460,000 from the unencumbered balance in the fund to the general fund.

Sec. 22. MINNESOTA CONSERVATION FUND TRANSFER

The commissioner of finance shall transfer in the beginning of the biennium, \$2,500,000 from the Minnesota conservation fund created by Minnesota Statutes, section 40A.151, to the general fund.

**Sec. 23. HARMFUL SUBSTANCE
COMPENSATION ACCOUNT TRANSFER**

The commissioner of finance shall transfer the remaining balance of the harmful substance compensation account, established in Minnesota Statutes, section 115B.26, subdivision 1, to the general fund.

Sec. 24. Minnesota Statutes 1994, section 15.50, is amended by adding a subdivision to read:

Subd. 10. [NATIVE VEGETATION PLANTING.] As part of its comprehensive plan and

adopted zoning rules, the board shall give priority to the planting of native trees and shrubs, or native grasses wherever appropriate, within the capitol area.

Sec. 25. Minnesota Statutes 1994, section 15.91, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] For purposes of sections 15.90 to 15.92, "agency" means a department or agency, as designated in section 15.01 and, the pollution control agency, and the agricultural utilization research institute established in section 1160.09.

Sec. 26. Minnesota Statutes 1994, section 16A.125, is amended to read:

16A.125 [STATE FOREST TRUST LANDS.]

Subd. 5. [~~SUSPENSE ACCOUNT FOREST TRUST LANDS.~~] The term "state forest trust fund lands" as used in this subdivision, means public land in trust under the constitution set apart as "forest lands under the authority of the commissioner" of natural resources as defined by section 89.001, subdivision 13.

The commissioner of finance and the treasurer shall credit the revenue from the forest trust fund lands to the forest suspense account. The account must specify the trust funds interested in the lands and the respective receipts of the lands.

After a fiscal year, the commissioner of finance shall certify the total costs incurred for forestry during that year under appropriations for the protection, improvement, administration, and management of state forest trust fund lands and construction and improvement of forest roads to enhance the forest value of the lands. The certificate must specify the trust funds interested in the lands. The commissioner of natural resources shall supply the commissioner of finance with the information needed for the certificate.

After a fiscal year, the commissioner and the treasurer shall distribute the receipts credited to the suspense account during that fiscal year as follows:

(a) The amount of the certified costs incurred by the state for forest management during the fiscal year shall be transferred to the general fund.

(b) The balance of the receipts shall then be returned prorated to the trust funds in proportion to their respective interests in the lands which produced the receipts.

Subd. 5a. [APPROPRIATION FROM STATE FOREST DEVELOPMENT ACCOUNT.] Money accruing and credited to the state forest development account is appropriated to the division of forestry in the department of natural resources to apply state forest resource management policy and plans to forest trust fund lands. The appropriation is supervised and controlled by the commissioner of natural resources.

The appropriation shall be spent according to law and remains available until spent. The appropriation is not available for spending until any estimates required by law are approved by the commissioner of finance. An obligation to spend money may not be made unless there is an available balance not otherwise encumbered in the appropriation.

~~Subd. 6. [DEFINITION; ACCOUNTING AND DISTRIBUTION.] The term "state trust fund lands," as used in this section, means any state school lands or other public lands subject to trust provisions under the state constitution.~~

~~Beginning July 1, 1955, the commissioner of finance and the state treasurer shall keep a separate account of all receipts derived from the royalties on, or the sale or lease of, any minerals from such trust fund lands to be known as the state lands and minerals suspense account, specifying the trust funds interested in such lands and the receipts therefrom, respectively.~~

~~As soon as practicable after the close of each fiscal year after July 1, 1955, the commissioner of finance, upon the information supplied by the commissioner of natural resources, which the commissioner of natural resources is herewith directed to furnish, shall determine and certify to the commissioner of finance and the state treasurer the total costs incurred by the state during such year under appropriations heretofore made for the administration and management of such trust~~

~~fund lands by the division of lands and forestry, or any other agency so administering and managing, specifying the trust funds interested in such lands, respectively.~~

~~As soon as practicable after the end of each fiscal year beginning with the year ending June 30, 1956, the commissioner of finance and the state treasurer shall distribute the receipts credited to the state lands and minerals suspense account during such fiscal year as follows:~~

~~All of the costs incurred by the state for the purposes aforesaid during such fiscal year and certified as hereinbefore provided, shall be transferred to the general fund as reimbursement for appropriations heretofore made for the purposes aforesaid. The balances of said receipts shall be transferred to the state trust funds concerned in accordance with their respective interests in the minerals from which the receipts were derived.~~

Subd. 6a. [UNIVERSITY LANDS.] (a) As used in this section, "university lands" means lands granted by the federal government for the support of the University of Minnesota, as described in Laws 1851, chapter 3, section 2.

(b) All revenue from minerals on university lands must be credited to the university lands and minerals suspense account. Money in the account must be transferred to the permanent university fund, except for amounts appropriated to cover reasonable costs incurred by the commissioner of natural resources to protect, improve, administer, manage, and otherwise enhance the mineral value of university lands.

Sec. 27. Minnesota Statutes 1994, section 16B.405, subdivision 2, is amended to read:

Subd. 2. [SOFTWARE SALE FUND.] (a) Except as provided in paragraph (b), proceeds of the sale or licensing of software products or services by the commissioner must be credited to the intertechnologies revolving fund. If a state agency other than the department of administration has contributed to the development of software sold or licensed under this section, the commissioner may reimburse the agency by discounting computer services provided to that agency.

(b) Proceeds of the sale or licensing of software products or services developed by the pollution control agency, or custom developed by a vendor for the agency, must be credited to the environmental fund.

Sec. 28. Minnesota Statutes 1994, section 17.117, subdivision 2, is amended to read:

Subd. 2. [AUTHORITY.] The commissioner shall establish, adopt rules for, and implement a program to ~~work with~~ make loans to local units of government, federal authorities, lending institutions, and other appropriate organizations ~~to who will in turn~~ provide loans to landowners and businesses for facilities, fixtures, equipment, or other sustainable practices that prevent or mitigate sources of nonpoint source water pollution. The commissioner shall establish pilot projects to develop procedures for implementing the program. The commissioner shall develop administrative guidelines to implement the pilot projects specifying criteria, standards, and procedures for making loans.

Sec. 29. Minnesota Statutes 1994, section 17.117, subdivision 4, is amended to read:

Subd. 4. [DEFINITIONS.] For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(a) "Applicant" means a county or a local government unit designated by a county under subdivision 8, paragraph (a).

(b) "Authority" means the Minnesota public facilities authority as established in section 446A.03.

(c) "Best management practices" has the meaning given in sections 103F.711, subdivision 3, and 103H.151, subdivision 2.

(d) "Chair" means the chair of the board of water and soil resources or the designee of the chair.

(e) "Borrower" means an individual farmer, an agriculture supply business, or rural landowner applying for a low-interest loan.

(f) "Commissioner" means the commissioner of agriculture or the designee of the commissioner.

(g) "Comprehensive water management plan" means a state approved and locally adopted plan authorized under section 103B.231, 103B.255, 103B.311, 103C.331, 103D.401, or 103D.405.

(h) "~~County~~ Local allocation request" means a loan allocation request from an applicant to implement agriculturally related best management practices defined in paragraph (c).

(i) "Lender agreement" means ~~an~~ a loan agreement entered into between the commissioner ~~and~~, a local lender, and the applicant, ~~if different from the local lender~~. The agreement will contain terms and conditions of the loan that will include but need not be limited to general loan provisions, loan management requirements, application of payments, loan term limits, allowable expenses, and fee limitations.

(j) "Local government unit" means a county, soil and water conservation district, or an organization formed for the joint exercise of powers under section 471.59.

(k) "Local lender" means a local government unit as defined in paragraph (j), a state or federally chartered bank, a savings and loan association, a state or federal credit union, a nonprofit economic development organization approved by the commissioner, or Farm Credit Services.

(l) "Nonpoint source" has the meaning given in section 103F.711, subdivision 6.

Sec. 30. Minnesota Statutes 1994, section 17.117, subdivision 6, is amended to read:

Subd. 6. [APPLICATION.] (a) The commissioner must prescribe forms and establish an application process for applicants to apply for a ~~county~~ local allocation request. The application must include but need not be limited to (1) the geographic area served; (2) the type and estimated cost of activities or projects for which they are seeking a loan allocation; (3) a ranking of proposed activities or projects; and (4) the designation of the local lender and lending practices the ~~applicant~~ local lender intends to use to issue the loans to the borrowers, if a local lender other than the applicant is to be used.

~~(b) In an area of the state where a county allocation request has not been requested or has been rejected, application forms must be available for a borrower to apply directly to the commissioner for a loan under this program.~~

~~(c) If a county local allocation request is rejected, the applicant must be notified in writing as to the reasons for the rejection and given 30 days to submit a revised application. The revised application shall be reviewed according to the same procedure used to review the initial application.~~

Sec. 31. Minnesota Statutes 1994, section 17.117, subdivision 7, is amended to read:

Subd. 7. [PAYMENTS.] (a) Payments made from the water pollution control revolving fund must be made in accordance with applicable state and federal laws and rules governing the payments.

(b) Payments from the commissioner to the local lender must be disbursed on a cost-incurred basis. Local lenders shall submit payment requests at least quarterly but not more than monthly. Payment requests must be reviewed and approved by the commissioner. The payment request form must itemize all costs by major elements and show eligible and ineligible costs.

(c) The commissioner may initiate rescission of an allocation granted in a lender agreement as provided in subdivision 11, paragraph (d), if the local lender fails to enter into loans with borrowers equaling the total allocation granted within one year from the date of the lender agreement or fails to have the total amount of allocated funds drawn down through payment requests within two years. An additional year to draw down the undisbursed portion of an allocation may be granted by the commissioner under extenuating circumstances.

Sec. 32. Minnesota Statutes 1994, section 17.117, subdivision 8, is amended to read:

Subd. 8. [APPLICANT; BORROWERS.] (a) A county may submit a county local allocation request as defined in subdivision 4, paragraph (h). A county or a group of counties may designate another local government unit as defined in subdivision 4, paragraph (j); to submit a county local allocation request.

(b) If a county does not submit a county local allocation request, and does not designate another local government unit, a soil and water conservation district may submit a county local allocation request. In all instances, there may be only one request from a county. The applicant must coordinate and submit requests on behalf of other units of government within the geographic jurisdiction of the applicant.

~~(c) Borrowers may apply directly to the commissioner if the commissioner does not receive or approve a county allocation request from the county, designated local government unit, or soil and water conservation district in which the proposed activities would be carried out.~~

Sec. 33. Minnesota Statutes 1994, section 17.117, subdivision 9, is amended to read:

Subd. 9. [REVIEW AND RANKING OF ALLOCATION REQUESTS.] (a) The commissioner shall chair the subcommittee established in section 103F.761, subdivision 2, paragraph (b), for purposes of reviewing and ranking county local allocation requests. The rankings must be in order of priority and shall provide financial assistance within the limits of the funds available. In carrying out the review and ranking, the subcommittee must consist of, at a minimum, the chair, representatives of the pollution control agency, United States Department of Agricultural Stabilization and Conservation Service, United States Department of Agriculture Soil Conservation Service, Association of Minnesota Counties, and other agencies or associations as the commissioner, the chair, and agency determine are appropriate. The review and ranking shall take into consideration other related state or federal programs.

(b) The subcommittee shall use the criteria listed below in carrying out the review and ranking:

(1) whether the proposed activities are identified in a comprehensive water management plan as priorities;

(2) whether the applicant intends to establish a revolving loan program under subdivision 10, paragraph (b);

(3) the potential that the proposed activities have for improving or protecting surface and groundwater quality;

(4) the extent that the proposed activities support areawide or multijurisdictional approaches to protecting water quality based on defined watershed;

(5) whether the activities are needed for compliance with existing water related laws or rules;

(6) whether the proposed activities demonstrate participation, coordination, and cooperation between local units of government and other public agencies;

(7) whether there is coordination with other public and private funding sources and programs; and

(8) whether there are off-site public benefits such as preventing downstream degradation and siltation; and

(9) the proposed interest rate.

Sec. 34. Minnesota Statutes 1994, section 17.117, is amended by adding a subdivision to read:

Subd. 9a. [AUTHORITY OF APPLICANTS.] Applicants may enter into a lender agreement designating a local lender. Applicants designating themselves as the local lender may enter into contracts for loan review, processing, and servicing.

Sec. 35. Minnesota Statutes 1994, section 17.117, subdivision 10, is amended to read:

Subd. 10. [AUTHORITY OF APPLICANTS LOCAL LENDERS.] (a) Applicants Local

lenders may enter into lender agreements with borrowers to finance projects under this section the commissioner.

(b) Applicants Local lenders may establish revolving loan programs enter into loan agreements with borrowers to finance projects under this section.

(c) In approving county allocation requests, the commissioner shall allow applicants to provide loans under revolving loan programs established under paragraph (b), until 50 percent of the amount appropriated and available under subdivision 3 has been allocated to applicants establishing these programs. In approving any additional county allocation requests, the commissioner may allow applicants to provide loans under these programs Local lenders may establish revolving loan programs to finance projects under this section.

(d) Local lenders, including applicants designating themselves as the local lender, may enter into participation agreements with other lenders. Local lenders may also enter into contracts with other lenders for the limited purposes of loan review, processing and servicing, or to enter into loan agreements with borrowers to finance projects under this section. Other lenders entering into contracts with local lenders under this section must meet the definition of local lender in subdivision 4, must comply with all provisions of the lender agreement and this section, and must guarantee repayment of the loan funds to the local lender. In no case may there be more than one local lender per county or more than one revolving fund per county.

Sec. 36. Minnesota Statutes 1994, section 17.117, subdivision 11, is amended to read:

Subd. 11. [BORROWER ELIGIBILITY; TERMS; REPAYMENT; RECISION.] (a) Local lenders shall use the following criteria in addition to other criteria they deem necessary in determining the eligibility of borrowers for loans:

(1) whether the activity is certified by a local unit of government as meeting priority needs identified in a comprehensive water management plan and is in compliance with accepted standards, specifications, or criteria;

(2) whether the activity is certified as eligible under Environmental Protection Agency or other applicable guidelines; and

(3) whether the repayment is assured from the borrower.

(b) Local lenders shall set the terms and conditions of loans to borrowers, except that no loan to an individual borrower may exceed \$50,000. In all instances, local lenders must provide for sufficient collateral or protection for the loan principal. They are responsible for collecting repayments by borrowers. For direct loans, the borrower must provide sufficient collateral and repay the loan according to a mutually prearranged schedule with the commissioner.

(c) A The local lender is responsible for repaying the principal of a loan to the commissioner. The terms of repayment will be identified in the lender agreement. If defaults occur, it is the responsibility of the local lender to obtain repayment from the borrower. Default on the part of individual borrowers shall have no effect on the local lender's responsibility to repay its loan from the commissioner whether or not the local lender fully recovers defaulted amounts from individual borrowers. For revolving loan programs established under subdivision 10, paragraph (b) (c), the lender agreement must provide that:

(1) repayment of principal to the commissioner must begin no later than ten years after the date of the applicant receives the allocation lender agreement and must be repaid in full no later than 20 years after the date of the lender agreement; and

(2) after the initial ten-year period, the local lender shall not write any additional loans, and any existing principal balance held by the local lender shall be immediately repaid to the commissioner;

(3) after the initial ten-year period, all principal received by the local lender from borrowers shall be repaid to the commissioner as it is received; and

(4) the applicant shall report to the commissioner annually regarding the past and intended uses of the money in the revolving loan program.

(d) Continued availability of the allocation granted in the lender agreement is contingent upon commissioner approval of the annual report. The commissioner shall review the annual report to ensure the past and future uses of the funds are consistent with the comprehensive water management plan and the lender agreement. If the commissioner concludes the past or intended uses of the money are not consistent with the comprehensive water management plan or the lender agreement, the commissioner shall rescind the allocation granted under the lender agreement. Such rescission shall result in termination of available allocation, the immediate repayment of any unencumbered funds held by the local lender in a revolving loan fund, and the repayment of the principal portion of loan repayments to the commissioner as they are received. The lender agreement shall reflect the commissioner's rights under this paragraph.

(e) A local lender shall receive certification from local government unit staff that a project has been satisfactorily completed prior to releasing the final loan disbursement.

Sec. 37. Minnesota Statutes 1994, section 17.117, subdivision 14, is amended to read:

~~Subd. 14. [FEES; LOAN SERVICES AND INTEREST.]~~ (a) Origination fees charged directly to borrowers by local lenders upon executing a loan shall not exceed one-half of one percent of the loan amount. ~~Servicing fees~~ Interest assessed to loan repayments by the local lender must not exceed ~~two three percent interest on outstanding principal amounts if the local lender is a local government unit, or three percent interest on outstanding principal amounts if the local lender is a state or federally chartered bank, savings and loan association, a state or federal credit union, or an entity of Farm Credit Services.~~

(b) The local lender shall create a principal account to which the principal portions of individual borrower loan repayments will be credited.

(c) Any interest earned on outstanding loan balances not separated as repayments are received and before the principal amounts are deposited in the principal account shall be added to the principal portion of the loan to the local lender and must be paid to the commissioner when the principal is due under the lender agreement.

(d) Any interest earned on the principal account must be added to the principal portion of the loan to the local lender and must be paid to the commissioner when the principal is due under the lender agreement.

Sec. 38. Minnesota Statutes 1994, section 17.117, subdivision 16, is amended to read:

~~Subd. 16. [ASSESSMENT AGAINST REAL PROPERTY LIENS AGAINST PROPERTY.] A county may assess and charge against real property amounts loaned and servicing fees for projects funded under this section. The auditor of the county where the project is located shall extend the amounts assessed and charged on the tax roll of the county against the real property on which the project is located.~~ (a) Unless a county determines otherwise, at the time of the disbursement of funds on a loan to a borrower under this section, the principal balance due plus accrued interest on the principal balance as provided by this section becomes a lien in favor of the county making the loan upon the real property on which the project is located. The lien must be first and prior to all other liens against the property, including state tax liens, whether filed before or after the placing of a lien under this subdivision, except liens for special assessments by the county under applicable special assessments laws, which liens shall be of equal rank with the lien created under this subdivision. A lien in favor of the county shall be first and prior as provided in this subdivision only if the county making the loan gives written notice of the intent to make the loan under this subdivision to all other persons having a recorded interest in the real property subject to the lien, no less than 30 days prior to the disbursement of the funds, and receives an agreement to subordinate superior lien positions held by all other lenders having a recorded interest in the real property subject to the lien. This lien and subordination agreement must be recorded against the real estate in the county recorder's office or filed with the registrar of titles for the county or counties in which the property is located. The county may bill amounts due on the loan on the tax statement for the property. Enforcement of the lien created by this subdivision shall, at the county's option, be in the manner set forth in chapter 580 or 581. When the amount due plus interest has been paid, the county shall file a satisfaction of the lien created under this subdivision.

(b) A county may also secure amounts due on a loan under this section by taking a purchase

money security interest in equipment in accordance with chapter 336, article 9, and may enforce the purchase money security interest in accordance with chapters 336, article 9, and 565.

Sec. 39. Minnesota Statutes 1994, section 17.117, is amended by adding a subdivision to read:

Subd. 17. [REFERENDUM EXEMPTION.] For the purpose of obtaining a loan from the commissioner, a local government unit may provide to the commissioner its general obligation note. All obligations incurred by a local government unit in obtaining a loan from the commissioner must be in accordance with chapter 475, except that so long as the obligations are issued to evidence a loan from the commissioner to the local government unit, an election is not required to authorize the obligations issued, and the amount of the obligations shall not be included in determining the net indebtedness of the local government unit under the provisions of any law or chapter limiting the indebtedness.

Sec. 40. [17.231] [NATIVE GRASSES AND WILDFLOWER SEED PRODUCTION INCENTIVE LOAN PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] (a) The commissioner shall prepare a plan to establish a seed production loan program to provide loans that enable people to begin or expand efforts to develop and produce new, local-origin, native grass, and native wildflower seed species.

(b) In the plan, the commissioner shall use the ecological regions identified by the commissioner of natural resources covering the entire state. In the plan, the commissioner shall design the loan program to produce at least ten local variety native grass species and 40 local variety native wildflower species for each region. In the plan, the commissioner shall look at the possibility of producing 100 acres of native grass seed production and ten acres of native wildflower seed production in each region.

Sec. 41. [17.985] [PASSING ON THE FARM CENTER.]

Subdivision 1. [PURPOSE; OBJECTIVES.] The Passing on the Farm Center is established as a part of Southwest Technical College in Granite Falls to assist individuals beginning farming and family farming operations. The center shall also assist in facilitating the transition of farming operations from established farmers to beginning farmers by creating and maintaining an information base inventorying land and facilities available for acquisition and bringing them together to increase the number of family farming operations in this state. The objectives of the center include, but are not limited to, the following:

(1) using the services of a certified public accountant, real estate agents, and attorneys to provide education in estate planning and farm transfer programs for interested retiring farmers;

(2) assessing needs of beginning farmers and retiring farmers in order to identify program and service opportunities including developing statewide apprenticeship programs between beginning and retiring farmers; and

(3) developing, coordinating, and delivering statewide through Southwest Technical College in Granite Falls and other entities, as appropriate, targeted education to beginning farmers and retiring farm families.

Subd. 2. [PROGRAMS AND SERVICES.] Programs and services provided by the center must include, but are not limited to, the development of skills and knowledge in farm estate planning and other topics related to intergenerational farm transfer. The center shall develop and distribute a detailed questionnaire for interested retired farmers and landowners and beginning farmers for the purpose of connecting them with each other and to develop computerized lists. The center shall coordinate to the extent practicable with agricultural information centers.

Subd. 3. [ANNUAL REPORT.] The center shall submit a report annually to the legislature on or before February 1. The report shall include, but is not limited to, recommendations for methods by which more individuals may be encouraged to enter agriculture.

Sec. 42. Minnesota Statutes 1994, section 28A.03, is amended to read:

28A.03 [DEFINITIONS.]

As used in sections 28A.01 to 28A.16 the terms defined in this section shall have the following meanings:

- (a) "Commissioner" means the commissioner of agriculture of the state of Minnesota.
- (b) "Person" means any individual, firm, corporation, company, association, cooperative or partnership and includes any trustee, receiver, assignee or other similar representative thereof.
- (c) "Place of business" means every location where food or food items are manufactured, processed, sold, stored or handled, including buildings, locations, permanent or portable structures, carnivals, circuses, fairs, or any other permanent or temporary location.
- Any vehicle or similar mobile unit from which food is sold shall be considered a place of business for purposes of this section if the food therefrom has been manufactured, packaged or dispensed from bulk, or processed in any manner thereon.
- (d) "Food" includes every article used for, entering into the consumption of, or used or intended for use in the preparation of food, drink, confectionery, or condiment for humans, whether simple, mixed or compound.
- (1) "Perishable food" is food which includes, but is not limited to fresh fruits, fresh vegetables, and other products which need protection from extremes of temperatures in order to avoid decomposition by microbial growth or otherwise.
- (2) "Readily perishable food" is food or a food ingredient consisting in whole or in part of milk, milk products, eggs, meat, fish, poultry or other food or food ingredient which is capable of supporting rapid and progressive growth of infectious or toxigenic microorganisms.
- (3) "Frozen food" is food which is processed and preserved by freezing in accordance with good commercial practices and which is intended to be sold in the frozen state.
- (4) For the purposes of this definition, packaged food in hermetically sealed containers processed by heat to prevent spoilage; packaged pickles; jellies, jams and condiments in sealed containers; bakery products such as bread, rolls, buns, donuts, fruit-filled pies and pastries; dehydrated packaged food; and dry or packaged food so low in moisture content as to preclude development of microorganisms are not "perishable food," "readily perishable food," or "frozen food" within the meaning of definitions (1), (2) and (3) herein when they are stored and handled in accordance with good commercial practices.
- (e) "Sell and sale" includes the keeping, offering, or exposing for sale, use, transporting, transferring, negotiating, soliciting, or exchange of food, the having in possession with intent to sell, use, transport, negotiate, solicit, or exchange the same and the storing, or carrying thereof in aid of traffic therein whether done or permitted in person or through others.
- (f) "Principal mode of business" means that type of business described under either (a), (b), (c) or (d) in section 28A.05 within which category the greatest amount of the applicant's food business lies.
- (g) "Custom processor" means a person who slaughters animals or processes noninspected meat for the owner of the animals, and returns the meat products derived from the slaughter or processing to the owner. "Custom processor" does not include a person who slaughters animals or poultry or processes meat for the owner of the animals or poultry on the farm or premises of the owner of the animals, meat, or poultry. For the purpose of this clause, "animals" or "meat" do not include poultry or game animals or meat derived therefrom.
- (h) "Major violation" includes conditions that cause food products to become adulterated, as defined in section 31.121, or fraudulently misbranded, as defined in section 31.123.

Sec. 43. Minnesota Statutes 1994, section 28A.08, is amended to read:

28A.08 [LICENSE FEES; PENALTIES.]

Subdivision 1. [GENERAL.] 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.

Subd. 2. [FEES FOR FISCAL YEAR 1996.]

Type of food handler	License Fee Effective <u>July 1, 1995</u>	Penalties Late Renewal	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 <u>42</u>	\$ 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 <u>58</u>	\$ 15	\$ 25
(c) Having \$50,000 to \$250,000 gross sales for the immediately previous license or fiscal year	\$ 405 <u>111</u>	\$ 35	\$ 75
(d) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$ 480 <u>191</u>	\$ 50	\$100
(e) Having \$1,000,000 to \$5,000,000 gross sales for the immediately previous license or fiscal year	\$ 500 <u>530</u>	\$100	\$175
(f) Having \$5,000,000 to \$10,000,000 gross sales for the immediately previous license or fiscal year	\$ 700 <u>742</u>	\$150	\$300
(g) Having over \$10,000,000 gross sales for the immediately previous license or fiscal year	\$ 800 <u>848</u>	\$200	\$350
2. Wholesale food handler			
(a) <u>Having gross sales or service of less than \$25,000 for the immediately previous license or fiscal year</u>	\$ <u>50</u>	\$ <u>15</u>	\$ <u>15</u>
(b) <u>Having gross sales or service of less than \$25,000 to \$250,000 gross sales or service for the immediately previous license or fiscal year</u>	\$ <u>200</u> <u>212</u>	\$ 50	\$100
(b) (c) <u>Having \$250,000 to</u>			

	<u>\$1,000,000 gross sales or service from a mobile unit without a separate food storage facility for the immediately previous license or fiscal year</u>	<u>\$318</u>	<u>\$ 75</u>	<u>\$150</u>
	(d) Having \$250,000 to \$1,000,000 gross sales or service not covered under paragraph (c) for the immediately previous license or fiscal year	\$ 400 <u>424</u>	\$100	\$200
	(e) (e) Having \$1,000,000 to \$5,000,000 gross sales or service for the immediately previous license or fiscal year	\$ 500 <u>530</u>	\$125	\$250
	(d) (f) Having over \$5,000,000 gross sales for the immediately previous license or fiscal year	\$ 575 <u>610</u>	\$150	\$300
3.	Food broker	\$ 400 <u>106</u>	\$ 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 <u>292</u>	\$ 75	\$150
	(b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$ 400 <u>424</u>	\$100	\$200
	(c) Having \$1,000,000 to \$5,000,000 gross sales for the immediately previous license or fiscal year	\$ 500 <u>530</u>	\$125	\$250
	(d) Having over \$5,000,000 gross sales for the immediately previous license or fiscal year	\$ 575 <u>610</u>	\$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 <u>159</u>	\$ 50	\$ 75
	(b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$ 225 <u>239</u>	\$ 75	\$125
	(c) Having \$1,000,000 to \$5,000,000 gross sales for the immediately previous license or fiscal year	\$ 275 <u>292</u>	\$ 75	\$150
	(d) Having over \$5,000,000 gross sales for the immediately previous license or fiscal year	\$ 325 <u>345</u>	\$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			

8.	manufacturer 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)	\$200	\$ 50	\$ 75
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	\$ 30	\$ 10	\$ 15
		\$ 50	\$ 15	\$ 25

Subd. 3. [FEES EFFECTIVE JULY 1, 1996.]

<u>Type of food handler</u>	<u>License Fee Effective July 1, 1996</u>	<u>Penalties Late Renewal</u>	<u>No License</u>
1. <u>Retail food handler</u>			
<u>(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</u>	<u>\$ 45</u>	<u>\$ 15</u>	<u>\$ 25</u>
<u>(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</u>	<u>\$ 61</u>	<u>\$ 15</u>	<u>\$ 25</u>
<u>(c) Having \$50,000 to \$250,000 gross sales for the immediately previous license or fiscal year</u>	<u>\$118</u>	<u>\$ 35</u>	<u>\$ 75</u>
<u>(d) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year</u>	<u>\$202</u>	<u>\$ 50</u>	<u>\$100</u>
<u>(e) Having \$1,000,000 to \$5,000,000 gross sales for the immediately previous license or fiscal year</u>	<u>\$562</u>	<u>\$100</u>	<u>\$175</u>
<u>(f) Having \$5,000,000 to \$10,000,000 gross sales for the immediately previous license or fiscal year</u>	<u>\$787</u>	<u>\$150</u>	<u>\$300</u>
<u>(g) Having over \$10,000,000 gross sales for the immediately previous license or fiscal year</u>	<u>\$899</u>	<u>\$200</u>	<u>\$350</u>
2. <u>Wholesale food handler</u>			
<u>(a) Having gross sales or service of less than \$25,000 for the immediately previous</u>			

	license or fiscal year	<u>\$ 50</u>	<u>\$ 15</u>	<u>\$ 15</u>
	<u>(b) Having \$25,000 to \$250,000 gross sales or service for the immediately previous license or fiscal year</u>	<u>\$225</u>	<u>\$ 50</u>	<u>\$100</u>
	<u>(c) Having \$250,000 to \$1,000,000 gross sales or service from a mobile unit without a separate food facility for the immediately previous license or fiscal year</u>	<u>\$337</u>	<u>\$ 75</u>	<u>\$150</u>
	<u>(d) Having \$250,000 to \$1,000,000 gross sales or service not covered under paragraph (c) for the immediately previous license or fiscal year</u>	<u>\$449</u>	<u>\$100</u>	<u>\$200</u>
	<u>(e) Having \$1,000,000 to \$5,000,000 gross sales or service for the immediately previous license or fiscal year</u>	<u>\$562</u>	<u>\$125</u>	<u>\$250</u>
	<u>(f) Having over \$5,000,000 gross sales for the immediately previous license or fiscal year</u>	<u>\$647</u>	<u>\$150</u>	<u>\$300</u>
3.	Food broker	<u>\$112</u>	<u>\$ 30</u>	<u>\$ 50</u>
4.	Wholesale food processor or manufacturer			
	<u>(a) Having gross sales of less than \$250,000 for the immediately previous license or fiscal year</u>	<u>\$310</u>	<u>\$ 75</u>	<u>\$150</u>
	<u>(b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year</u>	<u>\$449</u>	<u>\$100</u>	<u>\$200</u>
	<u>(c) Having \$1,000,000 to \$5,000,000 gross sales for the immediately previous license or fiscal year</u>	<u>\$562</u>	<u>\$125</u>	<u>\$250</u>
	<u>(d) Having over \$5,000,000 gross sales for the immediately previous license or fiscal year</u>	<u>\$647</u>	<u>\$150</u>	<u>\$300</u>
5.	Wholesale food processor of meat or poultry products under supervision of the U. S. Department of Agriculture			
	<u>(a) Having gross sales of less than \$250,000 for the immediately previous license or fiscal year</u>	<u>\$169</u>	<u>\$ 50</u>	<u>\$ 75</u>
	<u>(b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year</u>	<u>\$253</u>	<u>\$ 75</u>	<u>\$125</u>
	<u>(c) Having \$1,000,000 to \$5,000,000 gross sales for the immediately previous license or fiscal year</u>	<u>\$310</u>	<u>\$ 75</u>	<u>\$150</u>
	<u>(d) Having over \$5,000,000 gross sales for the immediately previous license or fiscal year</u>	<u>\$366</u>	<u>\$100</u>	<u>\$175</u>

6.	<u>Wholesale food manufacturer having the permission of the commissioner to use the name Minnesota farmstead cheese</u>	<u>\$ 30</u>	<u>\$ 10</u>	<u>\$ 15</u>
7.	<u>Nonresident frozen dairy manufacturer</u>	<u>\$200</u>	<u>\$ 50</u>	<u>\$ 75</u>
8.	<u>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)</u>	<u>\$ 30</u>	<u>\$ 10</u>	<u>\$ 15</u>
9.	<u>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</u>	<u>\$ 50</u>	<u>\$ 15</u>	<u>\$ 25</u>

Sec. 44. [28A.085] [REINSPECTION FEES.]

Subdivision 1. [VIOLATIONS; PROHIBITED ACTS.] The commissioner may charge a reinspection fee for each reinspection of a food handler that:

(1) is found with a major violation of requirements in chapter 28, 29, 30, 31, 31A, 32, 33, or 34, or rules adopted under one of those chapters;

(2) is found with a violation of section 31.02, 31.161, or 31.165, and requires a follow-up inspection after an administrative meeting held pursuant to section 31.14; or

(3) fails to correct equipment and facility deficiencies as required in rules adopted under chapter 28, 29, 30, 31, 31A, 32, or 34. The first reinspection of a firm with gross food sales under \$1,000,000 must be assessed at \$25. The fee for a firm with gross food sales over \$1,000,000 is \$50. The fee for a subsequent reinspection of a firm for the same violation is 50 percent of their current license fee. The establishment must be issued written notice of violations with a reasonable date for compliance listed on the notice. An initial inspection relating to a complaint is not a reinspection.

Subd. 2. [MARKET WITHDRAWAL; FOOD SAFETY EMERGENCY.] A food handler that requires a reinspection due to adulteration or misbranded foods that result in a food being recalled from commerce may be assessed for reasonable and direct reinspection costs incurred by the commissioner, including personnel, travel, laboratory analysis, and attorney general costs. Reinspection related to floods, earthquakes, storms, accidental fires, and power outages are excluded. The commissioner, upon request of the food handler, shall provide, within a reasonable time, an estimate of the anticipated cost for resolving the food safety emergency.

Subd. 3. [MANNER AND TIMING OF PAYMENT.] Unless an appeal is filed under subdivision 5, a food handler must pay all fees and assessments in the manner and timing requested by the commissioner. If a timely appeal is requested, the fees and assessments are stayed until a decision on the appeal is issued by the hearing officer. A license may not be renewed until all fees and penalties under this chapter are paid.

Subd. 4. [DEPOSIT; APPROPRIATION.] All reinspection fees and assessments collected must be deposited in the state treasury and are credited to an account in the special revenue fund. Money in the account, including interest accrued, is appropriated to the commissioner to pay the expenses relating to reinspections conducted under the chapters listed in subdivision 1.

Subd. 5. [APPEALS.] Food handlers may appeal reinspection fees and assessments to the department hearing officer within 30 days of receipt of the notice of fee assessment. The appeal must be submitted to the commissioner in writing.

Sec. 45. Minnesota Statutes 1994, section 41A.09, is amended by adding a subdivision to read:

Subd. 1a. [ETHANOL PRODUCTION GOAL.] It is a goal of the state that ethanol production plants in the state attain a total annual production level of 220,000,000 gallons.

Sec. 46. Minnesota Statutes 1994, section 41A.09, is amended by adding a subdivision to read:

Subd. 2a. [DEFINITIONS.] For the purposes of this section the terms defined in this subdivision have the meanings given them.

(a) "Ethanol" means fermentation ethyl alcohol derived from agricultural products, including potatoes, cereal, grains, cheese whey, and sugar beets; forest products; or other renewable resources, including residue and waste generated from the production, processing, and marketing of agricultural products, forest products, and other renewable resources, that:

(1) meets all of the specifications in ASTM specification D 4806-88; and

(2) is denatured with unleaded gasoline or rubber hydrocarbon solvent as defined in Code of Federal Regulations, title 27, parts 211 and 212, as adopted by the Bureau of Alcohol, Tobacco and Firearms of the United States Treasury Department.

(b) "Wet alcohol" means agriculturally derived fermentation ethyl alcohol having a purity of at least 50 percent but less than 99 percent.

(c) "Anhydrous alcohol" means fermentation ethyl alcohol derived from agricultural products as described in paragraph (a), but that does not meet ASTM specifications or is not denatured and is shipped in bond for further processing.

(d) "Ethanol plant" means a plant at which ethanol, anhydrous alcohol, or wet alcohol is produced.

Sec. 47. Minnesota Statutes 1994, section 41A.09, is amended by adding a subdivision to read:

Subd. 3a. [PAYMENTS.] (a) The commissioner of agriculture shall make cash payments to producers of ethanol, anhydrous alcohol, and wet alcohol located in the state. These payments shall apply only to ethanol, anhydrous alcohol, and wet alcohol fermented in the state and produced at plants that have begun production by June 30, 2000. For the purpose of this subdivision, an entity that holds a controlling interest in more than one ethanol plant is considered a single producer. The amount of the payment for each producer's annual production is:

(1) except as provided in paragraph (b), for each gallon of ethanol or anhydrous alcohol produced on or before June 30, 2000, or ten years after the start of production, whichever is later, 20 cents per gallon; and

(2) for each gallon produced of wet alcohol on or before June 30, 2000, or ten years after the start of production, whichever is later, 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 payments for anhydrous alcohol and wet alcohol under this section may be paid to either the original producer of anhydrous alcohol or wet alcohol or the secondary processor, at the option of the original producer, but not to both.

(b) If the level of production at an ethanol plant increases due to an increase in the production capacity of the plant and the increased production begins by June 30, 2000, the payment under paragraph (a), clause (1), applies to the additional increment of production until ten years after the increased production began.

(c) The commissioner shall make payments to producers of ethanol or wet alcohol in the amount of 1.5 cents for each kilowatt hour of electricity generated using closed-loop biomass in a cogeneration facility at an ethanol plant located in the state. Payments under this paragraph shall be made only for electricity generated at cogeneration facilities that begin operation by June 30, 2000. The payments apply to electricity generated on or before the date ten years after the

producer first qualifies for payment under this paragraph. Total payments under this paragraph in any fiscal year may not exceed \$750,000. For the purposes of this paragraph:

(1) "closed-loop biomass" means any organic material from a plant that is planted for the purpose of being used to generate electricity or for multiple purposes that include being used to generate electricity; and

(2) "cogeneration" means the combined generation of:

(i) electrical or mechanical power; and

(ii) steam or forms of useful energy, such as heat, that are used for industrial, commercial, heating, or cooling purposes.

(d) The total payments under paragraphs (a) and (b) to all producers may not exceed \$30,000,000 in a fiscal year. Total payments under paragraphs (a) and (b) to a producer in a fiscal year may not exceed \$3,000,000.

(e) By the last day of October, January, April, and July, each producer shall file a claim for payment for ethanol, anhydrous alcohol, and wet alcohol production during the preceding three calendar months. A producer with more than one plant shall file a separate claim for each plant. A producer shall file a separate claim for the original production capacity of each plant and for each additional increment of production that qualifies under paragraph (b). A producer that files a claim under this subdivision shall include a statement of the producer's total ethanol, anhydrous alcohol, and wet alcohol production in Minnesota during the quarter covered by the claim, including anhydrous alcohol and wet alcohol produced or received from an outside source. A producer shall file a separate claim for any amount claimed under paragraph (c). For each claim and statement of total ethanol, anhydrous alcohol, and wet alcohol production filed under this subdivision, the volume of ethanol, anhydrous alcohol, and wet alcohol production or amounts of electricity generated using closed-loop biomass must be examined by an independent certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants.

(f) Payments shall be made November 15, February 15, May 15, and August 15. A separate payment shall be made for each claim filed. The total quarterly payment to a producer under this paragraph, excluding amounts paid under paragraph (c), may not exceed \$750,000. If the total amount for which all producers are eligible in a quarter under paragraphs (a) and (b) exceeds \$7,500,000, the commissioner shall make payments in the order in which the portion of production capacity covered by each claim went into production. If the total amount of ethanol or wet alcohol production reported for a quarter under paragraph (e) equals or exceeds 55,000,000 gallons:

(1) payments under this subdivision do not apply to the amount produced in excess of 55,000,000 gallons;

(2) the commissioner shall make payments to producers in the order in which the portion of production capacity covered by each claim began production; and

(3) only those producers that receive payments for the quarter, or received payments under paragraph (a) or (b) in an earlier quarter, will be eligible for future ethanol or wet alcohol production payments under this subdivision.

(g) If the total amount for which all producers are eligible in a quarter under paragraph (c) exceeds the amount available for payments, the commissioner shall make payments in the order in which the plants covered by the claims began generating electricity using closed-loop biomass.

Sec. 48. Minnesota Statutes 1994, section 41A.09, is amended by adding a subdivision to read:

Subd. 5a. [EXPIRATION.] This section expires June 30, 2010, and the unobligated balance of each appropriation under this section on that date reverts to the general fund.

Sec. 49. Minnesota Statutes 1994, section 41B.02, subdivision 20, is amended to read:

Subd. 20. [ETHANOL PRODUCTION FACILITY.] "Ethanol production facility" means a

facility that ferments, distills, dewater, or otherwise produces ethanol as defined in section 41A.09, subdivision 2 2a, paragraph (a).

Sec. 50. Minnesota Statutes 1994, section 41B.03, subdivision 6, is amended to read:

Subd. 6. [APPLICATION FEE.] The authority may impose a reasonable nonrefundable application fee for each application submitted for a beginning farmer loan or a seller-sponsored loan. The application fee is initially \$50. The authority may review the fee annually and make adjustments as necessary. The fee must be deposited in the state treasury and credited to an account in the special revenue fund. Money in the account is appropriated to the commissioner for administrative expenses of the beginning farmer and seller-sponsored loan programs.

Sec. 51. Minnesota Statutes 1994, section 41B.04, subdivision 17, is amended to read:

Subd. 17. [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 loan restructuring program. The origination fee is 1.5 percent of the authority's participation interest in the loan and the application fee is \$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 an account in the special revenue fund. Money in the account is appropriated to the commissioner for administrative expenses of the loan restructuring program.

Sec. 52. Minnesota Statutes 1994, section 41B.043, subdivision 1b, is amended to read:

Subd. 1b. [LOAN PARTICIPATION.] The authority may participate in an agricultural improvement loan with an eligible lender to a farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively engaged in farming. Participation is limited to 45 percent of the principal amount of the loan or ~~\$50,000~~ \$100,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 53. Minnesota Statutes 1994, section 41B.043, subdivision 2, is amended to read:

Subd. 2. [SPECIFICATIONS.] No direct loan may exceed \$35,000 or ~~\$50,000~~ \$100,000 for a loan participation or be made to refinance an existing debt. Each direct loan and participation must be secured by a mortgage on real property and such other security as the authority may require.

Sec. 54. Minnesota Statutes 1994, section 41B.043, subdivision 3, is amended to read:

Subd. 3. [APPLICATION AND ORIGINATION FEE.] The authority may impose a reasonable nonrefundable application fee for each application for a direct loan or participation and an origination fee for each direct 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 an account in the special revenue fund. Money in this account is appropriated to the commissioner for administrative expenses of the agricultural improvement loan program.

Sec. 55. Minnesota Statutes 1994, section 41B.045, subdivision 2, is amended to read:

Subd. 2. [LOAN PARTICIPATION.] The authority may participate in a livestock expansion loan with an eligible lender to a livestock farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively engaged in a livestock operation. Participation is limited to 45 percent of the principal amount of the loan or ~~\$100,000~~ \$250,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different from the interest rates and repayment terms of the lender's retained portion of the loan. Loans under this program must not be included in the lifetime limitation calculated under section 41B.03, subdivision 1.

Sec. 56. Minnesota Statutes 1994, section 41B.046, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section:

(1) "Agricultural commodity" has the meaning given in section 17.90.

(4) (2) "Agricultural product processing facility" means land, buildings, structures, fixtures, and improvements located or to be located in Minnesota and used or operated primarily for the processing or production of marketable products from ~~agriculture crops~~ agricultural commodities, including waste and residues from ~~agriculture crops~~ agricultural commodities, but, except as provided in subdivision 4a, not including livestock or livestock products, poultry or poultry products, or wood or wood products.

(2) (3) "Value-added agricultural product" means a product derived from an agricultural ~~crops~~ commodity, including waste and residues from agricultural ~~crops~~ commodities, but, except as provided in subdivision 4a, not including livestock or livestock products, poultry or poultry products, or wood or wood products, which are processed by an agricultural product processing facility.

Sec. 57. Minnesota Statutes 1994, section 41B.046, is amended by adding a subdivision to read:

Subd. 4a. [CERTAIN LIVESTOCK PROCESSING FACILITIES ELIGIBLE.] An applicant may be eligible for a loan under this section if:

(1) the facility is owned and operated by a cooperative organized under chapter 308A. For purposes of this subdivision, "owned and operated" includes a contractual arrangement with another entity to provide management and operations services for a facility owned by the cooperative; and

(2) its agricultural product processing facility is located in Minnesota and operated primarily for the processing of livestock.

Sec. 58. Minnesota Statutes 1994, section 84.631, is amended to read:

84.631 [ROAD EASEMENTS ACROSS STATE LANDS.]

Except as provided in section 85.015, subdivision 1b, the commissioner, on behalf of the state, may convey a road easement across state land under the commissioner's jurisdiction other than school trust land, to a private person requesting an easement for access to property owned by the person only if the following requirements are met: (1) there are no reasonable alternatives to obtain access to the property; and (2) the exercise of the easement will not cause significant adverse environmental or natural resource management impacts. The commissioner shall:

(1) require the applicant to pay the market value of the easement;

(2) provide that the easement reverts to the state in the event of nonuse; and

(3) impose other terms and conditions of use as necessary and appropriate under the circumstances.

Sec. 59. Minnesota Statutes 1994, section 84.788, subdivision 3, is amended to read:

Subd. 3. [APPLICATION; ISSUANCE; REPORTS.] Application for registration or continued registration must be made to the commissioner or an authorized deputy registrar of motor vehicles on a form prescribed by the commissioner. The form must state the name and address of every owner of the off-highway motorcycle and must be signed by at least one owner. Upon receipt of the application and the appropriate fee, the commissioner shall assign a registration number that must be affixed to the motorcycle in a manner prescribed by the commissioner. The commissioner shall develop a registration system to register vehicles under this section. A deputy registrar of motor vehicles acting under section 168.33, is also a deputy registrar of off-highway motorcycles. The commissioner of natural resources in agreement with the commissioner of public safety may prescribe the accounting and procedural requirements necessary to ensure efficient handling of registrations and registration fees. Deputy registrars shall strictly comply with the accounting and procedural requirements. A fee of ~~50 cents~~ \$2 in addition to other fees prescribed by law is charged for each off-highway motorcycle registered by:

(1) a deputy registrar and must be deposited in the treasury of the jurisdiction where the deputy is appointed, or kept if the deputy is not a public official; or

(2) the commissioner and must be deposited in the state treasury and credited to the off-highway motorcycle account.

Sec. 60. Minnesota Statutes 1994, section 84.798, subdivision 3, is amended to read:

Subd. 3. [APPLICATION; ISSUANCE.] Application for registration or continued registration must be made to the commissioner, or an authorized deputy registrar of motor vehicles on a form prescribed by the commissioner. The form must state the name and address of every owner of the off-road vehicle and must be signed by at least one owner. Upon receipt of the application and the appropriate fee, the commissioner shall register the off-road vehicle and assign a registration number that must be affixed to the vehicle in accordance with subdivision 4. A deputy registrar of motor vehicles acting under section 168.33 is also a deputy registrar of off-road vehicles. The commissioner of natural resources in cooperation with the commissioner of public safety may prescribe the accounting and procedural requirements necessary to ensure efficient handling of registrations and registration fees. Deputy registrars shall strictly comply with the accounting and procedural requirements. A fee of ~~50 cents~~ \$2 in addition to other fees prescribed by law must be charged for each off-road vehicle registered by:

(1) a deputy registrar, and must be deposited in the treasury of the jurisdiction where the deputy is appointed, or retained if the deputy is not a public official; or

(2) the commissioner and must be deposited in the state treasury and credited to the off-road vehicle account.

Sec. 61. Minnesota Statutes 1994, section 84.82, subdivision 2, is amended to read:

Subd. 2. [APPLICATION, ISSUANCE, REPORTS, ADDITIONAL FEE.] (a) Application for registration or reregistration shall be made to the commissioner of natural resources, or the commissioner of public safety or an authorized deputy registrar of motor vehicles in such form as the commissioner of public safety shall prescribe, and shall state the name and address of every owner of the snowmobile and be signed by at least one owner.

(b) A person who purchases a snowmobile from a retail dealer shall make application for registration to the dealer at the point of sale. The dealer shall issue a temporary registration permit to each purchaser who applies to the dealer for registration. The temporary registration is valid for 60 days from the date of issue. Each retail dealer shall submit completed registration and fees to the deputy registrar at least once a week. Upon receipt of the application and the appropriate fee as hereinafter provided, such snowmobile shall be registered and a registration number assigned which shall be affixed to the snowmobile in such manner as the commissioner of natural resources shall prescribe.

(c) Each deputy registrar of motor vehicles acting pursuant to section 168.33, shall also be a deputy registrar of snowmobiles. The commissioner of natural resources in agreement with the commissioner of public safety may prescribe the accounting and procedural requirements necessary to assure efficient handling of registrations and registration fees. Deputy registrars shall strictly comply with these accounting and procedural requirements.

(d) A fee of ~~50 cents~~ \$2 in addition to that otherwise prescribed by law shall be charged for:

(1) each snowmobile registered by the registrar or a deputy registrar; and the additional fee shall be disposed of in the manner provided in section 168.33, subdivision 2; or

(2) each snowmobile registered by the commissioner and the additional fee shall be deposited in the state treasury and credited to the snowmobile trails and enforcement account in the natural resources fund.

Sec. 62. Minnesota Statutes 1994, section 84.922, subdivision 2, is amended to read:

Subd. 2. [APPLICATION, ISSUANCE, REPORTS.] (a) Application for registration or continued registration shall be made to the commissioner of natural resources, the commissioner of public safety or an authorized deputy registrar of motor vehicles on a form prescribed by the commissioner. The form must state the name and address of every owner of the vehicle and be signed by at least one owner.

(b) Upon receipt of the application and the appropriate fee the commissioner shall register the vehicle and assign a registration number that must be affixed to the vehicle in a manner prescribed by the commissioner. The commissioner shall use the snowmobile registration system to register vehicles under this section.

(c) Each deputy registrar of motor vehicles acting under section 168.33, is also a deputy registrar of all-terrain vehicles. The commissioner of natural resources in agreement with the commissioner of public safety may prescribe the accounting and procedural requirements necessary to assure efficient handling of registrations and registration fees. Deputy registrars shall strictly comply with the accounting and procedural requirements.

(d) A fee of ~~50 cents~~ \$2 in addition to other fees prescribed by law shall be charged for each vehicle registered by:

(1) a deputy registrar, and shall be deposited in the treasury of the jurisdiction where the deputy is appointed, or retained if the deputy is not a public official; or

(2) the commissioner, and shall be deposited to the state treasury and credited to the all-terrain vehicle account in the natural resources fund.

Sec. 63. Minnesota Statutes 1994, section 84.943, subdivision 3, is amended to read:

Subd. 3. [APPROPRIATIONS MUST BE MATCHED BY PRIVATE FUNDS.] Appropriations transferred to the critical habitat private sector matching account and money credited to the account under section 168.1296, subdivision 5, may be expended only to the extent that they are matched equally with contributions to the account from private sources or by funds contributed to the nongame wildlife management account. The private contributions may be made in cash or in contributions of land or interests in land that are designated by the commissioner of natural resources as program acquisitions. Appropriations transferred to the account that are not matched within three years from the date of the appropriation shall cancel to the source of the appropriation. For the purposes of this section, the private contributions of land or interests in land shall be valued in accordance with their appraised value.

Sec. 64. [84.964] [INTERAGENCY NATIVE VEGETATION TASK FORCE.]

(a) An interagency task force on native plant conservation is established composed of the commissioners or their designees of the departments of agriculture, natural resources, transportation, and the pollution control agency and the executive director or designee of the board of water and soil resources. The commissioner of natural resources or the commissioner's designee shall chair the task force.

(b) The purpose of the task force is to identify priority conservation needs for native plants and their habitats in the ecological regions of the state, and to coordinate implementation of interagency programs to address those needs. The task force shall also ensure, to the greatest extent practicable, that native plant species and communities are maintained, enhanced, restored, or established on public lands, and are promoted on private lands.

Sec. 65. Minnesota Statutes 1994, section 84B.11, subdivision 1, is amended to read:

Subdivision 1. (a) The governor shall appoint, except for the legislative members, a citizen's council on Voyageurs National Park; consisting of 17 members as follows:

Four residents of Koochiching county;

Four residents of St. Louis county;

Five residents of the state at large from outside Koochiching and St. Louis counties;

Two members of the state senate to be appointed by the committee on committees;

Two members of the state house of representatives to be appointed by the speaker of the house.

(b) The governor shall designate one of the appointees to serve as chair and the committee may elect such other officers as it deems necessary. Members shall be appointed so as to represent

differing viewpoints and interest groups on the facilities included in and around the park. ~~Legislator~~ Legislative members shall serve for the term of the legislative office to which they were elected. The terms, compensation and removal of ~~nonlegislator~~ nonlegislative members of the council shall be as provided in section 15.059. Notwithstanding section 15.059, subdivision 5, the council shall continue to exist.

(c) The executive committee of the council consists of the legislative members and the chair. The executive committee shall act on matters of personnel, out-of-state trips by members of the council, and nonroutine monetary issues.

Sec. 66. Minnesota Statutes 1994, section 85.015, is amended by adding a subdivision to read:

Subd. 1b. [EASEMENTS FOR INGRESS AND EGRESS.] Notwithstanding section 16A.695, when a trail is established under this section, a private property owner who has a preexisting right of ingress and egress over the trail right-of-way is granted, without charge, a permanent easement for ingress and egress purposes only. The easement is limited to the preexisting crossing and reverts to the state upon abandonment. Nothing in this subdivision is intended to diminish or alter any written or recorded easement that existed before the state acquired the land for the trail.

Sec. 67. Minnesota Statutes 1994, section 85.015, subdivision 11, is amended to read:

Subd. 11. [WILLARD MUNGER TRAIL, RAMSEY, ANOKA, WASHINGTON, CHISAGO, PINE, AND CARLTON COUNTIES.] (a) The trail shall originate in the vicinity of Arden Hills, Ramsey county, and thence extend northeasterly, traversing Anoka and Washington counties to the vicinity of Taylors Falls in Chisago county; thence northwesterly and northerly to St. Croix state park in Pine county; thence northerly to Jay Cooke state park in Carlton county, and there terminate.

(b) The trail shall be developed primarily for riding and hiking.

(c) Additional trails shall be established that extend the Willard Munger trail to include Proctor and Hermantown in St. Louis county.

Sec. 68. Minnesota Statutes 1994, section 85.019, is amended to read:

85.019 [GRANTS IN AID FOR RECREATIONAL BETTERMENT LOCAL RECREATION GRANTS.]

~~Subdivision 1. [DEFINITIONS DEFINITION.] (a) For purposes of this section, the terms in this subdivision have the meanings given, except as otherwise expressly provided or indicated by the context.~~

~~(b) "Athletic courts" means special surface area and supporting equipment or structures, such as nets, hoops, and walls, that can be used for active games that have definite boundaries and are played on a marked surface, limited to basketball, volleyball, handball, and tennis.~~

~~(c) "Metropolitan council" and "metropolitan area" have the meanings given in section 473.121.~~

~~(d) "unit of government" means a county, city and statutory or home rule charter city, or town; school district, public post-secondary educational institution, special park district, or an elected park and recreation board having control over parks, parkways, playgrounds, and trees in a city of the first class.~~

Subd. 2. [GRANTS FOR PARKS AND TRAILS OUTDOOR RECREATION AREAS.] The commissioner shall administer a program to provide grants to units of government located within standard metropolitan statistical areas, as designated by the United States Office of Management and Budget, but outside of the metropolitan area defined in section 473.121. The grants shall be for up to 50 percent of the costs or \$50,000, whichever is less, of acquisition and betterment by units of government of public land and improvements needed for parks, trails, conservatories, zoos, and other special use facilities having recreational significance for the entire population of the particular standard metropolitan statistical area. Appropriations made for this purpose shall be expended with the approval of the governor after consultation with the legislative advisory commission. The legislative commission on Minnesota resources shall make recommendations to

~~the legislative advisory commission regarding the expenditures. The local contribution required shall be not less than ten percent. The program shall be administered so as to ensure the maximum possible use of available federal money outdoor recreation areas and facilities.~~

~~Subd. 3. [GRANTS FOR TRAILS IN LOCAL PARKS.] The commissioner shall administer a program to provide grants to units of government for the betterment of public land and improvements needed for recreational trails in parks owned and operated by units of government. A grant shall not exceed 40 percent of the costs of the betterment of the trail. To be eligible for a grant, a unit of government must provide at least ten percent of the cost of the betterment of the trail.~~

~~Subd. 4. [GRANTS FOR LOCAL OUTDOOR ATHLETIC COURTS.] The commissioner shall administer a program to provide grants to units of government for the betterment of public land and improvements needed for local athletic courts. A grant may not exceed 50 percent of the costs of the betterment of the athletic court. To be eligible for a grant, a unit of government must provide at least 50 percent of the costs of the betterment of the athletic court. In making grants the commissioner shall consider, among other factors, evidence of cooperation between units of government, local need and available financial resources, and court locations that encourage maximum use, patronage, and availability.~~

~~Subd. 4a. [GRANTS FOR NATURAL AND SCENIC AREAS.] The commissioner shall administer a program to provide grants to units of government and school districts for the acquisition and betterment of natural and scenic areas such as blufflands, prairies, shorelands, wetlands, and wooded areas. A grant may not exceed 50 percent or \$50,000, whichever is less, of the costs of acquisition and betterment of land acquired under this subdivision.~~

~~Subd. 5. [POWERS; RULES.] The commissioner has all powers necessary and convenient to establish programs for recreational betterment grants in aid for parks, trails, and athletic courts under implement this section, including the authority to adopt rules for the program under chapter 14.~~

Sec. 69. Minnesota Statutes 1994, section 85.32, subdivision 1, is amended to read:

Subdivision 1. [AREAS MARKED.] The commissioner of natural resources is authorized in cooperation with local units of government and private individuals and groups when feasible to mark canoe and boating routes on the Little Fork, Big Fork, Minnesota, St. Croix, Snake, Mississippi, Red Lake, Cannon, Straight, Des Moines, Crow Wing, St. Louis, Pine, Rum, Kettle, Cloquet, Root, Zumbro, Pomme de Terre, and Crow rivers which have historic and scenic values and to mark appropriately points of interest, portages, camp sites, and all dams, rapids, waterfalls, whirlpools, and other serious hazards which are dangerous to canoe and watercraft travelers.

Sec. 70. Minnesota Statutes 1994, section 85A.02, subdivision 17, is amended to read:

Subd. 17. [ADDITIONAL POWERS.] The board may establish a schedule of charges for admission to or the use of the Minnesota zoological garden or any related facility. The board shall have a policy admitting elementary school children at no charge when they are part of an organized school activity. The Minnesota zoological garden must be open to the public without admission charges at least two days each month will offer free admission throughout the year to economically disadvantaged Minnesota citizens equal to ten percent of the average annual attendance. However, the zoo may charge at any time for parking, special services, and for admission to special facilities for the education, entertainment, or convenience of visitors. The board may provide for the purchase, reproduction, and sale of gifts, souvenirs, publications, informational materials, food and beverages, and grant concessions for the sale of these items.

Sec. 71. [MINNESOTA ZOO FREE ADMISSION PLAN.]

By July 1, 1995, the board shall develop a plan to implement the offer of free admission to economically disadvantaged Minnesota citizens, and provide a copy of the plan to the chairs of the senate environment and natural resources finance division and the house environment and natural resources finance committee.

Sec. 72. Minnesota Statutes 1994, section 86.72, subdivision 1, is amended to read:

Subdivision 1. Except as otherwise specifically provided, federal reimbursements and match money received for the purposes described in this chapter, regardless of the source of state match, credit or value used to earn the reimbursement or match, other than the federal match for state money appropriated to the local recreation and natural areas grant-in-aid account, and other than the federal great river road money, shall in the first instance be credited to a federal receipt account by the state agency receiving the reimbursement or match. Any state department or agency, including the Minnesota historical society and the University of Minnesota, that receives reimbursements or matching money as described above shall transfer those amounts to the natural resources federal reimbursement account. Amounts sufficient to pay the costs incurred by the department of natural resources in administering federal reimbursements are appropriated annually to the commissioner from the federal receipt account.

Sec. 73. Minnesota Statutes 1994, section 86B.415, subdivision 7, is amended to read:

Subd. 7. [WATERCRAFT SURCHARGE.] A \$5 surcharge 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. ~~The surcharge is \$5 until December 31, 1996, and \$3 thereafter.~~

Sec. 74. Minnesota Statutes 1994, section 86B.415, subdivision 8, is amended to read:

Subd. 8. [REGISTRAR'S FEE.] ~~(a)~~ In addition to the license fee, a fee of ~~50 cents~~ \$2 shall be charged for a watercraft license:

(1) issued through the registrar or a deputy registrar of motor vehicles;

~~(b) and the additional fee shall be disposed of in the manner provided in section 168.33, subdivision 2; or~~

(2) issued through the commissioner and the additional fee shall be deposited in the state treasury and credited to the water recreation account.

Sec. 75. Minnesota Statutes 1994, section 86B.870, subdivision 1, is amended to read:

Subdivision 1. [FEES.] (a) The fee to be paid to the commissioner:

(1) for issuing an original certificate of title, including the concurrent notation of an assignment of the security interest and its subsequent release or satisfaction, is \$15;

(2) for each security interest when first noted upon a certificate of title, including the concurrent notation of an assignment of the security interest and its subsequent release or satisfaction, is \$10;

(3) for transferring the interest of an owner and issuing a new certificate of title, is \$10;

(4) for each assignment of a security interest when first noted on a certificate of title, unless noted concurrently with the security interest, is \$1; and

(5) for issuing a duplicate certificate of title, is \$4.

(b) In addition to other statutory fees and taxes, a filing fee of ~~\$3.25~~ \$3.50 is imposed on every application. The filing fee must be shown as a separate item on title renewal notices sent by the commissioner.

Sec. 76. Minnesota Statutes 1994, section 89.001, subdivision 8, is amended to read:

Subd. 8. "Forest resources" means those natural assets of forest lands, including timber and other forest crops; biological diversity; recreation; fish and wildlife habitat; wilderness; rare and distinctive flora and fauna; air; water; soil; and educational, aesthetic, and historic values.

Sec. 77. [89.021] [Subd. 45.] [SHOOTING AREA WITHIN SAND DUNES STATE FOREST.] The commissioner of natural resources shall design and establish a noncompetitive recreational shooting area within Sand Dunes state forest. The area shall be suitable for sighting in legal handguns, rifles, and shotguns.

Discharge of firearms for purposes other than lawful hunting is prohibited on state lands in the Sand Dunes State Forest, except in the area developed as a shooting area. Discharge of firearms for the purpose of lawful hunting is permitted during the open seasons for taking of wild animals unless restricted by rule.

Sec. 78. [89A.01] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] Unless the language or context clearly indicates that a different meaning is intended, the following terms, for the purpose of this chapter, have the meanings given.

Subd. 2. [ADVISORY COMMITTEE.] "Advisory committee" means the forest resources research advisory committee established under section 89A.08.

Subd. 3. [BIOLOGICAL DIVERSITY.] "Biological diversity" means the variety and abundance of species, their genetic composition, and the communities and landscapes in which they occur, including the ecological structures, functions, and processes occurring at all of these levels.

Subd. 4. [COMMISSIONER.] "Commissioner" means the commissioner of natural resources or agent of the commissioner.

Subd. 5. [COUNCIL.] "Council" means the Minnesota forest resources council established by section 89A.03.

Subd. 6. [DEPARTMENT.] "Department" means the department of natural resources.

Subd. 7. [FOREST RESOURCES.] "Forest resources" has the meaning given in section 89.001, subdivision 8.

Subd. 8. [GUIDELINES.] "Guidelines" means the comprehensive timber harvesting and forest management guidelines developed under section 89A.05.

Subd. 9. [LANDSCAPE.] "Landscape" means a heterogenous land area composed of interacting sustainable forest resources that are defined by natural features and socially defined attributes.

Subd. 10. [LANDSCAPE-LEVEL.] "Landscape-level" means typically long-term or broad-based efforts that may require extensive analysis or planning over large areas that may involve or require coordination across land ownerships.

Subd. 11. [REGIONAL COMMITTEE.] "Regional committee" means a regional forest resources committee established under section 89A.06.

Subd. 12. [SITE-LEVEL.] "Site-level" means efforts affecting operational procedures used in the planning and implementation of timber harvesting and forest management activities on an individual site or local scale.

Subd. 13. [SUSTAINABLE.] "Sustainable" means meeting the needs of the present without compromising the ability of future generations to meet their own needs.

Sec. 79. [89A.02] [POLICY.]

It is the policy of the state to:

(1) pursue the sustainable management, use, and protection of the state's forest resources to achieve the state's economic, environmental, and social goals;

(2) encourage cooperation and collaboration between public and private sectors in the management of the state's forest resources;

(3) recognize and consider forest resource issues, concerns, and impacts at the site and landscape levels; and

(4) recognize the broad array of perspectives regarding the management, use, and protection of the state's forest resources, and establish processes and mechanisms that seek and incorporate these perspectives in the planning and management of the state's forest resources.

Nothing in this chapter abolishes, repeals, or negates any existing authorities, policies, programs, or activities of the commissioner or other statutory authorities related to managing and protecting state's forest resources.

Sec. 80. [89A.03] [MINNESOTA FOREST RESOURCES COUNCIL.]

Subdivision 1. [MEMBERSHIP.] The Minnesota forest resources council has 13 members appointed by the governor. Council membership must include one representative from each of the following:

- (1) an organization representing environmental interests within the state;
- (2) an organization representing the interests of management of game species;
- (3) a conservation organization;
- (4) an association representing forest products industry within the state;
- (5) a commercial logging contractor active in a forest product association;
- (6) a statewide association representing the resort and tourism industry;
- (7) a faculty or researcher of a Minnesota research or higher educational institution;
- (8) an owner of nonindustrial, private forest land of 40 acres or more;
- (9) an agricultural woodlot owner;
- (10) the department;
- (11) a county land commissioner who is a member of the Minnesota association of county land commissioners;
- (12) the United States Forest Service unit with land management responsibility in Minnesota;
and
- (13) a labor organization with membership having an interest in forest resource issues.

Subd. 2. [PURPOSE.] The council shall develop recommendations to the governor and to federal, state, county, and local governments with respect to forest resource policies and practices that result in the sustainable management, use, and protection of the state's forest resources. The policies and practices must:

- (1) acknowledge the interactions of complex sustainable forest resources, multiple ownership patterns, and local to international economic forces;
- (2) give equal consideration to the long-term economic, ecological, and social needs and limits of the state's forest resources;
- (3) foster the productivity of the state's forests to provide a diversity of sustainable benefits at site levels and landscape levels;
- (4) enhance the ability of the state's forest resources to provide future benefits and services;
- (5) foster no net loss of forest land in Minnesota;
- (6) encourage appropriate mixes of forest cover types and age classes within landscapes to promote biological diversity and viable forest-dependent fish and wildlife habitats;
- (7) encourage collaboration and coordination with multiple constituencies in planning and managing the state's forest resources; and

(8) address the environmental impacts and their mitigations as recommended in the generic environmental impact statement on timber harvesting.

Subd. 3. [COUNCIL MEETINGS.] The council shall establish procedures for conducting its meetings in accordance with section 471.705 that include provisions for seeking and incorporating public input.

Subd. 4. [COUNCIL OFFICERS AND STAFF.] The council shall elect a chair from among its members. The council may employ an executive director and administrative assistant. Technical expertise that will enable the council to carry out its functions must be provided to the council by those interests represented on the council.

Subd. 5. [MEMBERSHIP REGULATION.] Terms, compensation, nomination, appointment, and removal of council members are governed by section 15.059. Section 15.059, subdivision 5, does not govern the expiration date of the council.

Subd. 6. [REPORT.] By January 1, 1997, the council shall prepare a report to the governor and legislature on the status of the state's forest resources, and strategic directions to provide for their management, use, and protection. Information generated by the reporting requirements in this chapter must be incorporated in the council's report. To the extent possible, the council's report must also identify the activities and accomplishments of various programs that directly affect the state's forest resources.

Subd. 7. [REVIEW OF FOREST RESOURCES PLAN AND ASSESSMENT.] The council shall undertake a review of the forest resource management plan and forest assessment requirements contained in section 89.011, and report to the commissioner no later than July 1, 1996, on the appropriateness and effectiveness of these requirements, including recommendations for enhancing existing forest resource planning processes. The council shall review draft statewide and district forest resource planning documents, and incorporate the findings, including any recommendation, of such reviews in its biennial report specified in subdivision 6.

Sec. 81. [89A.04] [PARTNERSHIP.]

It is the policy of the state to encourage forest landowners, forest managers, and loggers to establish a partnership in which the implementation of council recommendations can occur in a timely and coordinated manner across ownerships. The partnership shall serve as a forum for discussing operational implementation issues and problem solving related to forest resources management and planning concerns, and be responsive to the recommendations of the council. This partnership shall also actively foster collaboration and coordination among forest managers and landowners in addressing landscape-level operations and concerns. In fulfilling its responsibilities as identified in this chapter, the council shall seek input from and consult with the partnership.

Sec. 82. [89A.05] [TIMBER HARVESTING AND FOREST MANAGEMENT GUIDELINES.]

Subdivision 1. [DEVELOPMENT.] The council shall coordinate the development of comprehensive timber harvesting and forest management guidelines. The guidelines must address the water, air, soil, biotic, recreational, and aesthetic resources found in forest ecosystems by focusing on those impacts commonly associated with applying site-level forestry practices. The guidelines must reflect a range of practical and sound practices based on the best available scientific information, and be integrated to minimize conflicting recommendations while being easy to understand and implement. Best management practices previously developed for forest management must be incorporated into the guidelines. The council shall periodically review and, when deemed necessary, update the guidelines.

Subd. 2. [ECONOMIC CONSIDERATIONS.] Before the implementation of timber harvesting and forest management guidelines, new site-level practices and landscape-level programs, the council shall analyze the costs of new site-level practices and landscape-level programs. When the analysis concludes that new landscape-level programs and site-level practices will result in adverse economic effects, including decreased timber supply and negative effects on tourism, opportunities to offset those effects must be explored. The council shall also:

(1) identify and quantify forest and timberland acreages that will no longer be available for harvest; and

(2) encourage public resource agencies to provide sustainable, predictable supplies of high-quality forest resource benefits, including timber supplies that are consistent with their multiple mandates and diverse management objectives. These benefits should be provided by public resource agencies in proportion to their forest land's capability to do so.

Subd. 3. [APPLICATION.] The timber harvesting and forest management guidelines are voluntary. Prior to their actual use, the council shall develop guideline implementation goals for each major forest land ownership category. If the information developed as a result of the monitoring programs established in section 89A.07 indicates the implementation goals for the guidelines are not being met and the council determines significant adverse impacts are occurring, the council shall recommend to the governor additional measures to address those impacts. The council shall incorporate the recommendations as part of the council's biennial report required by section 89A.03, subdivision 6.

Sec. 83. [89A.06] [LANDSCAPE-LEVEL FOREST RESOURCE PLANNING AND COORDINATION.]

Subdivision 1. [FRAMEWORK.] The council shall establish a framework that will enable long-range strategic planning and landscape coordination to occur, to the extent possible, across all forested regions of the state and across all ownerships. The framework must include:

(1) identification of the landscapes within which long-range strategic planning of forest resources can occur, provided that the landscapes must be delineated based on broadly defined ecological units and existing classification systems, yet recognize existing political and administrative boundaries and planning processes;

(2) a statement of principles and goals for landscape-based forest resource planning; and

(3) identification of a general process by which landscape-based forest resource planning can occur, provided that the process must give considerable latitude to design planning processes that fit the unique needs and resources of each landscape; reflect a balanced consideration of the economic, social, and environmental conditions and needs of each landscape; and interface and establish formats that are compatible with other landscape-based forest resource plans.

Subd. 2. [REGIONAL FOREST RESOURCE COMMITTEES.] To foster landscape-based forest resource planning, the council shall establish regional forest resource committees. The regional committees must:

(1) include representative interests in a particular region that are committed to and involved in landscape planning and coordination activities;

(2) serve as a forum for landowners, managers, and representative interests to discuss landscape forest resource issues;

(3) identify and implement an open and public process whereby landscape-based strategic planning of forest resources can occur;

(4) identify sustainable forest resource goals for the landscape and strategies to achieve those goals; and

(5) provide a regional perspective to the council with respect to council activities.

Subd. 3. [REGIONAL COMMITTEE OFFICERS AND STAFF.] Each regional committee shall elect a chair from among its members. The council shall ensure regional committees have sufficient staff resources to carry out their mission as defined in this section.

Subd. 4. [REPORT.] Each regional committee shall report to the council its work activities and accomplishments.

Sec. 84. [89A.07] [MONITORING.]

Subdivision 1. [FOREST RESOURCE MONITORING.] The commissioner shall establish a program for monitoring broad trends and conditions in the state's forest resources at statewide, landscape, and site levels. The council shall provide oversight and program direction for the development and implementation of the monitoring program. To the extent possible, the information generated under the monitoring program must be reported in formats consistent with the landscape regions used to accomplish the planning and coordination activities specified in section 89A.06. To the extent possible, the program must incorporate data generated by existing resource monitoring programs. The commissioner shall report to the council information on current conditions and recent trends in the state's forest resources.

Subd. 2. [PRACTICES AND COMPLIANCE MONITORING.] The commissioner shall establish a program for monitoring silvicultural practices and application of the timber harvesting and forest management guidelines at statewide, landscape, and site levels. The council shall provide oversight and program direction for the development and implementation of the monitoring program. To the extent possible, the information generated by the monitoring program must be reported in formats consistent with the landscape regions used to accomplish the planning and coordination activities specified in section 89A.06. The commissioner shall report to the council on the nature and extent of silvicultural practices used, and compliance with the timber harvesting and forest management guidelines.

Subd. 3. [EFFECTIVENESS MONITORING.] The commissioner, in cooperation with other research and land management organizations, shall evaluate the effectiveness of practices to mitigate impacts of timber harvesting and forest management activities on the state's forest resources. The council shall provide oversight and program direction for the development and implementation of this monitoring program.

Subd. 4. [OTHER STUDIES AND PROGRAMS.] The council shall monitor the implementation of other programs, formal studies, and initiatives affecting Minnesota's forest resources.

Subd. 5. [CITIZEN CONCERNS.] The council shall facilitate the establishment of a process to accept comments from the public on negligent timber harvesting or forest management practices. Comments must also be directed to the organization administering the certification program.

Sec. 85. [89A.08] [RESEARCH ADVISORY COMMITTEE.]

Subdivision 1. [ESTABLISHMENT.] The council shall appoint a forest resources research advisory committee. The committee must consist of representatives of:

- (1) the college of natural resources, University of Minnesota;
- (2) the natural resources research institute, University of Minnesota;
- (3) the department;
- (4) the north central forest experiment station, United States Forest Service; and
- (5) other organizations as deemed appropriate by the council.

Subd. 2. [PURPOSE.] The purpose of the advisory committee is to foster the identification and undertaking of priority forest resources research activities by encouraging:

- (1) collaboration between organizations with responsibilities for conducting forest resources research;
- (2) linkages between researchers in different disciplines in conducting forest resources research; and
- (3) interaction and communication between researchers and practitioners in the development and use of forest resources research.

Subd. 3. [RESEARCH ASSESSMENT.] The advisory committee shall periodically undertake an assessment of strategic directions in forest resources research. The assessment must be based on input provided by administrators, researchers, practitioners, and the general public, and include:

- (1) an assessment of the current status of forestry resources research in the state;
- (2) an identification of important forest resource issues in need of research;
- (3) an identification of priority forest research activities whose results will enable a better understanding of site-level and landscape-level impacts resulting from timber harvesting and forest management activities; and
- (4) an assessment of the progress toward addressing the priority forest resources research needs identified.

The forest resources research assessment must be made widely available to the research community, forest managers and users, and the public.

Subd. 4. [RESEARCH DELIVERY.] Based on the priority forest resources research activities identified in subdivision 3, the advisory committee shall promote these research needs and the dissemination of findings to the research community, forest managers and users, and the public.

Subd. 5. [RESEARCH AND PRACTITIONER LINKAGES.] The advisory committee shall periodically facilitate forums to increase communications between the individuals and organizations conducting forest resources research and the users of the research.

Subd. 6. [REPORT.] The advisory committee shall report to the council its accomplishments in fulfilling the responsibilities identified in this section.

Sec. 86. [89A.09] [INTERAGENCY INFORMATION COOPERATIVE.]

Subdivision 1. [ESTABLISHMENT.] The commissioner shall coordinate the establishment of an interagency information cooperative. Members of the cooperative must include:

- (1) the department;
- (2) the land management information center;
- (3) the Minnesota association of county land commissioners;
- (4) the United States Forest Service; and
- (5) other organizations as deemed appropriate by the commissioner.

Subd. 2. [PURPOSE.] The purposes of the cooperative are to:

- (1) coordinate the development and use of forest resources data in the state;
- (2) promote the development of statewide guidelines and common language to enhance the ability of public and private organizations and institutions to share forest resources data;
- (3) promote the development of information systems that support access to important forest resources data;
- (4) promote improvement in the accuracy, reliability, and statistical soundness of fundamental forest resources data;
- (5) promote linkages and integration of forest resources data to other natural resource information;
- (6) promote access and use of forest resources data and information systems in decision-making by a variety of public and private organizations;
- (7) promote expanding the capacity and reliability of forest growth, succession, and other types of ecological models; and
- (8) conduct a needs assessment for improving the quality and quantity of information systems.

Subd. 3. [REPORT.] The information cooperative shall report to the council its accomplishments in fulfilling the responsibilities identified in this section.

Sec. 87. [89A.10] [CONTINUING EDUCATION; CERTIFICATION.]

It is the policy of the state to encourage timber harvesters and forest resource professionals to establish voluntary certification and continuing education programs within their respective professions. The council shall, where appropriate, facilitate the development of these programs.

Sec. 88. [DATES FOR INITIAL APPOINTMENTS AND REPORT.]

The governor shall make the appointments to the forest resources council established by Minnesota Statutes, section 89A.03, by October 1, 1995.

Sec. 89. Minnesota Statutes 1994, section 92.46, subdivision 1, is amended to read:

Subdivision 1. [PUBLIC CAMPGROUNDS.] (a) The director may designate suitable portions of the state lands withdrawn from sale and not reserved, as provided in section 92.45, as permanent state public campgrounds. The director may have the land surveyed and platted into lots of convenient size, and lease them for cottage and camp purposes under terms and conditions the director prescribes, subject to the provisions of this section.

(b) A lease may not be for a term more than 20 years. The lease may allow renewal, from time to time, for additional terms of no longer than 20 years each. The lease may be canceled by the commissioner 90 days after giving the person leasing the land written notice of violation of lease conditions. The lease rate shall be based on the appraised value of leased land as determined by the commissioner of natural resources and shall be adjusted by the commissioner at the fifth, tenth, and 15th anniversary of the lease, if the appraised value has increased or decreased. For leases that are renewed in 1991 and following years, the lease rate shall be five percent of the appraised value of the leased land. The appraised value shall be the value of the leased land without any private improvements and must be comparable to similar land without any improvements within the same county. The minimum appraised value that the commissioner assigns to the leased land must be substantially equal to the county assessor's estimated market value of similar land adjusted by the assessment/sales ratio as determined by the department of revenue.

(c) By July 1, 1986, the commissioner of natural resources shall adopt rules under chapter 14 to establish procedures for leasing land under this section. The rules shall be subject to review and approval by the commissioners of revenue and administration prior to the initial publication pursuant to chapter 14 and prior to their final adoption. The rules must address at least the following:

- (1) method of appraising the property; and
- (2) an appeal procedure for both the appraised values and lease rates.

(d) All money received from these leases must be credited to the fund to which the proceeds of the land belong.

Notwithstanding section 16A.125 or any other law to the contrary, 50 percent of the money received from the lease of permanent school fund lands leased pursuant to this subdivision ~~shall be deposited into the permanent school trust fund. However, in fiscal years 1994 and 1995, this money must be credited to the lakeshore leasing and sales account in the permanent school fund and, subject to appropriation, may be used~~ is appropriated for use to survey, appraise, and pay associated selling and leasing costs of lots as required in this section and section 92.67, subdivision 3. The money may not be used to pay the cost of surveying lots not scheduled for sale. Any money designated for deposit in the permanent school fund that is not needed to survey, appraise, and pay associated selling and leasing costs of lots, as required in this section and section 92.67, shall be deposited in the permanent school fund. The commissioner shall add to the appraised value of any lot offered for sale the costs of surveying, appraising, and selling the lot, and shall first deposit into the permanent school fund an amount equal to the costs of surveying, appraising, and selling any lot paid out of the permanent school fund. Any remaining money shall be deposited into any other contributing funds in proportion to the contribution from each fund. In no case may the commissioner add to the appraised value of any lot offered for sale an amount more than \$700 for the costs of surveying and appraising the lot.

Sec. 90. Minnesota Statutes 1994, section 97C.305, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] Except as provided in subdivision 2, a person over age 16 and under age 65 required to possess an angling license must have a trout and salmon stamp in possession to:

- (1) take fish by angling in:
 - (1) (i) a stream designated by the commissioner as a trout stream;
 - (2) (ii) a lake designated by the commissioner as a trout lake; or
 - (3) (iii) Lake Superior; or
- (2) possess trout or salmon taken in the state by angling.

Sec. 91. Minnesota Statutes 1994, section 103A.43, is amended to read:

103A.43 [WATER ASSESSMENTS AND REPORTS.]

(a) The environmental quality board shall evaluate and report to the legislative water commission and the legislative commission on Minnesota resources on statewide water research needs and recommended priorities for addressing these needs. Local water research needs may also be included.

(b) The environmental quality board shall work with the pollution control agency and the department of agriculture to coordinate a biennial assessment and analysis of water quality, groundwater degradation trends, and efforts to reduce, prevent, minimize, and eliminate degradation of water. The assessment and analysis must include an analysis of relevant monitoring data.

(c) The environmental quality board shall work with the department of natural resources to coordinate an assessment and analysis of the quantity of surface and ground water in the state and the availability of water to meet the state's needs.

(d) The environmental quality board shall coordinate and submit a report on water policy including the analyses in paragraphs (a) to (c) to the legislative water commission and the legislative commission on Minnesota resources by September 15 of each even-numbered year. The report may include the groundwater policy report in section 103A.204.

Sec. 92. Minnesota Statutes 1994, section 103D.335, subdivision 19, is amended to read:

Subd. 19. [OPEN SPACE AND GREENBELTS.] The managers may prepare an open space and greenbelt map of the lands of the watershed district that should be preserved and included in the open space and greenbelt land areas of the watershed district. The map must be made available to the counties and local municipalities for inclusion in floodplain and shoreland ordinances. The managers may control the use and development of land in the floodplain and the greenbelt and open space areas of the watershed district. The managers may adopt, amend, or repeal rules to control encroachments, the changing of land contours, the placement of fill and structures, and the placement of encumbrances or obstructions, and may require a landowner to remove fill, structures, encumbrances, or other obstructions and restore the previously existing land contours and vegetation. The managers may by rule provide a procedure for the watershed district to do the work required and assess its cost against the affected property as a special assessment. The rules apply only in the absence of county or municipal ordinances regulating the items set forth in this subdivision. The rules must be adopted in accordance with section 103D.341. Except as provided in section 103D.345, subdivision 3, rules adopted under this subdivision apply to the state.

Sec. 93. Minnesota Statutes 1994, section 103F.725, subdivision 1a, is amended to read:

Subd. 1a. [FINANCIAL ASSISTANCE; LOANS.] (a) Up to ~~\$10,000,000~~ \$12,000,000 of the balance in the water pollution control revolving fund in section 446A.07, as determined by the public facilities authority shall be appropriated to the commissioner for the establishment of a clean water partnership loan program.

(b) The agency may award loans for up to 100 percent of the costs associated with activities

identified by the agency as best management practices pursuant to section 319 and section 320 of the federal Water Quality Act of 1987, as amended, including associated administrative costs.

(c) Loans may be used to finance clean water partnership grant project eligible costs not funded by grant assistance.

(d) The interest rate, at or below market rate, and the term, not to exceed 20 years, shall be determined by the agency in consultation with the public facilities authority.

(e) The repayment must be deposited in the water pollution control revolving fund under section 446A.07.

(f) The local unit of government receiving the loan is responsible for repayment of the loan.

(g) For the purpose of obtaining a loan from the agency, a local government unit may provide to the agency its general obligation note. All obligations incurred by a local government unit in obtaining a loan from the agency must be in accordance with chapter 475, except that so long as the obligations are issued to evidence a loan from the agency to the local government unit, an election is not required to authorize the obligations issued, and the amount of the obligations shall not be included in determining the net indebtedness of the local government unit under the provisions of any law or chapter limiting the indebtedness.

Sec. 94. Minnesota Statutes 1994, section 103H.151, is amended by adding a subdivision to read:

Subd. 4. [EVALUATION.] The commissioners of agriculture and the pollution control agency shall, through field audits and other appropriate means, monitor the use and effectiveness of best management practices developed and promoted under this section. The information collected must be submitted to the environmental quality board, which must include the information in the report required in section 103A.43, paragraph (d).

Sec. 95. Minnesota Statutes 1994, section 103I.331, subdivision 4, is amended to read:

Subd. 4. [LANDOWNER WELL SEALING CONTRACTS.] (a) A county, or contracted local unit of government, may contract with landowners to share the cost of sealing priority wells in accordance with criteria established by the board of water and soil resources.

(b) The county must use the funds allocated from the board of water and soil resources to pay up to 75 percent, but not more than \$2,000 of the cost of sealing priority wells. The board, with the assistance of the department of health, may review and approve a request above \$2,000 for sealing a priority well.

(c) A well sealing contract must provide that:

(1) sealing is done in accordance with this chapter and rules of the commissioner of health relating to sealing of unused wells;

(2) payment is made to the landowner, after the well is sealed by a contractor licensed under this chapter; and

(3) the contractor must file a sealed well report and a copy of the well record with the commissioner of health.

Sec. 96. Minnesota Statutes 1994, section 115A.03, subdivision 29, is amended to read:

Subd. 29. [SEWAGE SLUDGE.] "Sewage sludge" means the solids and associated liquids in municipal wastewater which are encountered and concentrated by a municipal wastewater treatment plant solid, semisolid, or liquid residue generated during the treatment of domestic sewage in a treatment works. It includes, but is not limited to, scum or solids removed in primary, secondary, or advanced wastewater treatment processes and a material derived from sewage sludge. Sewage sludge does not include ash generated during the firing of sewage sludge in a sewage sludge incinerator residues and or grit, scum, or and screenings removed from other solids during treatment generated during preliminary treatment of domestic sewage in a treatment works.

Sewage sludge that is acceptable and beneficial for recycling on land as a soil conditioner and nutrient source is also known as biosolids.

Sec. 97. Minnesota Statutes 1994, section 115A.908, subdivision 3, is amended to read:

Subd. 3. [REPEALER.] This section is repealed on ~~December 31, 1996~~ July 1, 1997.

Sec. 98. Minnesota Statutes 1994, section 115B.20, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] (a) The environmental response, compensation, and compliance account is in the environmental fund in the state treasury and may be spent only for the purposes provided in subdivision 2.

(b) The commissioner of finance shall administer a response account for the agency and the commissioner of agriculture to take removal, response, and other actions authorized under subdivision 2, clauses (1) to (4) and (11) to (13). The commissioner of finance shall transfer money from the response account to the agency and the commissioner of agriculture to take actions required under subdivision 2, clauses (1) to (4) and (11) to (13).

(c) The commissioner of finance shall administer the account in a manner that allows the commissioner of agriculture and the agency to utilize the money in the account to implement their removal and remedial action duties as effectively as possible.

(d) Amounts appropriated to the commissioner of finance under this subdivision shall not be included in the department of finance budget but shall be included in the pollution control agency and department of agriculture budgets.

(e) All money recovered by the state under section 115B.04 or any other law for injury to, destruction of, or loss of natural resources resulting from the release of a hazardous substance, or a pollutant or contaminant, must be credited to the environmental response, compensation, and compliance account in the environmental fund and is appropriated to the commissioner of natural resources for purposes of subdivision 2, clause (6), consistent with any applicable term of judgments, consent decrees, consent orders, or other administrative actions requiring payments to the state for such purposes. Before making an expenditure of money appropriated under this paragraph, the commissioner of natural resources shall provide written notice of the proposed expenditure to the chairs of the senate committee on finance, the house of representatives committee on ways and means, the finance division of the senate committee on environment and natural resources, and the house of representatives committee on environment and natural resources finance.

Sec. 99. Minnesota Statutes 1994, section 115B.25, subdivision 1a, is amended to read:

Subd. 1a. [ACCOUNT.] Except when another account is specified, "account" means the ~~harmful substance compensation~~ environmental response, compensation, and compliance account established in section ~~115B.26~~ 115B.20.

Sec. 100. Minnesota Statutes 1994, section 115B.26, subdivision 2, is amended to read:

Subd. 2. [APPROPRIATION.] The amount necessary to ~~pay for staff assistance, administrative services, and office space under section 115B.28, subdivision 4, and to pay claims of compensation granted by the board~~ agency under sections 115B.25 to 115B.37 is appropriated to the ~~board~~ agency from the account.

Sec. 101. Minnesota Statutes 1994, section 115B.41, subdivision 1, is amended to read:

Subdivision 1. [ALLOCATION AND RECOVERY OF COSTS.] (a) A person who is subject to the requirements in section 115B.40, subdivision 4 or 5, paragraph (b), is responsible for all environmental response costs incurred by the commissioner at or related to the facility until the date of notice of compliance under section 115B.40, subdivision 7. The commissioner may use any funds available for closure, postclosure care, and response action established by the owner or operator. If those funds are insufficient or if the owner or operator fails to assign rights to them to the commissioner, the commissioner may seek recovery of environmental response costs against the owner or operator in the county of Ramsey or in the county where the facility is located or where the owner or operator resides.

(b) In an action brought under this subdivision in which the commissioner prevails, the court shall award the commissioner reasonable attorney fees and other litigation expenses incurred by the commissioner to bring the action. All costs, fees, and expenses recovered under this subdivision must be deposited in the ~~environmental fund and credited to the landfill cleanup account~~ solid waste fund established in section 115B.42.

Sec. 102. Minnesota Statutes 1994, section 115B.42, is amended to read:

115B.42 [~~LANDFILL CLEANUP ACCOUNT~~ SOLID WASTE FUND.]

Subdivision 1. [ESTABLISHMENT; APPROPRIATION; SEPARATE ACCOUNTING.] (a) The ~~landfill cleanup account~~ solid waste fund is established in the ~~environmental fund in the state treasury~~. The ~~account fund~~ consists of money credited to the ~~account fund~~ and interest earned on the money in the ~~account fund~~. Except as provided in section 115B.42, subdivision 2, clause (9) (7), money in the ~~account fund~~ fund is annually appropriated to the commissioner for the purposes listed in subdivision 2.

(b) The commissioner of finance shall separately account for revenue deposited in the ~~account fund~~ from financial assurance funds or other mechanisms, the metropolitan landfill contingency action trust fund, and all other sources of revenue.

Subd. 2. [EXPENDITURES.] (a) Money in the ~~account fund~~ fund may be spent by the commissioner to:

- (1) inspect permitted mixed municipal solid waste disposal facilities to:
 - (i) evaluate the adequacy of final cover, slopes, vegetation, and erosion control;
 - (ii) determine the presence and concentration of hazardous substances, pollutants or contaminants, and decomposition gases; and
 - (iii) determine the boundaries of fill areas;
- (2) monitor and take, or reimburse others for, environmental response actions, including emergency response actions, at qualified facilities;
- (3) acquire and dispose of property under section 115B.412, subdivision 3;
- (4) recover costs under sections 115B.39 and 115B.46;
- (5) administer, including providing staff and administrative support for, sections 115B.39 to 115B.46;
- (6) enforce sections 115B.39 to 115B.46;
- (7) subject to appropriation, administer the agency's groundwater and solid waste management programs;
- (8) reimburse persons under section 115B.43; and
- (9) reimburse mediation expenses up to a total of \$250,000 annually or defense costs up to a total of \$250,000 annually for third-party claims for response costs under state or federal law as provided in section 115B.414.

Sec. 103. Minnesota Statutes 1994, section 115C.03, subdivision 9, is amended to read:

Subd. 9. [REQUESTS FOR REVIEW, INVESTIGATION, AND OVERSIGHT.] (a) The commissioner may, upon request:

- (1) assist in determining whether a release has occurred; and
- (2) assist in or supervise the development and implementation of reasonable and necessary corrective actions.

(b) Assistance may include review of agency records and files and review and approval of a requester's investigation plans and reports and corrective action plans and implementation.

(c) Assistance may include the issuance of a written determination that an owner or prospective buyer of real property will not be a responsible person under section 115C.021, if the commissioner finds the release came from a tank not located on the property. The commissioner may also issue a written confirmation that the real property was the site of a release and that the tank from which the release occurred has been removed or that the agency has issued a site closure letter and has not revoked that status. The issuance of the written determination or confirmation applies to tanks not on the property or removed only and does not affect liability for releases from tanks that are on the property at the time of purchase. The written determination or confirmation extends to the successors and assigns of the person to whom it originally applied, if the successors and assigns are not otherwise responsible for the release.

(d) The person requesting assistance under this subdivision shall pay the agency for the agency's cost, as determined by the commissioner, of providing assistance. Money received by the agency for assistance under this subdivision must be deposited in the state treasury and credited to the an account in the special revenue fund. Money in this account is annually appropriated to the commissioner for purposes of administering the subdivision.

Sec. 104. Minnesota Statutes 1994, section 116.07, subdivision 4d, is amended to read:

Subd. 4d. [PERMIT FEES.] (a) The agency may collect permit fees in amounts not greater than those necessary to cover the reasonable costs of reviewing and acting upon applications for agency permits and implementing and enforcing the conditions of the permits pursuant to agency rules. Permit fees shall not include the costs of litigation. The agency shall adopt rules under section ~~16A.128~~ 16A.1285 ~~establishing the amounts and methods of collection of any a system for charging permit fees collected under this subdivision.~~ The fee schedule must reflect reasonable and routine permitting, implementation, and enforcement costs. The agency may impose an additional enforcement fee to be collected for a period of up to two years to cover the reasonable costs of implementing and enforcing the conditions of a permit under the rules of the agency. Any money collected under this paragraph shall be deposited in the special revenue account.

(b) ~~Notwithstanding paragraph (a), and section 16A.128, subdivision 1~~ 16A.1285, subdivision 2, the agency shall collect an annual fee from the owner or operator of all stationary sources, emission facilities, emissions units, air contaminant treatment facilities, treatment facilities, potential air contaminant storage facilities, or storage facilities subject to the requirement to obtain a permit under ~~Title subchapter V of the federal Clean Air Act Amendments of 1990, Public Law Number 101-549, Statutes at Large, volume 104, pages 2399, United States code, title 42, section 7401 et seq., or section 116.081.~~ The annual fee shall be used to pay for all direct and indirect reasonable costs, including attorney general costs, required to develop and administer the permit program requirements of ~~Title subchapter V of the federal Clean Air Act Amendments of 1990, Public Law Number 101-549, Statutes at Large, volume 104, pages 2399, United States Code, title 42, section 7401 et seq., and sections of this chapter and the rules adopted under this chapter related to air contamination and noise.~~ Those costs include the reasonable costs of reviewing and acting upon an application for a permit; implementing and enforcing statutes, rules, and the terms and conditions of a permit; emissions, ambient, and deposition monitoring; preparing generally applicable regulations; responding to federal guidance; modeling, analyses, and demonstrations; preparing inventories and tracking emissions; providing information to the public about these activities; and, ~~after June 30, 1992, the costs of acid deposition monitoring currently assessed under section 116C.69, subdivision 3.~~

(c) The agency shall adopt fee rules in accordance with the procedures in section ~~16A.128, subdivisions 1a and 2a~~ 16A.1285, subdivision 5, that will result in the collection, in the aggregate, from the sources listed in paragraph (b), of the following amounts:

(1) ~~in fiscal years 1992 and 1993, the amount appropriated by the legislature from the air quality account in the environmental fund for the agency's air quality program;~~

(2) ~~for fiscal year 1994 and thereafter, an amount not less than \$25 per ton of each volatile organic compound; pollutant regulated under United States Code, title 42, section 7411 or 7412 (section 111 or 112 of the federal Clean Air Act); and each pollutant, except carbon monoxide, for which a national primary ambient air quality standard has been promulgated; and~~

(3) ~~for fiscal year 1994 and thereafter, (2)~~ (2) the agency fee rules may also result in the collection,

in the aggregate, from the sources listed in paragraph (b), of an amount not less than \$25 per ton of each pollutant not listed in clause ~~(2)~~ (1) that is regulated under ~~Minnesota Rules, this chapter 7005, or for which a state primary ambient air quality standard has been adopted~~ or air quality rules adopted under this chapter.

The agency must not include in the calculation of the aggregate amount to be collected under the fee rules any amount in excess of 4,000 tons per year of each air pollutant from a source.

(d) To cover the reasonable costs described in paragraph (b), the agency shall provide in the rules promulgated under paragraph (c) for an increase in the fee collected in each year ~~beginning after fiscal year 1993~~ by the percentage, if any, by which the Consumer Price Index for the most recent calendar year ending before the beginning of the year the fee is collected exceeds the Consumer Price Index for the calendar year 1989. For purposes of this paragraph the Consumer Price Index for any calendar year is the average of the Consumer Price Index for all-urban consumers published by the United States Department of Labor, as of the close of the 12-month period ending on August 31 of each calendar year. The revision of the Consumer Price Index that is most consistent with the Consumer Price Index for calendar year 1989 shall be used.

(e) Any money collected under paragraphs (b) to (d) must be deposited in an air quality account in the environmental fund and must be used solely for the activities listed in paragraph (b).

(f) Persons who wish to construct or expand an air emission facility may offer to reimburse the agency for the costs of staff overtime or consultant services needed to expedite permit review. The reimbursement shall be in addition to fees imposed by paragraphs (a) to (d). When the agency determines that it needs additional resources to review the permit application in an expedited manner, and that expediting the review would not disrupt air permitting program priorities, the agency may accept the reimbursement. Reimbursements accepted by the agency are appropriated to the agency for the purpose of reviewing the permit application. Reimbursement by a permit applicant shall precede and not be contingent upon issuance of a permit and shall not affect the agency's decision on whether to issue or deny a permit, what conditions are included in a permit, or the application of state and federal statutes and rules governing permit determinations.

Sec. 105. Minnesota Statutes 1994, section 116.12, subdivision 1, is amended to read:

Subdivision 1. [FEE SCHEDULES.] The agency shall establish the fees provided in subdivisions 2 and 3 in the manner provided in section ~~16A.128~~ 16A.1285 to cover ~~the amount~~ expenditures of amounts appropriated from the environmental fund to the agency for permitting, monitoring, inspection, and enforcement expenses of the hazardous waste activities of the agency.

~~The legislature may appropriate additional amounts from the general fund that need not be covered by fees, in order to assure adequate funding for the regulatory and enforcement functions of the agency related to hazardous waste. All fees collected by the agency under this section shall be deposited in the environmental fund.~~

Sec. 106. [116.125] [NOTIFICATION OF FEE INCREASES.]

Before the pollution control agency adopts a fee increase to cover an unanticipated shortfall in revenues, the commissioner shall give written notice of the proposed increase to the chairs of the senate committee on finance, the house of representatives committee on ways and means, the senate and house of representatives environment and natural resources committees, the finance division of the senate committee on environment and natural resources, and the house of representatives committee on environment and natural resources finance.

Sec. 107. Minnesota Statutes 1994, section 116.96, subdivision 5, is amended to read:

Subd. 5. [REGULATED POLLUTANT.] "Regulated pollutant" means:

- (1) a volatile organic compound that participates in atmospheric photochemical reactions;
- (2) a pollutant for which a national ambient air quality standard has been promulgated;
- (3) a pollutant that is addressed by a standard promulgated under section 7411 or 7412 of the Clean Air Act; or

(4) any pollutant that is regulated under ~~Minnesota Rules, this chapter 7005, or for which a state ambient air quality standard has been adopted~~ or air quality rules adopted under this chapter.

Sec. 108. [116.991] [SMALL BUSINESS ENVIRONMENTAL LOAN PROGRAM.]

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) "Clean Air Act" means the federal Clean Air Act, United States Code, title 42, section 7401 et seq.

(c) "Commissioner" means the commissioner of the pollution control agency.

Subd. 2. [ESTABLISHMENT.] A small business environmental revolving loan program is established to provide loans to small businesses for purposes of complying with the Clean Air Act.

Subd. 3. [ELIGIBLE BORROWER.] To be eligible for a loan under this section, a borrower must:

- (1) need to make a process change or equipment purchase to comply with the Clean Air Act;
- (2) have less than 50 full-time employees;
- (3) have an after-tax profit of less than \$500,000; and
- (4) have a net worth of less than \$1,000,000.

Subd. 4. [LOAN APPLICATION PROCEDURE.] An eligible borrower may apply for a loan after the commissioner determines the business is subject to Clean Air Act requirements and approves the process change or equipment needed to achieve compliance. The commissioner shall consider the order in which applications are received in awarding loans and may give priority to applicants that are subject to standards adopted under United States Code, title 42, section 7412. The commissioner shall decide whether to award a loan to an eligible borrower based on:

- (1) the applicant's financial need;
- (2) the applicant's ability to repay the loan; and
- (3) the expected environmental benefit.

Subd. 5. [LIMITATION ON LOAN OBLIGATION.] A loan made under this section is limited to the money available in the small business environmental loan account.

Subd. 6. [LOAN CONDITIONS.] A loan made under this section must:

- (1) have an interest rate that is the lesser of four percent or 50 percent of prime rate;
- (2) have a term of payment of not more than seven years; and
- (3) be in an amount not less than \$1,000 or more than \$50,000.

Sec. 109. [116.992] [SMALL BUSINESS ENVIRONMENTAL LOAN ACCOUNT.]

The small business environmental loan account is established in the environmental fund. Repayments of loans made under section 116.991 must be credited to this account.

Sec. 110. Minnesota Statutes 1994, section 116C.69, subdivision 3, is amended to read:

Subd. 3. [FUNDING; ASSESSMENT.] The board shall finance its base line studies, general environmental studies, development of criteria, inventory preparation, monitoring of conditions placed on site certificates and construction permits, and all other work, other than specific site and route designation, from an assessment made quarterly, at least 30 days before the start of each quarter, by the board against all utilities with annual retail kilowatt-hour sales greater than 4,000,000 kilowatt-hours in the previous calendar year.

Until June 30, 1992, the assessment shall also include an amount sufficient to cover 60 percent

~~of the costs to the pollution control agency of achieving, maintaining, and monitoring compliance with the acid deposition control standard adopted under sections 116.42 to 116.45, reprinting informational booklets on acid rain, and costs for additional research on the impacts of acid deposition on sensitive areas published under section 116.44, subdivision 1. The commissioner of the pollution control agency must prepare a work plan and budget and submit them annually by June 30 to the pollution control agency board. The agency board must take public testimony on the budget and work plan. After the agency board approves the work plan and budget they must be submitted annually to the legislative water commission for review and recommendation before an assessment is levied. Each share shall be determined as follows: (1) the ratio that the annual retail kilowatt-hour sales in the state of each utility bears to the annual total retail kilowatt-hour sales in the state of all these utilities, multiplied by 0.667, plus (2) the ratio that the annual gross revenue from retail kilowatt-hour sales in the state of each utility bears to the annual total gross revenues from retail kilowatt-hour sales in the state of all these utilities, multiplied by 0.333, as determined by the board. The assessment shall be credited to the special revenue fund and shall be paid to the state treasury within 30 days after receipt of the bill, which shall constitute notice of said assessment and demand of payment thereof. The total amount which may be assessed to the several utilities under authority of this subdivision shall not exceed the sum of the annual budget of the board for carrying out the purposes of this subdivision plus 60 percent of the annual budget of the pollution control agency for achieving, maintaining, and monitoring compliance with the acid deposition control standard adopted under sections 116.42 to 116.45, for reprinting informational booklets on acid rain, and for costs for additional research on the impacts of acid deposition on sensitive areas published under section 116.44, subdivision 1. The assessment for the second quarter of each fiscal year shall be adjusted to compensate for the amount by which actual expenditures by the board and the pollution control agency for the preceding fiscal year were more or less than the estimated expenditures previously assessed.~~

Sec. 111. Minnesota Statutes 1994, 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 earnings generated from the trust fund. Earnings generated from the trust fund shall equal the amount of interest on debt securities and dividends on equity securities. Gains and losses arising from the sale of securities shall be apportioned as follows:

(1) if the sale of securities results in a net gain during a fiscal year, the gain shall be apportioned in equal installments over the next ten fiscal years to offset net losses in those years. If any portion of an installment is not needed to recover subsequent losses identified in paragraph (b), it shall be added to the principal of the fund; and

(2) if the sale of securities results in a net loss during a fiscal year, the net loss shall be recovered from the gains in paragraph (a) apportioned to that fiscal year. If such gains are insufficient, any remaining net loss shall be recovered from interest and dividend income in equal installments over the following ten fiscal years.

(b) For funding projects until 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;

(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~~ 25 percent of the revenue deposited in the fund in fiscal year 1996, to be expended only for capital investments in parks and trails.

(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. 112. [168.1296] [SPECIAL CRITICAL HABITAT LICENSE PLATES.]

Subdivision 1. [GENERAL REQUIREMENTS AND PROCEDURES.] The registrar shall issue special critical habitat 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 registrar to cover the costs of handling and manufacturing the plates;
- (3) pays the registration tax required under section 168.013;
- (4) pays the fees required under this chapter;
- (5) contributes at least \$30 annually to the Minnesota critical habitat private sector matching account established in section 84.943; and
- (6) complies with laws and rules governing registration and licensing of vehicles and drivers.

Subd. 2. [DESIGN.] After consultation with interested groups, the commissioner of natural resources and the registrar shall jointly select a suitable symbol for use by the registrar to design the special plates.

Subd. 3. [NO REFUND.] Contributions under this section must not be refunded.

Subd. 4. [PLATE TRANSFERS.] Notwithstanding section 168.12, subdivision 1, on payment of a transfer fee of \$5, plates issued under this section may be transferred to another passenger automobile, pickup truck, or van owned or jointly owned by the person to whom the special plates were issued.

Subd. 5. [CONTRIBUTION AND FEES CREDITED.] Contributions under subdivision 1, clause (5), must be paid to the registrar and credited to the Minnesota critical habitat private sector matching account established in section 84.943. The fees collected under this section must be deposited in the highway user tax distribution fund.

Subd. 6. [RECORD.] The registrar shall maintain a record of the number of special plates issued under this section.

Sec. 113. [177.435] [FACILITY CONSTRUCTION; PREVAILING WAGE.]

Construction of value-added agricultural product processing facility financed in whole or in part with a loan or grant provided under section 41A.035, 41B.044, or 41B.046 is a "project" as that term is defined in section 177.42, subdivision 2. Contracts for the construction or expansion of a value-added agricultural product processing facility that is a project under this section must comply with section 177.43 if the loan or grant agreement was entered into on or after December 31, 1995.

Sec. 114. Minnesota Statutes 1994, section 239.011, subdivision 2, is amended to read:

Subd. 2. [DUTIES AND POWERS.] To carry out the responsibilities in section 239.01 and subdivision 1, the director:

(1) shall take charge of, keep, and maintain in good order the standard of weights and measures of the state and keep a seal so formed as to impress, when appropriate, the letters "MINN" and the date of sealing upon the weights and measures that are sealed;

(2) has general supervision of the weights, measures, and weighing and measuring devices offered for sale, sold, or in use in the state;

(3) shall maintain traceability of the state standards to the national standards of the National Institute of Standards and Technology;

(4) shall enforce this chapter;

(5) shall grant variances from department rules, within the limits set by rule, when appropriate

to maintain good commercial practices or when enforcement of the rules would cause undue hardship;

(6) shall conduct investigations to ensure compliance with this chapter;

(7) may delegate to division personnel the responsibilities, duties, and powers contained in this section;

(8) shall test annually, and approve when found to be correct, the standards of weights and measures used by the division, by a town, statutory or home rule charter city, or county within the state, or by a person using standards to repair, adjust, or calibrate commercial weights and measures;

(9) shall inspect and test weights and measures kept, offered, or exposed for sale;

(10) shall inspect and test, to ascertain if they are correct, weights and measures commercially used to:

(i) determine the weight, measure, or count of commodities or things sold, offered, or exposed for sale, on the basis of weight, measure, or count; and

(ii) compute the basic charge or payment for services rendered on the basis of weight, measure, or count;

(11) shall approve for use and mark weights and measures that are found to be correct;

(12) shall reject, and mark as rejected, weights and measures that are found to be incorrect and may seize them if those weights and measures:

(i) are not corrected within the time specified by the director;

(ii) are used or disposed of in a manner not specifically authorized by the director; or

(iii) are found to be both incorrect and not capable of being made correct, in which case the director shall condemn those weights and measures;

(13) shall weigh, measure, or inspect packaged commodities kept, offered, or exposed for sale, sold, or in the process of delivery, to determine whether they contain the amount represented and whether they are kept, offered, or exposed for sale in accordance with this chapter and department rules. In carrying out this section, the director must employ recognized sampling procedures, such as those contained in National Institute of Standards and Technology Handbook 133, "Checking the Net Contents of Packaged Goods";

(14) shall prescribe the appropriate term or unit of weight or measure to be used for a specific commodity when an existing term or declaration of quantity does not facilitate value comparisons by consumers, or creates an opportunity for consumer confusion;

(15) shall allow reasonable variations from the stated quantity of contents, including variations caused by loss or gain of moisture during the course of good distribution practice or by unavoidable deviations in good manufacturing practice, only after the commodity has entered commerce within the state;

(16) shall inspect and test petroleum products in accordance with this chapter and chapter 296;

(17) shall distribute and post notices for used motor oil and used motor oil filters and lead acid battery recycling in accordance with sections 239.54, 325E.11, and 325E.115;

(18) shall collect inspection fees in accordance with sections 239.10 and 239.101; and

(19) shall provide metrological services and support to businesses and individuals in the United States who wish to market products and services in the member nations of the European Economic Community, and other nations outside of the United States by:

(i) meeting, to the extent practicable, the measurement quality assurance standards described in the International Standards Organization ISO 9000, Guide 25;

(ii) maintaining, to the extent practicable, certification of the metrology laboratory by a governing body appointed by the European Economic Community; and

(iii) providing calibration and consultation services to metrology laboratories in government and private industry in the United States.

Sec. 115. Minnesota Statutes 1994, section 239.54, is amended to read:

239.54 [INSPECTION OF MOTOR OIL AND AUTOMOTIVE BATTERY RETAILERS.]

The division shall produce, print, and distribute the notices required by sections 325E.11 and 325E.115 and shall inspect all places where motor oil is and motor oil filters are offered for sale by persons subject to section 325E.11 and where lead acid batteries are offered for sale at retail subject to section 325E.115 at least once every two years to determine compliance with those sections. In performing its duties under this section the division may inspect any place, building, or premises governed by sections 325E.11 and 325E.115. Authorized employees of the division may issue warnings and citations to persons who fail to comply with the requirements of those sections.

Sec. 116. Minnesota Statutes 1994, section 239.791, subdivision 8, is amended to read:

Subd. 8. ~~[DISCLOSURE.] A person responsible for the product who delivers, distributes, sells, or offers to sell gasoline in a carbon monoxide control area, during a carbon monoxide control period refinery or terminal, shall provide, at the time of delivery gasoline is sold or transferred from the refinery or terminal, a bill of lading or shipping manifest to the person who receives the gasoline. For oxygenated gasoline, the bill of lading or shipping manifest must include the identity and the volume percentage or gallons of oxygenate included in the gasoline, and it must state: "This fuel contains an oxygenate. Do not blend this fuel with ethanol or with any other oxygenate." For nonoxygenated gasoline sold or transferred before October 1, 1997, the bill or manifest must state: "This fuel must not be sold at retail or used in a carbon monoxide control area." For nonoxygenated gasoline sold or transferred after September 30, 1997, the bill or manifest must state: "This fuel is not oxygenated. It must not be sold at retail in Minnesota." This subdivision does not apply to sales or transfers of gasoline when the gasoline is dispensed into the supply tanks of motor vehicles between refineries, between terminals, or between a refinery and a terminal.~~

Sec. 117. Minnesota Statutes 1994, section 296.02, is amended by adding a subdivision to read:

Subd. 7a. **[TAX CREDIT FOR AGRICULTURAL ALCOHOL GASOLINE.]** Until October 1, 1997, a distributor shall be allowed a credit on each gallon of denatured ethanol commercially blended with gasoline or blended in a tank truck with gasoline on which the tax imposed by subdivision 1 is due and payable. Denatured ethanol is defined in section 296.01, subdivision 13. The amount of the credit for every gallon of denatured ethanol blended with gasoline to produce agricultural alcohol gasoline is:

- (1) until October 1, 1995, 15 cents;
- (2) until October 1, 1996, eight cents; and
- (3) until October 1, 1997, five cents.

The credit allowed a distributor must not exceed the total tax liability under subdivision 1. The tax credit received by a distributor on denatured ethanol blended with motor fuels shall be passed on to the retailer.

Sec. 118. Minnesota Statutes 1994, section 325E.10, subdivision 1, is amended to read:

Subdivision 1. For the purposes of sections 325E.11 to 325E.113 and this section, the terms defined in this section have the meanings given them.

Sec. 119. Minnesota Statutes 1994, section 325E.11, is amended to read:

325E.11 [COLLECTION FACILITIES; NOTICE.]

(a) Any person selling at retail or offering motor oil or motor oil filters for retail sale in this state shall:

(1) post a notice indicating the nearest location, ~~or a location within ten miles of the point of sale,~~ where used motor oil and used motor oil filters may be returned at no cost for recycling or reuse; or

(2) ~~provide a collection tank at the point of sale for the deposit and collection of used motor oil and if the person is subject to section 325E.112, post a notice of the availability of the tank~~ informing customers purchasing motor oil or motor oil filters of the location of the used motor oil and used motor oil filter collection site established by the retailer in accordance with section 325E.112 where used motor oil and used motor oil filters may be returned at no cost.

(b) A notice under paragraph (a) shall be posted on or adjacent to the motor oil ~~display itself~~ and motor oil filter displays, be at least 8-1/2 inches by 11 inches in size, contain the universal recycling symbol with the following language:

(1) "It is illegal to put used oil and used motor oil filters in the garbage.";

(2) "Recycle your used oil and used motor oil filters."; and

(3)(i) "There is a free collection tank site here for your used oil and used motor oil filters."; or

(ii) ~~"The nearest~~ There is a free collection tank site for used oil is and used motor oil filters located at (name of business and street address)."

(c) The division of weights and measures under the department of public service shall enforce compliance ~~of with~~ this section as provided in section 239.54. The pollution control agency shall enforce compliance with this section under sections 115.071 and 116.072 in coordination with the division of weights and measures.

Sec. 120. [325E.112] [USED MOTOR OIL AND USED MOTOR OIL FILTER COLLECTION.]

Subdivision 1. [COLLECTION.] (a) Retailers that sell at an individual location more than 1,000 motor oil filters per calendar year at retail for off-site installation must provide for collection of used motor oil and used motor oil filters from the public. Retailers who do not collect the used motor oil and used motor oil filters at their individual locations may meet the requirement by entering into a written agreement with another party whose location is:

(1) within two miles of the retailer's location if the retailer is located:

(i) within the Interstate Highway 494/694 beltway;

(ii) in a home rule charter or statutory city or a town contiguous to the Interstate Highway 494/694 beltway; or

(iii) in a home rule charter or statutory city of over 30,000 population within the metropolitan area as defined in section 473.121; or

(2) within five miles of the retailer's location if the retailer is not in an area described in clause (1).

(b) The written agreement must specify that the other party will accept from the public up to ten gallons of used motor oil and ten used motor oil filters per person per month during normal hours of operation unless: (1) the used motor oil is known to be contaminated with antifreeze, other hazardous waste, or other materials which may increase the cost of used motor oil management and disposal; (2) the storage equipment for that particular waste is temporarily filled to capacity; or (3) the used motor oil or used motor oil filters are from a business.

(c) Persons accepting used motor oil from the public in accordance with this subdivision shall presume that the used motor oil is not contaminated with hazardous waste, provided the person offering the used motor oil is acting in good faith and the person accepting the used motor oil does not have evidence to the contrary. Persons collecting used motor oil from the public must take

precautions to prevent contamination of used motor oil storage equipment. Precautions may include, but are not limited to, keeping a log of persons dropping off used motor oil, securing access to used motor oil storage equipment, or posting signage at the site indicating the proper use of the equipment.

(d) Persons accepting used motor oil and used motor oil filters under paragraph (a), including persons accepting the oil and filters on behalf of the retailer, may not charge a fee when accepting ten gallons or less of used motor oil or ten or fewer used motor oil filters per person per month.

(e) Persons that receive contaminated used motor oil may manage the used motor oil as household hazardous waste through publicly administered household hazardous waste collection programs, with approval from the household hazardous waste program. Used motor oil contaminated with hazardous waste from the public that cannot be managed through a household hazardous waste collection program must be managed as a hazardous waste in accordance with rules adopted by the pollution control agency.

Subd. 2. [REIMBURSEMENT PROGRAM.] A contaminated used motor oil reimbursement program is established to provide partial reimbursement of the costs of disposing of contaminated used motor oil. In order to receive reimbursement, persons who accept used motor oil from the public or parties that they have contracted with to accept used motor oil must provide to the commissioner of the pollution control agency proof of contamination, information on methods the person used to prevent the contamination of used motor oil at the site, a copy of the billing for disposal costs incurred because of the contamination and proof of payment, and a copy of the hazardous waste manifest or shipping paper used to transport the waste. The commissioner shall reimburse a recipient of contaminated used motor oil 90 percent of the costs of properly disposing of the contaminated used motor oil. The commissioner may not reimburse persons who intentionally place contaminants or do not take precautions to prevent contaminants from being placed in used motor oil. Reimbursements made under this subdivision are limited to the money available in the contaminated used motor oil reimbursement account.

Subd. 3. [EDUCATION PROGRAM.] When the commissioner estimates that all funds available under section 325E.113 will not be expended for reimbursements, the commissioner may use the estimated unexpended funds to cover the costs of educating the public and businesses on the provisions of this section and on proper management of used motor oil, used motor oil filters, and other automotive wastes.

Subd. 4. [LIABILITY EXEMPTION.] Persons who accept used motor oil and used motor oil filters from the public are exempt from liability under chapter 115B for the used motor oil, contaminated used motor oil, and used motor oil filters accepted under the provisions of subdivision 1, after the used motor oil, contaminated used motor oil, and used motor oil filters are sent off-site in compliance with rules adopted by the pollution control agency.

Subd. 5. [ENFORCEMENT.] The commissioner of the pollution control agency shall enforce compliance with this section under sections 115.071 and 116.072.

Sec. 121. [325E.113] [CONTAMINATED USED MOTOR OIL REIMBURSEMENT ACCOUNT.]

The contaminated used motor oil reimbursement account is established in the environmental fund. Money in the account is appropriated to the commissioner of the pollution control agency for the commissioner's activities under section 325E.112.

Sec. 122. Minnesota Statutes 1994, 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, loans, or set-aside for similar revolving funds established by a governmental unit other than state agencies, or state agencies under sections 17.117, 103F.725, subdivision 1a, 116J.403, and 116J.617, ~~and 462A.05~~; provided that no more than \$2,000,000 of the balance in the fund may be used for the small cities block grant program under section 116J.403 and the tourism loan program under section 116J.617, taken together, ~~and no more than \$2,000,000 of the balance in the fund may be used for home improvement loan programs under section 462A.05~~;

(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.

Sec. 123. Minnesota Statutes 1994, section 446A.071, subdivision 2, is amended to read:

Subd. 2. [SUPPLEMENTAL ASSISTANCE.] The authority may provide supplemental assistance under this section in the form of loans; write-down of principal, interest, or both; or direct grants, as determined by authority rules. The amount and form of the supplemental assistance must be based on the authority's determination of the financial capability of the municipality, the municipality's eligibility to qualify for other grant programs, and the source of funds. In determining the financial capability of the municipality, the authority may not find the municipality to be ineligible based on the level of the municipality's annual sewer service charge if this charge exceeds 1.1 percent of the municipality's annual median household income.

Sec. 124. Minnesota Statutes 1994, section 473.845, subdivision 2, is amended to read:

Subd. 2. [WATER SUPPLY MONITORING AND HEALTH ASSESSMENTS.] ~~Up to ten percent of the~~ Money in the fund may be appropriated to the commissioner of health for water supply monitoring and health assessments. The commissioner shall monitor the quality of water in public water supply wells and may monitor private water supply wells in the metropolitan area that may be affected by their location in relation to a facility for mixed municipal solid waste. Testing under this subdivision must be for substances not funded under the Federal Safe Drinking Water Act. The health assessments must be conducted in areas that may be affected by contaminants from mixed municipal solid waste facilities.

Sec. 125. Minnesota Statutes 1994, section 477A.12, is amended to read:

477A.12 [ANNUAL APPROPRIATIONS; LANDS ELIGIBLE; CERTIFICATION OF ACREAGE.]

(a) There is annually appropriated to the commissioner of natural resources from the general fund for payment to counties within the state an amount equal to:

(1) for acquired natural resources land, \$3 multiplied by the total number of acres of acquired natural resources land or, beginning July 1, 1996, at the county's option three-fourths of one percent of the appraised value of all acquired natural resources land in the county, whichever is greater;

(2) 75 cents multiplied by the number of acres of county-administered other natural resources land; and

(3) 37.5 cents multiplied by the number of acres of commissioner-administered other natural resources land located in each county as of July 1 of each year.

(b) Lands for which payments in lieu are made pursuant to section 97A.061, subdivision 3, and Laws 1973, chapter 567, shall not be eligible for payments under this section. Each county auditor shall certify to the department of natural resources during July of each year the number of acres of county-administered other natural resources land within the county. The department of natural resources may, in addition to the certification of acreage, require descriptive lists of land so certified. The commissioner of natural resources shall determine and certify the number of acres of acquired natural resources land and commissioner-administered natural resources land within each county.

(c) For the purposes of this section, the appraised value of acquired natural resources land is the purchase price for the first five years after acquisition. The appraised value of acquired natural resources land received as a donation is the value determined for the commissioner of natural resources by a licensed appraiser, or the county assessor's estimated market value if no appraisal is done. The appraised value must be determined by the county assessor every five years after the land is acquired.

Sec. 126. Minnesota Statutes 1994, section 477A.14, is amended to read:

477A.14 [USE OF FUNDS.]

Forty percent of the total payment to the county shall be deposited in the county general revenue fund to be used to provide property tax levy reduction. The remainder shall be distributed by the county in the following priority:

(a) ~~42.5~~ 37.5 cents for each acre of county-administered other natural resources land shall be deposited in a resource development fund to be created within the county treasury for use in resource development, forest management, game and fish habitat improvement, and recreational development and maintenance of county-administered other natural resources land. Any county receiving less than \$5,000 annually for the resource development fund may elect to deposit that amount in the county general revenue fund;

(b) From the funds remaining, Within 30 days of receipt of the payment to the county, the county treasurer shall pay each organized township 30 cents per acre of acquired natural resources land and ~~8.5~~ 7.5 cents per acre of other natural resources land located within its boundaries. Payments for natural resources lands not located in an organized township shall be deposited in the county general revenue fund. Payments to counties and townships pursuant to this paragraph shall be used to provide property tax levy reduction. Provided that, if the total payment to the county pursuant to section 477A.12 is not sufficient to fully fund the distribution provided for in this clause, the amount available shall be distributed to each township and the county general revenue fund on a pro rata basis; and

(c) Any remaining funds shall be deposited in the county general revenue fund. Provided that, if the distribution to the county general revenue fund exceeds \$35,000, the excess shall be used to provide property tax levy reduction.

Sec. 127. [DEMONSTRATION PROGRAM RESTRICTIONS.]

(a) During fiscal years 1996 and 1997, loan participants under Minnesota Statutes, section 41B.045, must comply with the restrictions in this section.

(b) To the extent that herd health will not be jeopardized, farms receiving assistance from the authority must be available for tours within the first two years after completion of the expansion.

(c) All livestock expansion loans must be for expansions that include some of the most up-to-date, efficient systems available. Projects must be reviewed by a University of Minnesota extension livestock specialist prior to approval by the authority.

Sec. 128. [HARMFUL SUBSTANCE COMPENSATION BOARD ABOLISHED.]

The harmful substance compensation board is abolished. All responsibilities of the board are transferred to the pollution control agency. Minnesota Statutes, section 15.039, subdivisions 6 and 7, do not apply to this transfer.

Sec. 129. [REFUNDS.]

The commissioner of natural resources shall refund any payments made after August 1, 1991, under Minnesota Statutes, section 84.631, for easements along state trails by private property owners who had preexisting rights of ingress and egress.

Sec. 130. [REVISOR INSTRUCTION.]

In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall:

(1) change the term "landfill cleanup account" to "solid waste fund" in sections 115B.40, subdivision 4; 115B.41, subdivisions 2 and 3; 115B.44, subdivision 2; 115B.45; and 116.07, subdivision 10; and

(2) change the terms "petroleum tank release cleanup account in the environmental fund" or "petroleum tank release cleanup account" and "account" where it refers to the petroleum tank cleanup account, to "petroleum tank fund" and "fund," respectively, in Minnesota Statutes, sections 115C.02, subdivision 1a; 115C.03, subdivision 9; 115C.04, subdivision 3; 115C.08; 115C.09, subdivisions 3 and 8; 115C.10; and 115C.11, subdivision 2.

Sec. 131. Laws 1992, chapter 558, section 17, is amended to read:

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 predesign~~ for the construction of a new Science Museum in the city of St. Paul. 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. 132. [LIVESTOCK PROCESSING MARKETS TASK FORCE.]

Subdivision 1. [PURPOSE.] Recent changes in the Minnesota agricultural livestock industry, particularly in swine production, have resulted in fewer producers who deliver to processors greatly increased numbers of animals. In many cases these producers are organized as authorized farm corporations, as provided by recent amendments to Minnesota's corporate farming law. There is growing concern as to whether smaller producers who choose not to join large production corporations will find markets for their livestock eliminated or greatly diminished. With reduced markets and lessened competition, the smaller producers are left at a critical economic disadvantage. The study, legislative report, and legislative recommendations authorized by this section will identify ways to assure that competitive markets remain for small and medium-sized producers.

Subd. 2. [CREATION; MEMBERSHIP.] (a) There is hereby created a livestock processing markets task force with ten members appointed as follows:

(1) the chair of the agriculture and rural development committee of the senate shall appoint one citizen member with education and experience in the area of agricultural economics and four members of the senate, at least one of whom must be a member of the minority caucus; and

(2) the chair of the agriculture committee of the house of representatives shall appoint one citizen member who is the operator of a production agriculture farm in the state and four members of the house of representatives, at least one of whom must be a member of the minority caucus.

(b) The chairs must make their respective appointments not later than June 15, 1995.

(c) Citizen members of the task force may be reimbursed for expenses as provided in Minnesota Statutes, section 15.059, subdivision 6.

(d) The first meeting of the task force must be called and convened by the chairs of the agriculture policy committees of the senate and the house of representatives. Task force members must then elect a permanent chair from among the task force members.

Subd. 3. [CHARGE.] The task force must examine current and projected impacts of consolidation within the livestock production industry and its effect on the availability of competitive markets for small and medium-sized producers who choose not to become part of corporate enterprises.

Subd. 4. [RESOURCES; STAFF SUPPORT; CONTRACT SERVICES.] The commissioner of agriculture shall provide necessary resources and staff support for the meetings, hearings, activities, and report of the task force. To the extent the task force determines it appropriate to contract with nonstate providers for research or analytical services, the commissioner shall serve as the fiscal agent for the task force.

Subd. 5. [PUBLIC HEARINGS.] The task force shall hold at least four public hearings on the issue of access to markets by small and medium-sized producers of livestock. At least three of the hearings must be held in greater Minnesota.

Subd. 6. [REPORT.] Not later than March 15, 1996, the task force shall report to the legislature on the findings of its study. The report must include recommendations for improvements in Minnesota Statutes that are in the best interests of both large and small livestock producers in the state.

Subd. 7. [EXPIRATION.] The livestock processing markets task force expires 45 days after its report and recommendations are delivered to the legislature or on June 1, 1996, whichever date is earlier.

Sec. 133. [HYDROLOGIC TASK FORCE.]

Subdivision 1. [CREATION.] A task force is created to analyze means of funding interstate flood control modeling, planning, design, and implementation activities for the Red River of the North watershed in Minnesota and North Dakota.

Subd. 2. [COMPOSITION.] The task force shall consist of state legislators whose districts are wholly or partially within the drainage area of the Red River of the North.

Subd. 3. [FUNCTION.] The task force shall establish contact with a similar group of state legislators from the state of North Dakota whose districts are wholly or partially within the drainage area of the Red River of the North in North Dakota. This interstate group of state legislators shall investigate mechanisms to raise funds locally, organizations to collect funds and manage and implement joint programs and projects, and means of determining appropriate interstate cost-sharing for programs and projects. The task force shall develop a report and present it to the appropriate legislative committees prior to the 1997 legislative session.

Sec. 134. [USED MOTOR OIL AND OIL FILTERS; STUDY.]

The office of environmental assistance, with the cooperation of affected retailers, shall conduct a study of the impacts of Minnesota Statutes, section 325E.112, including:

(1) the impacts on retailers subject to the requirements of Minnesota Statutes, section 325E.112;

(2) the likelihood that an increase in the amount of used motor oil and used oil filters collected will result and the expected magnitude of that increase;

(3) the geographical distribution of any expected increase in the collection of used oil and used oil filters; and

(4) whether the costs of the collection requirement is commensurate with the expected increase in collection.

The office shall submit its findings and recommendations to the chairs of the house and senate environment and natural resource committees by January 1, 1996.

Sec. 135. [LICENSE WITHOUT TAG FOR RESIDENTS UNDER AGE 16.]

For the 1995 and 1996 hunting seasons, the commissioner of natural resources may, for a fee of \$5, issue to a resident under the age of 16 a license, without a tag, to take deer with firearms. A person holding a license issued under this section may hunt under the license only if accompanied by a licensed hunter at least 18 years of age who possesses a valid tag. A deer taken by a person holding a license issued under this section must be promptly tagged by a licensed hunter accompanying the person and possessing a valid tag. Minnesota Statutes, section 97B.301, subdivision 6, does not apply to a person holding a license issued under this section.

Sec. 136. [MUZZLE-LOADING FIREARM DEER SEASON.]

For the 1996 and 1997 hunting seasons, a licensed firearms hunter who fails to tag a deer during the regular firearms season may tag a deer during the muzzle-loading firearms season by buying another firearms license and hunting by muzzle-loader. A license to hunt in the muzzle-loading season under this section must be purchased at least five days before the opening day of the muzzle-loading season, except in zone 3B where the license must be purchased before the opening day of the muzzle-loading season.

Sec. 137. [PUBLIC INPUT; REPORT.]

The commissioner of natural resources shall seek public input and comment on sections 135 and 136. By March 1, 1996, the commissioner shall report to the environment and natural resources committees of the legislature with a summary of the public comments received and any recommendations for legislation.

Sec. 138. [CONSOLIDATION OF FUNCTIONS.]

The commissioners of the pollution control agency and natural resources shall develop recommendations for consolidation of the administrative, regional, and support functions of their respective agencies wherever feasible and expected to result in long-term overall cost reductions. By February 1, 1996, the commissioners shall jointly report the recommendations to the chairs of the senate environment and natural resources finance division and the house environment and natural resources finance committee.

Sec. 139. [PERMIT APPLICATION FEES FOR TOWNS.]

Notwithstanding Minnesota Statutes, section 116.07, subdivision 4d, until July 1, 1997, the pollution control agency may not charge a town a stormwater permit application fee of more than \$160 in connection with the construction, reconstruction, or alteration of a town road, bridge, or culvert.

Sec. 140. [WASTEWATER INFRASTRUCTURE FUNDING PROGRAM; REPORT.]

By November 1, 1995, the public facilities authority shall report to the legislative water commission with recommendations for statutory changes that would allow the wastewater infrastructure funding program established in Minnesota Statutes, section 446A.071, to be implemented without the need for rules. The report must include a description of capital expenditures expected to be needed for wastewater treatment projects during fiscal years 1997 and 1998.

Sec. 141. [REPEALER.]

(a) Minnesota Statutes 1994, sections 97B.301, subdivision 5; 115B.26, subdivision 1; 239.791, subdivisions 4, 5, 6, and 9; 325E.0951, subdivision 5; and Laws 1993, chapter 172, section 10, are repealed.

(b) Sections 78 to 87 are repealed.

(c) Minnesota Statutes 1994, sections 28A.08, subdivision 2; and 446A.071, subdivision 7, are repealed.

(d) Minnesota Statutes 1994, sections 41A.09, subdivisions 2, 3, and 5; 97A.531, subdivisions 2, 3, 4, 5, and 6; and 296.02, subdivision 7, are repealed.

Sec. 142. [EFFECTIVE DATES.]

Sections 2, 5, 7, 20, 42, 44 to 49, 56, 57, 101, 102, 117, and 141, paragraph (d), are effective the day following final enactment.

Sections 114, 115, 118, and 121 are effective January 1, 1996.

Sections 119, 120, and 141, paragraph (c), are effective July 1, 1996.

Section 141, paragraph (b), is effective June 30, 1999."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for environmental, natural resource, and agricultural purposes; adding provisions relating to native vegetation; modifying provisions relating to disposition of certain revenues from state trust lands, sales of software, agricultural and environmental loans and grants, food handlers, ethanol and oxygenated fuels, registration fees for recreational vehicles and boats, the citizen's council on Voyageurs National Park, local recreation grants, state trails and canal and boating routes, zoo admission charges, watercraft surcharge, trout and salmon stamp, deer hunting licenses, water information, watershed district rules, sewage sludge, expenditure of money in the environmental trust fund, well sealing grants, pollution control agency fees, used motor oil and filters, and payments in lieu of taxes; establishing the Passing on the Farm Center; adding provisions relating to forest resource management; establishing special critical habitat license plates; authorizing establishment of a shooting area in Sand Dunes State Forest; abolishing the harmful substance compensation board and account; extending performance reporting requirements; providing for easements across state trails in certain circumstances; establishing a council and task forces; repealing requirements relating to fish taken in Canada; amending Minnesota Statutes 1994, sections 15.50, by adding a subdivision; 15.91, subdivision 1; 16A.125; 16B.405, subdivision 2; 17.117, subdivisions 2, 4, 6, 7, 8, 9, 10, 11, 14, 16, and by adding subdivisions; 28A.03; 28A.08; 41A.09, by adding subdivisions; 41B.02, subdivision 20; 41B.03, subdivision 6; 41B.04, subdivision 17; 41B.043, subdivisions 1b, 2, and 3; 41B.045, subdivision 2; 41B.046, subdivision 1, and by adding a subdivision; 84.631; 84.788, subdivision 3; 84.798, subdivision 3; 84.82, subdivision 2; 84.922, subdivision 2; 84.943, subdivision 3; 84B.11, subdivision 1; 85.015, subdivision 11, and by adding a subdivision; 85.019; 85.32, subdivision 1; 85A.02, subdivision 17; 86.72, subdivision 1; 86B.415, subdivisions 7 and 8; 86B.870, subdivision 1; 89.001, subdivision 8; 92.46, subdivision 1; 97C.305, subdivision 1; 103A.43; 103D.335, subdivision 19; 103F.725, subdivision 1a; 103H.151, by adding a subdivision; 103I.331, subdivision 4; 115A.03, subdivision 29; 115A.908, subdivision 3; 115B.20, subdivision 1; 115B.25, subdivision 1a; 115B.26, subdivision 2; 115B.41, subdivision 1; 115B.42; 115C.03, subdivision 9; 116.07, subdivision 4d; 116.12, subdivision 1; 116.96, subdivision 5; 116C.69, subdivision 3; 116P.11; 239.011, subdivision 2; 239.54; 239.791, subdivision 8; 296.02, by adding a subdivision; 325E.10, subdivision 1; 325E.11; 446A.07, subdivision 8; 446A.071, subdivision 2; 473.845, subdivision 2; 477A.12; and 477A.14; Laws 1992, chapter 558, section 17; proposing coding for new law in Minnesota Statutes, chapters 17; 28A; 84; 89; 116; 168; 177; and 325E; proposing coding for new law as Minnesota Statutes, chapter 89A; repealing Minnesota Statutes 1994, sections 28A.08, subdivision 2; 41A.09, subdivisions 2, 3, and 5; 97A.531, subdivisions 2, 3, 4, 5, and 6; 97B.301, subdivision 5; 115B.26, subdivision 1; 239.791, subdivisions 4, 5, 6, and 9; 296.02, subdivision 7; 325E.0951, subdivision 5; and 446A.071, subdivision 7; Laws 1993, chapter 172, section 10."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Steven Morse, Bob Lessard, Harold R. "Skip" Finn, Gen Olson

House Conferees: (Signed) Chuck Brown, John J. Sarna, Steve Trimble, Peg Larsen, Virgil J. Johnson

SUSPENSION OF RULES

Mr. Moe, R.D. moved that Joint Rule 2.06 be suspended as it relates to the Conference Committee report on S.F. No. 106. The motion prevailed.

Mr. Morse moved that the foregoing recommendations and Conference Committee Report on S.F. No. 106 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. 106 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 22, as follows:

Those who voted in the affirmative were:

Anderson	Dille	Krentz	Morse	Riveness
Beckman	Finn	Kroening	Novak	Sams
Berg	Flynn	Langseth	Olson	Samuelson
Berglin	Frederickson	Lessard	Pappas	Solon
Bertram	Hottinger	Marty	Pariseau	Spear
Betzold	Janezich	Merriam	Piper	Stumpf
Chandler	Johnson, D.J.	Metzen	Pogemiller	Vickerman
Chmielewski	Johnson, J.B.	Moe, R.D.	Price	Wiener
Cohen	Kelly	Mondale	Ranum	

Those who voted in the negative were:

Belanger	Kiscaden	Larson	Oliver	Stevens
Day	Kleis	Lesewski	Ourada	Terwilliger
Hanson	Knutson	Limmer	Robertson	
Johnson, D.E.	Kramer	Murphy	Runbeck	
Johnston	Laidig	Neuville	Scheevel	

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. 1910 be withdrawn from the Committee on Rules and Administration. The motion prevailed.

H.F. No. 1910: A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

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. 1910 and that the rules of the Senate be so far suspended as to give H.F. No. 1910 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1910 was read the second time.

Mr. Kelly moved to amend H.F. No. 1910 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 1910, and insert the language after the enacting clause, and the title, of S.F. No. 1701, the first engrossment.

The motion prevailed. So the amendment was adopted.

H.F. No. 1910 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:

Anderson	Janezich	Laidig	Neuville	Samuelson
Beckman	Johnson, D.E.	Langseth	Novak	Scheevel
Berg	Johnson, D.J.	Larson	Olson	Solon
Berglin	Johnson, J.B.	Lesewski	Ourada	Spear
Bertram	Johnston	Lessard	Pappas	Stevens
Betzold	Kelly	Limmer	Pariseau	Terwilliger
Chandler	Kiscaden	Marty	Piper	Vickerman
Chmielewski	Kleis	Merriam	Pogemiller	Wiener
Day	Knutson	Metzen	Price	
Finn	Kramer	Moe, R.D.	Robertson	
Hanson	Krentz	Morse	Runbeck	
Hottinger	Kroening	Murphy	Sams	

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 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. 96, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 96 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 18, 1995

CONFERENCE COMMITTEE REPORT ON H.F. NO. 96

A bill for an act relating to insurance; health plans; prohibiting provisions that grant the health carrier a subrogation right, except where the covered person has been fully compensated from another source; proposing coding for new law in Minnesota Statutes, chapter 62A.

May 17, 1995

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H.F. No. 96, 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. 96 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [62A.095] [SUBROGATION CLAUSES REGULATED.]

Subdivision 1. [APPLICABILITY.] No health plan shall be offered, sold, or issued to a resident of this state, or to cover a resident of this state, unless the health plan complies with subdivision 2.

Subd. 2. [SUBROGATION CLAUSE; LIMITS.] No health plan described in subdivision 1 shall contain a subrogation, reimbursement, or similar clause that provides subrogation, reimbursement, or similar rights to the health carrier issuing the health plan, unless:

(1) the clause provides that it applies only after the covered person has received a full recovery from another source; and

(2) the clause provides that the health carrier's subrogation right is subject to subtraction for actual monies paid to account for the pro rata share of the covered person's costs, disbursements, and reasonable attorney fees, and other expenses incurred in obtaining the recovery from another source unless the health carrier is separately represented by an attorney.

If the health carrier is separately represented by an attorney, the health carrier and the covered person, by their attorneys, may enter into an agreement regarding allocation of the covered person's costs, disbursements, and reasonable attorney fees and other expenses. If the health carrier and covered person cannot reach agreement on allocation, the health carrier and covered person shall submit the matter to binding arbitration.

Nothing in this section shall limit a health carrier's right to recovery from another source which may otherwise exist at law.

For the purposes of this section, full recovery does not include payments made by a health plan to or for the benefit of a covered person.

Subd. 3. [RETROACTIVE AMENDMENTS REGULATED.] No addition of, or amendment of, a subrogation, reimbursement, or similar clause in a health plan shall be applied to the disadvantage of a covered person with respect to benefits provided by the health carrier in connection with an injury, illness, condition, or other covered situation that originated prior to the addition of or amendment to the clause.

Sec. 2. [62A.096] [NOTICE OF SUBROGATION CLAIM REQUIRED.]

A person covered by a health carrier who makes a claim against a collateral source for damages that include repayment for medical and medically-related expenses incurred for the covered person's benefit shall provide timely notice, in writing, to the health carrier of the pending or potential claim. Notwithstanding any other law to the contrary, the statute of limitations applicable to the rights with respect to reimbursement or subrogation by the health carrier against the covered person does not commence to run until the notice has been given.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective January 1, 1996, and apply to plans in effect on that date and plans offered, sold, or issued on or after that date."

Delete the title and insert:

"A bill for an act relating to insurance; health plans; prohibiting provisions that grant the health carrier a subrogation right, except where the covered person has been fully compensated from another source; proposing coding for new law in Minnesota Statutes, chapter 62A."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Dave Bishop, H. Todd Van Dellen, Thomas Pugh

Senate Conferees: (Signed) John C. Hottinger, Harold R. "Skip" Finn, David L. Knutson

Mr. Hottinger moved that the foregoing recommendations and Conference Committee Report on H.F. No. 96 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. 96 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 53 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Krentz	Morse	Runbeck
Beckman	Janezich	Kroening	Murphy	Sams
Berg	Johnson, D.E.	Laidig	Novak	Samuelson
Berglin	Johnson, D.J.	Langseth	Olson	Scheevel
Bertram	Johnson, J.B.	Larson	Ourada	Solon
Betzold	Johnston	Lesewski	Pappas	Spear
Chandler	Kelly	Lessard	Pariseau	Terwilliger
Chmielewski	Kiscaden	Limmer	Piper	Vickerman
Day	Kleis	Marty	Pogemiller	Wiener
Finn	Knutson	Merriam	Price	
Hanson	Kramer	Moe, R.D.	Robertson	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

CONFIRMATION

Messrs. Pogemiller and Stumpf moved that the reports from the Committee on Education, reported May 17, 1995, pertaining to appointments, be taken from the table. The motion prevailed.

Messrs. Pogemiller and Stumpf moved that the foregoing reports be now adopted. The motion prevailed.

Messrs. Pogemiller and Stumpf moved that in accordance with the reports from the Committee on Education, reported May 17, 1995, the Senate, having given its advice, do now consent to and confirm the appointment of:

BOARD OF THE MINNESOTA CENTER FOR ARTS EDUCATION

Terry Anderson, 406 Ave. D, Cloquet, Carlton County, effective May 18, 1992, for a term expiring on the first Monday in January, 1996.

James Bowlus, 1740 Weston Ln., Plymouth, Hennepin County, effective March 14, 1994, for a term expiring on the first Monday in January, 1998.

Ellen Doll, 1716 Irving Ave. S., Minneapolis, Hennepin County, effective May 18, 1992, for a term expiring on the first Monday in January, 1996.

John C. Kim, 9350 Collegeview Rd., Bloomington, Hennepin County, effective March 20, 1993, for a term expiring on the first Monday in January, 1997.

Gary Chin-Fong Liew, 1521 Westminster St., St. Paul, Ramsey County, effective April 27, 1994, for a term expiring on the first Monday in January, 1996.

Gale R. Mitchell, 150 Farrington St., St. Paul, Ramsey County, effective March 14, 1994, for a term expiring on the first Monday in January, 1998.

Ellen Palmer, 120 W. Soo, P.O. Box 37, Parkers Prairie, Otter Tail County, effective March 14, 1994, for a term expiring on the first Monday in January, 1998.

Patricia Surrat, Rt. 1, Box 175, Wanamingo, Goodhue County, effective May 18, 1992, for a term expiring on the first Monday in January, 1996.

DEPARTMENT OF EDUCATION COMMISSIONER

Linda Powell, 15705 - 17th Pl. N., Plymouth, Hennepin County, effective February 1, 1995, for a term expiring on the first Monday in January, 1999.

HIGHER EDUCATION BOARD

Irene Bertram, 9405 Cherry Ln., Corcoran, Hennepin County, effective September 5, 1993, for a term expiring on June 30, 1995.

Steve McElroy, 4994 Upper 147th St. W., Apple Valley, Dakota County, effective June 6, 1994, for a term expiring on June 30, 1995.

Fannie Marshall Primm, 4554 - 5th Ave. S., Minneapolis, Hennepin County, effective July 1, 1993, for a term expiring on June 30, 1996.

Rachel M. Scherer, 1825 Ives Ln. N., Plymouth, Hennepin County, effective July 1, 1993, for a term expiring on June 30, 1998.

Marty Seifert, 111 E. Main St., Marshall, Lyon County, effective September 5, 1993, for a term expiring on June 30, 1995.

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

Jack Amundson, 911 - 18th St. N., St. Cloud, Stearns County, effective June 1, 1994, for a term expiring on the first Monday in January, 1998.

Kathryn Balstad Brewer, 321 Silver Lake Rd., New Brighton, Ramsey County, effective March 7, 1995, for a term expiring on the first Monday in January, 1999.

Earl Herring, Rt. 1, Box 230C, Detroit Lakes, Otter Tail County, effective March 27, 1993, for a term expiring on the first Monday in January, 1997.

John Hoyt, 4812 Dunberry Ln., Edina, Hennepin County, effective February 26, 1993, for a term expiring on the first Monday in January, 1997.

Tom Martinson, 4536 Oxford Ave. S., Edina, Hennepin County, effective March 7, 1995, for a term expiring on the first Monday in January, 1999.

James R. Miller, 707 Mount Curve Blvd., St. Paul, Ramsey County, effective June 8, 1992, for a term expiring on the first Monday in January, 1996.

Christopher A. Nelson, 4060 Alabama Ave. S., St. Louis Park, Hennepin County, effective June 1, 1994, for a term expiring on the first Monday in January, 1998.

Mollie N. Thibodeau, 407 Wallace Ave., Duluth, St. Louis County, effective June 8, 1992, for a term expiring on the first Monday in January, 1996.

STATE BOARD OF EDUCATION

Jeanne Kling, 904 S.E. Willmar Ave., Willmar, Kandiyohi County, effective January 30, 1995, for a term expiring on the first Monday in January, 1999.

Thomas Lindquist, 12393 Flag Ave. S., Savage, Scott County, effective January, 27, 1993, for a term expiring on the first Monday in January, 1997.

Thomas Peacock, 1507 Lockling Rd., Cloquet, Carlton County, effective January 30, 1995, for a term expiring on the first Monday in January, 1999.

Nedra M. Wicks, 5600 Stenbrae Ct., Rochester, Olmsted County, effective January 30, 1995, for a term expiring on the first Monday in January, 1999.

Georgina Y. Stephens, 875 Laurel Ave., St. Paul, Ramsey County, effective May 13, 1992, for a term expiring on the first Monday in January, 1996.

The motion prevailed. So the appointments were confirmed.

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. 621: Messrs. Lessard, Berg and Laidig.

S.F. No. 1444: Messrs. Solon, Merriam and Finn.

S.F. No. 1536: Messrs. Langseth, Chmielewski, Ms. Flynn, Mr. Vickerman and Ms. Johnston.

S.F. No. 462: Mses. Johnson, J.B.; Wiener and Mr. Stevens.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Ms. Reichgott Junge was excused from the Session of today at 2:30 p.m. Ms. Pappas was excused from the Session of today from 10:00 a.m. to 12:00 noon.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 11:00 a.m., Friday, May 19, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate